



Western Australian Greyhound Racing Association



2006/07 ANNUAL REPORT



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22 October 2007

Hon Ljiljanna Ravlich MLC  
Minister for Local Government; Racing and Gaming;  
Multicultural Interests and Citizenship;  
Government Enterprises;  
Minister Assisting the Minister for Planning and Infrastructure;  
Goldfields-Esperance; Youth  
12th Floor Dumas House  
2 Havelock Street  
WEST PERTH WA 6005

Dear Minister,

On behalf of the WAGRA Management Committee I have pleasure in submitting for your information and presentation to Parliament the Annual Report for the Western Australian Greyhound Racing Association for the year ended 31 July 2007.

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

The Report summarises the Association's functions, activities and objectives, and includes the opinions of the Auditor General on the controls and financial statements and performance indicators in accordance with the Act.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "David Simonette". The signature is fluid and cursive, with a large loop at the end.

**David Simonette**  
**Chief Executive Officer**

# Western Australian Greyhound Racing Association

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### Charter

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

### Aims & Objectives

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

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

The functions of WAGRA are to:

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

### Mission Statement

WAGRA's stated mission is to:

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

WAGRA's present tasks are to:

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

### Internal Audit Charter

WAGRA's Internal Audit Charter meets on a regular basis to provide independent, objective assurance and consulting activities that add value and improve WAGRA operations.

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

### Corporate Governance Principles

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

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### WAGRA Committee



**CHAIRMAN**

Patricia Tassell

Managing Director

Appointed to the WAGRA Committee 31 August 2004  
(Chairman from 28 April 2005)

Current term expires 31 December 2009.



**DEPUTY CHAIRMAN**

Ray Whitby

Semi-retired/Importer

Appointed to the WAGRA  
Committee 27 April 2004  
(Deputy Chairman from  
21 August 2004)

Current term expires  
31 December 2009.



**COMMITTEE  
MEMBER**

Michael D Penson

FCMA FCPA FCIS  
Accountant

Appointed to the WAGRA  
Committee 28 April 2005.

Current term expires  
31 December 2007.



**COMMITTEE  
MEMBER**

Margaret Choules

Long-term greyhound  
industry participant.

Appointed to the WAGRA  
Committee 2 June 2003.

Current term expires  
1 June 2008.



**COMMITTEE  
MEMBER**

Tony Glenn

Long-term greyhound  
industry participant.

Appointed to the WAGRA  
Committee 1 June 2005.

Current term expires  
31 December 2007.

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

The Chairman and Committee members are responsible to the Minister for Racing and Gaming for the performance of the organisation and seek to achieve objectives in keeping with WAGRA's Charter and Mission Statements.

Day to day management of the Association and the implementation of organisational strategy and policy initiatives are formally delegated by the Committee to the Chief Executive Officer and senior Management.

The Committee's overall responsibilities include:

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

### Chairman's Report

As Chairman of the Association it is my pleasure on behalf of the WAGRA Committee to report a profit of \$233,073 for the year ended 31 July 2007.

Similar to what was achieved in 2005/06, record figures continue to be posted at Cannington and Mandurah in areas of attendances, food and beverage receipts and, importantly, on and off-course tote turnover.

In the financial year 2006/07, off-course wagering on local greyhound events eclipsed \$56 million: with \$25.5m invested on Cannington, \$27.5m on Mandurah and \$3m on Northam.

On-course figures also reflected the growing popularity of greyhounds as a betting product with \$12.8m (includes \$3m Exotica) invested across our three venues - up from \$7.9m in 2005/06, \$6.95m in 2004/05 and \$6.13m in 2003/04.

In the year more than \$7.5m was paid in prizemoney across the 276 race meetings held, representing an average of more than \$27,000 per race meeting.

Next year participants can look forward to even greater returns with \$8.4m being distributed by Racing and Wagering Western Australia with base stakes at \$7.2m and feature stakes totalling \$1.2m.

Facts and figures aside, the 2006/07 year will be remembered in the main for two reasons: the opening of the redeveloped Mandurah track, and the significant progress relating to the Cannington tenure.

The new 599m circumference track at Mandurah is magnificently complemented by our new 15 bay kennel facility, and improved amenities throughout the venue are something we are extremely proud of.

The official opening of the new Mandurah track was conducted on Friday 23 March 2007 by the Hon Mark McGowan, an occasion which also marked the beginning of the \$600,000 SKY Channel Perth Cup Carnival.

Details of the redevelopment will be found elsewhere in this year's Report, but suffice to say that my Committee is very proud of what has been achieved with minimal disruption during the shutdown period from 1 September until 2 November when the first race on the new track was held.

Most of the \$3.7m project has been funded from the Association's reserves; however we were grateful to receive a RWWA grant totalling \$750,000 over the past two financial years.

Last year the Association reported uncertainty regarding Cannington's future and this has been a major focus for my Committee during the past 12 months. It gives me comfort to say that the rental sum (\$450,000 pa) for the period 2006 to 2011 was amicably agreed with the landlord Canning Agricultural Recreational Horticultural Society. This now allows the Committee to progress options identified by the RWWA-commissioned Cannington Greyhounds Feasibility Study.

The objective of this project was to develop clear financial and market assessments of each of the options available to WAGRA relevant to the expiry of the Cannington Lease in July 2011.

The assessment examined funding issues, the impact on industry participants, patrons, staff, sponsors and service providers. The study also examined benefits/impact that each location had on revenues and costs against the background of the racing product and associated wagering opportunities. On-course and off-course wagering, interstate and overseas wagering, catering, gate receipts, vision, racing and trial requirements, sponsorship and the location of the WAGRA administration site were key components.

Three options were identified (not listed in any particular order) for WAGRA consideration:

#### **Option 1**

##### *New metropolitan track – greenfield site*

This option looked at greyhound racing being established at a new site.

A number of Councils were contacted during the Feasibility Study but there has been only limited interest in regard land availability. CAHRS has provided the opportunity to lease the trotting track "spare" land at Cannington for the construction of a greyhound race track and associated amenities. This option has received considerable backing from the Canning Council and architect Mr Frank Bradley has been engaged by WAGRA to provide design sketches of a new racing facility on the site.

#### **Option 2**

##### *Consolidation – operate two tracks at Mandurah*

A new 450m circumference race track built inside the existing 600m circumference race track to accommodate an increased race and trial load. Upgrade all facilities and give consideration to shift WAGRA administration to the Mandurah venue, which is owned freehold by the Association.

#### **Option 3**

##### *Co-location – Greyhounds and Harness at Gloucester Park with a refurbished Mandurah*

The Western Australian Trotting Association has ambitious plans to redevelop Gloucester Park prior to 2012 which allows for the incorporation of greyhound racing at the venue, alongside other retail, commercial, residential and entertainment options.

Ideally WAGRA would relish the opportunity to secure a permanent "city home" for greyhound racing and understands that the industry is keen, if at all possible, to remain at Cannington.

Given the critical importance to the future viability of our industry, the WAGRA Committee is not expected to provide any decision until some time in 2008, allowing sufficient time

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for further investigation, consultation, research and strategic planning to occur.

I would like to take this opportunity to express my appreciation of the efforts of the Chief Executive Officer David Simonette, his Management team and staff, for the significant achievements of the past 12 months.

We also acknowledge the outstanding performance by Racing and Wagering Western Australia as evidenced by another record turnover and in particular my gratitude is extended to Chairman Mr Ross Bowe and his Board, retiring chief executive Mr Ray Bennett and senior executives Messrs Ken Norquay and Mark Bottcher.

I would also like to acknowledge Minister for Racing and Gaming Hon. Ljiljana Ravlich and predecessor Hon Mark McGowan, as well as the Director General of the Department of Racing, Gaming and Liquor Mr Barry Sargeant for their guidance and assistance.

I wish also to recognise the valuable contribution of the WAGRA Consultative Committee, West Australian Greyhound Breeders Owners Trainers Association and Avon Valley Greyhound Racing Association along with the wonderful co-operation of the greyhound racing industry participants throughout the past year.

And last, but certainly not least, I thank my Committee for their hardwork and contribution in making the Western Australian Greyhound Racing Association today one of the leading greyhound race clubs in Australia.

Patricia Tassell  
Chairman



*Minister for Education and Training, Hon. Mark McGowan, officially opened the redeveloped Mandurah track on Friday 23 March 2007 (pictured standing next to WAGRA Chairman Patricia Tassell).*

*Mark McGowan was formerly the Minister for Racing and Gaming at the time the track redevelopment commenced.*





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### Chief Executive Officer's Summary

I am proud to present the Chief Executive Officer's Report on behalf of the Western Australian Greyhound Racing Association for 2006/07.

The Western Australian greyhound racing industry has continued to build in stature and can now lay a bona-fide claim to being one of the major players on the national scene.

Recognition of WA as a greyhound industry leader is widespread amongst administrators, media outlets and industry participants on the east coast. Increasingly commentators describe "the way they do it over in WA" as the model of excellence, which is good reason for pride and confidence in our product.

Stakemoney for the Perth Cup and Galaxy series, both Group 1 races in the SKY Channel Perth Cup Carnival, now stands at \$120,000 and \$60,000 to-the-winner respectively.

These two signature races enhance our reputation both locally and interstate, attracting nominations from the very best greyhounds throughout Australia.

The greyhound industry has received several stake increases over the past three years, to the point that now most industry participants consider prizemoney levels very good.

Growing base-stakes throughout the year, across all three local chasing venues, has provided further reward to our long-time participants and also attracted newcomers to our sport.

Stakes will rise again on 1 August 2007, with a further \$950,000 injected by Racing and Wagering Western Australia. The amount available for total base-stakes will be \$7.2m (up 13.2%) and for feature-race stakes \$1.2m (up 4.6%). This will represent a lift in City stakes of approximately 18% and Provincial and Country Class races by 6%.

City Class graded races (excluding Maidens) will be boosted in 2007/08 by at least \$400 to the winner, and increments of \$250 to the winner will be maintained between each grade with winners of Grade 5 races to receive \$2,900 through to Grade 1/Free To All winners at \$3,900.

All Provincial Class race stakes will be increased, with Grade 5 winners receiving \$1,050 through to Free To All winners at \$1,350. Maintaining, as a consequence, WA's status as the leading state for Provincial stakemoney.

Similarly all Country Class races will receive small increases with the range of \$500 to \$700 paid for Grade 5 through to Free To All winners.

Most feature events will also see stake increases in 2007/08. The SKY Channel Perth Cup Final will move to \$125,000 to-the-winner (with the complete series worth a total of \$325,000). The "blue riband" staying event, the SKY Channel Galaxy, will become the richest distance event in Australia with \$70,000 to the victor.

RWWA is to be congratulated on the on-going success of the WESTCHAS\$E scheme which rewards owners and breeders of locally produced stock. During the past 12

months WESTCHAS\$E achieved its target payout of \$353,000 in incentives, with more than 200 greyhounds receiving a minimum \$1,000. Next year the budget for the entirely non-contributory scheme is \$413,000, an increase of almost 17% on 2006/07.

We are fortunate in WA to have a controlling body and Government that fully supports the state's racing industry and encourages continued improvements in infrastructure.

Over the past two years the Association received assistance with the redevelopment of the Mandurah venue, which has undergone a massive facelift.

Delays with the completion of the Mandurah project were largely attributable to the WA building boom and the shortage of builders in the metropolitan area. The delays were disappointing, but the end result was certainly well worth the wait.

The project comprised:

- New track with starting distances of 302m, 405m and 492m, and a middle distance journey of 647m positioned right in front of the grandstand.
- Vet and stewards room
- Track lighting, trainers car park, associated roads and paths, bore, new entrances, timing system and semaphore board, fencing, landscaping, starting box shelters, maintenance workshop, stir-up mound, and undercover wash bays.
- Upper-level grandstand extended to accommodate a new judge's box, commentary area, lure driver's room, camera and chief steward's position.

The industry now has a first class facility to race and trial greyhounds, and the punting public has embraced the new track with a succession of record on and off-course turnover results.

The Mandurah track will be utilised more than ever before, with 27 extra meetings scheduled in 2007/08 enabling a Country Class meeting to be run at Mandurah (Thursday) all year round. Negotiations are currently underway to add Thursday night racing to the SKY Channel roster which will provide compensation for the loss of the Tuesday coverage which is planned to cease in late September due to circumstances beyond our control.

A few years ago, many people subscribed to the theory that the ready availability of SKY Channel to at-home viewers would be the death-knell for the public visiting the race track. And whilst this is the case at some interstate venues which hold race meetings at inconvenient times, I believe that being on television (free to air or pay) assists our product to be relevant and more widely accepted and can be the prompt for getting people on-course.

Attendances for the past year saw a 13% increase with Cannington attracting 103,256 patrons, Mandurah 57,282 and Northam 2,587.

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On Saturday evening 28 April, 5,545 people of all ages flocked to Cannington to experience the 2007 SKY Channel Perth Cup; marginally surpassing attendance figures for the previous Perth Cup. This record figure proved greyhound racing can recapture the halcyon days of the past, if the product is good and the offer is adequately conveyed. We marketed the event with two simple messages: FREE ENTRY and FIREWORKS.

Again it was the power of radio and the promotional pull of "Hamish and Andy" that saw a crowd of 5,942 watch celebrity greyhound Fred Basset race at Cannington in November. Yes, it was another Free Entry evening but our Tote and Food & Beverage figures showed it was a very profitable night.

New Year's Eve saw all betting and catering records broken with 5,199 people coming to the track, mainly consisting of families along for an enjoyable, safe night out. The \$10 entry fee for adults, and free for children under 16 years, made for affordable fun, and again the attraction of the fireworks display could not be underestimated. The Puppy Club was also a big drawcard for families on the night.

The Puppy Club, generally held once a month during warm weather, has been an amazing success with currently well over 2,000 members. The children enjoy rides, craft activities and share in the ownership of their very own greyhound pup which will be racing next season on behalf of charity.

In December 2006 we re-branded our corporate identity and updated the style guide. At the same time, our website [www.greyhoundswa.com.au](http://www.greyhoundswa.com.au) was revamped and launched. Both

initiatives were mostly achieved using in-house resources and the talents of the Association's staff. The "flying greyhound" has been replaced by a logo that represents the Western Australian Greyhound Racing Association and its three tracks: Cannington, Mandurah and Northam. The new-look website provides racebooks for free download, and the viewing of replays within 24 hours of the race being held.

I take this opportunity to sincerely thank the Chairman, Patricia Tassell, and her Committee for the support and confidence they have shown in me during the past 12 months. I enjoy working alongside a very genuine and committed Management team and staff who continually display a passion and love of greyhound racing.

My thanks are also extended to the Presidents and Committees of the Western Australian Greyhound Breeders, Owners and Trainers' Association and the Avon Valley Greyhound Racing Association for ongoing good relations, benefitting all parties and the greyhound industry in general.

In closing I would like to personally acknowledge the wonderful assistance received from RWWA, especially Messrs Ray Bennett, Geoff Martin, Ken Norquay and Mark Bottcher.

I also wish Ray Bennett all the best in his retirement from the role as Chief Executive Officer, a position he has held with great dedication for the last decade.

David Simonette  
Chief Executive Officer

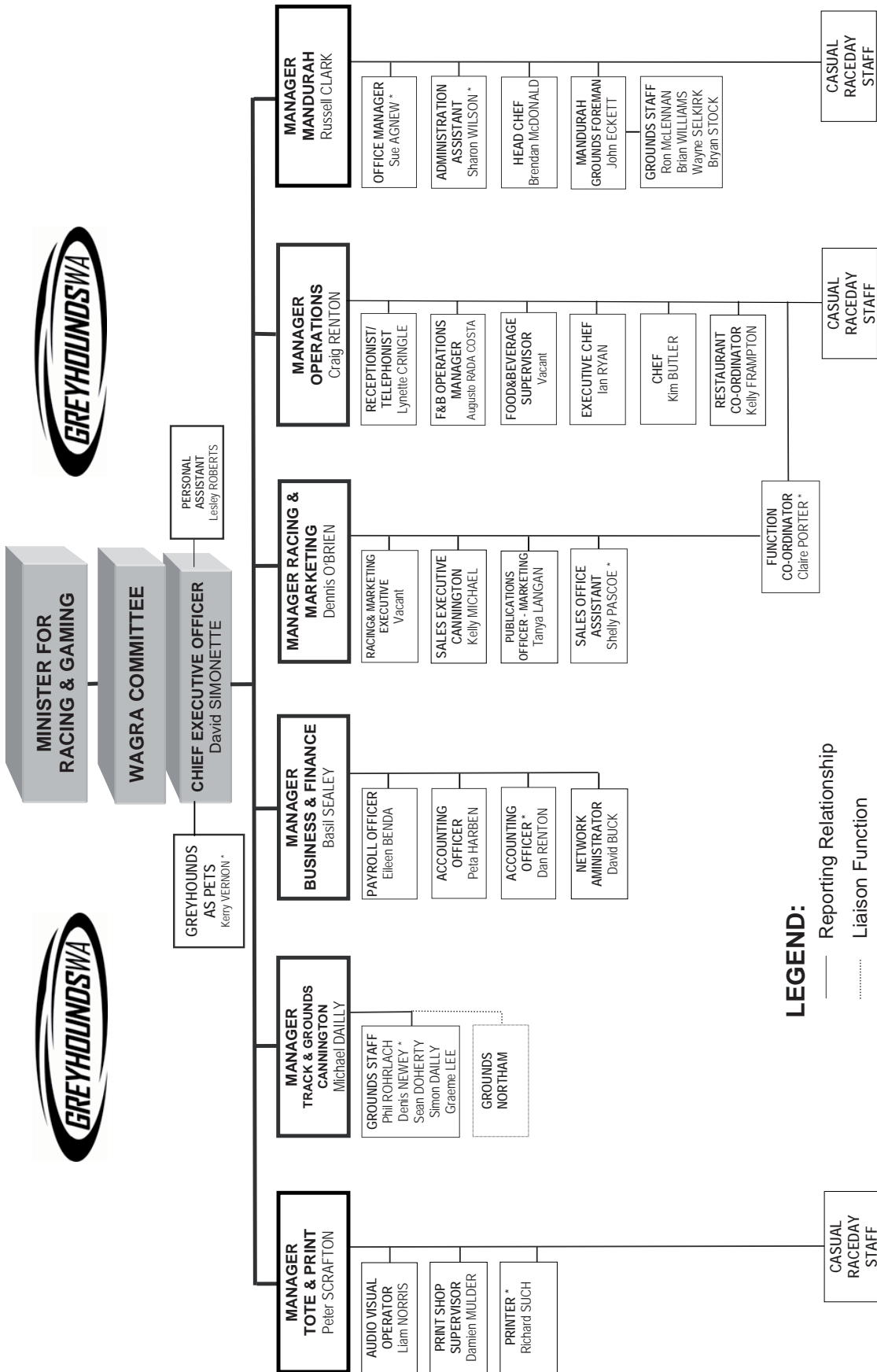


*SKY Channel Perth Cup and Galaxy Finals  
28 April 2007*

*BETTY'S ANGEL (Victoria)  
with connections after winning the Perth Cup*

*Galaxy winner FLASHING FLOODS  
(Victoria) with trainer George Daily*

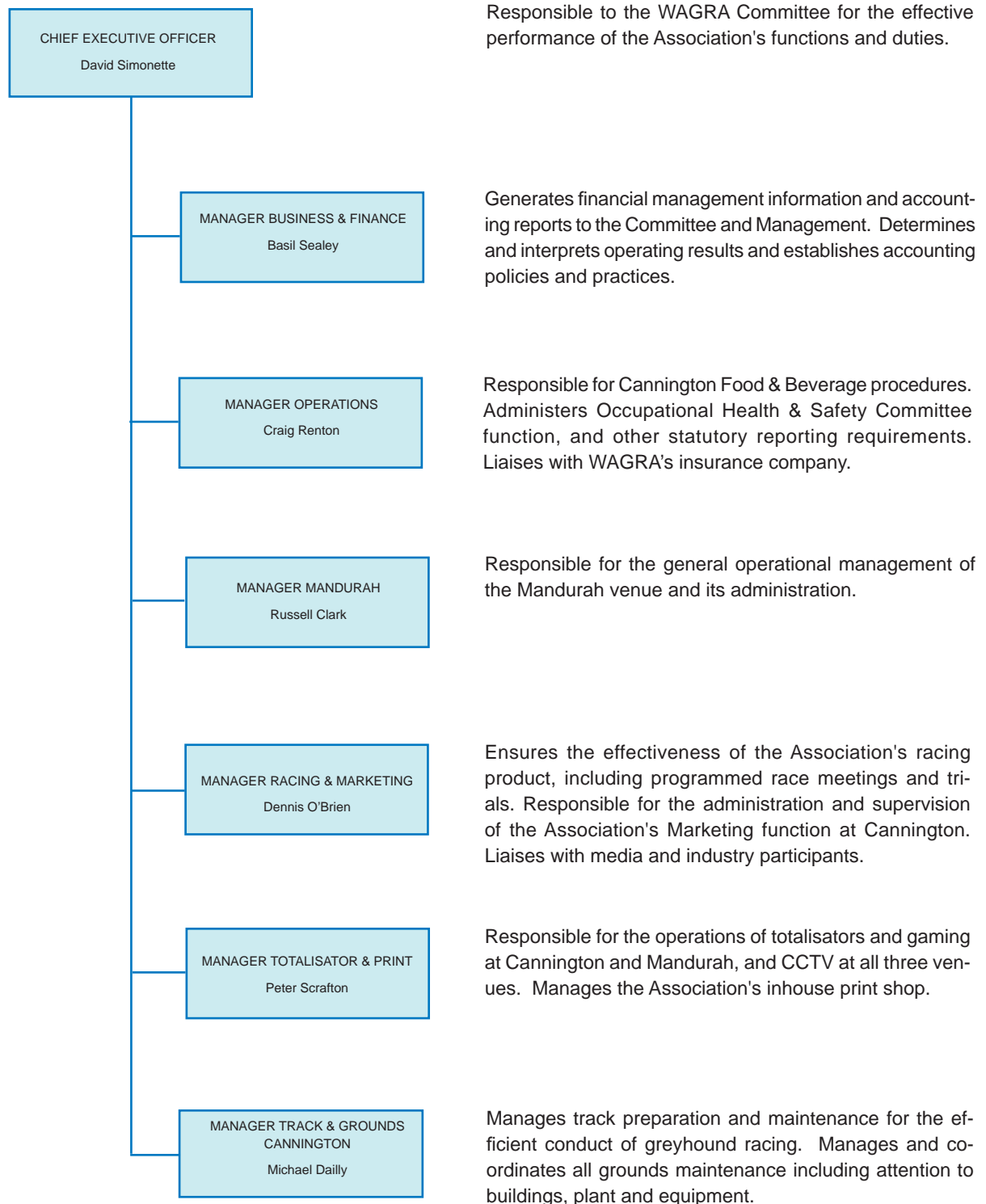
### Western Australian Greyhound Racing Association ORGANISATION CHART – 31 July 2007



**LEGEND:**  
 — Reporting Relationship  
 ..... Liaison Function  
 \* Part-Time

### Functional Statements of Senior Officers

#### Senior Officers



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### WAGRA Consultative Committee

The WAGRA Consultative Committee provides industry input on issues important to the conduct and promotion of greyhound racing in Western Australia. As at 31 July 2007 the Consultative Committee comprised:

Mr Allen Kinnish	WAGBOTA representative
Mr Peter Hepple	AVGRA representative
Mr Dean Starkie	representing other licensees
Mr Barry Thompson	representing Mandurah & South West
Mr Michael Pollard	WAGRA Members' representative
Mr Rod Price	Observer

Mr Nathan Iwanyk attends the meetings as an observer for RWWA's Greyhound Racing Consultative Group.

Oncourse veterinary surgeon and former board member Dr Peter Thomas, and RWWA Chief Steward Greyhounds Mr Carlos Martins attended meetings when invited to offer advice in their specialist areas.

It has been an informative year on the Consultative Committee with industry issues from all levels discussed and many matters addressed.

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



Appealathon Cup 7 October 2006  
Dead Heat Winners: DESIGNER SHADES and REGAL MISS  
Gate proceeds donated to Appealathon (over 1,500 people )

### RWWA Greyhound Racing Consultative Group

The RWWA Greyhound Racing Consultative Group comprised:

#### RWWA

Mr Geoff Martin	Board Member (Meeting Chairman)
Mr Ray Bennett	Chief Executive Officer
Mr Ken Norquay	Executive General Manager Operations
Mr John Zucal	RWWA Chairman of Stewards
Mr Mark Bottcher	Manager Greyhound Racing

#### WAGRA

Ms Patricia Tassell	WAGRA Chairman
Mr David Simonette	WAGRA CEO
Mr Dennis O'Brien	WAGRA Manager Racing & Marketing
Mr Russell Clark	WAGRA Manager Mandurah

#### WAGBOTA

Mr Tony Glenny	WAGBOTA Member (Breeder/Owner)
Mr Allen Kinnish	WAGBOTA Member (Owner)
Mr Nathan Iwanyk	WAGBOTA Member (Trainer/Breeder)

### RWWA Grading Review Panel

RWWA's Grading Review Panel comprised:

Mr Mark Bottcher	RWWA
Mr Tyrone Alberti *	RWWA
Mr Dennis O'Brien	WAGRA
Mr Tony Glenny **	Industry representative
Mr Dean Starkie	Industry representative

This forum discusses aspects pertinent to the grading of greyhounds and makes recommendations to RWWA Integrity Assurance Committee.

\* Mr Peter Howell from May 2007

\*\* Mr Barry Thompson from May 2007

### RWWA Board Representation

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

The eligible greyhound racing bodies, WAGRA, Avon Valley Greyhound Racing Association (AVGRA) and WAGBOTA, provided joint nominations.

RWWA members Mr Geoffrey Martin (Board Member), Mr Lindsay Archer (Alternative Member) and Mr Ted Karasek (Selection Panel) were re-elected July 2006.

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### Western Australian Greyhound Breeders, Owners and Trainers' Association

At the WAGBOTA Annual General Meeting at Cannington Sunday 11 February 2007 the following were elected for the new season:

President	Mr Sam Celenza
V/Presidents	Mrs Ann Brown Mr Fred Maller
Treasurer	Mr Fred Maller
Secretary	Mr Malcolm Brown
Committee	Mrs Betty Maller Mr Alan Kinnish Mr Derrick Smith

### Avon Valley Greyhound Racing Association

At the Avon Valley Greyhound Racing Association (AVGRA) Annual General Meeting at Northam Saturday 4 November 2006 the following were elected for the new season:

President:	Peter Hepple
Vice President:	May Leach
Junior Vice President:	Vince Caruana
Secretary/Treasurer:	Maureen Hunter
Committee Members:	Neil Goldsworthy, Margaret Goldsworthy, Brian Banes, Bill Choules, Wayne Jacobson, Sid Bailey, Bob Kidd, Chris Godfrey and Murray Worthington



Peter and Margaret Hepple at the Industry Awards Night.

### RWWA 2006 Greyhound Of The Year Presentation Evening Sunday 25 March 2007

**Greyhound Of The Year:** RONRAY DANCER

**Leading Trainer:** LINDA BRITTON  
(pictured below with Chris Halse)

KALDEN FURY (Dan Biddle) and DIMPLES AND ICE (Jimmy Lee) were also nominated for Greyhound Of The Year.



### WAGRA Perth Cup Celebration Evening Sunday 22 April 2007 Industry Awards for 2006

#### CANNINGTON

Leading Dam: MATERIAL WORLD  
Leading Sire: JENNEV  
Leading Owner: Prime Racing Syndicate  
Leading Trainer: Linda Britton  
Track Star: RONRAY DANCER and DIMPLES AND ICE

#### MANDURAH

Leading Dam: GOLDIE'S ANGEL  
Leading Sire: SAMMY SNOW  
Leading Owner: Lindsay Archer  
Leading Trainer: Linda Britton  
Track Star: WEST ON JENNA

#### NORTHAM

Leading Dam: GOLDIE'S ANGEL  
Leading Sire: LACONIC BALE  
Leading Owner: Margaret Hepple  
Leading Trainer: John Carmody  
Track Star: LEGENDS

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### Profile of Employees by Category

Category	2006/7			2005/6			2004/5		
	M	F	T	M	F	T	M	F	T
<b>Permanent Full-Time</b>									
Level 1	-	1	1	1	1	2	0	1	1
Level 2	1	2	3	1	2	3	2	4	6
Level 3	2	4	6	2	4	6	2	1	3
Level 4	3	-	3	5	0	4	6	0	6
Level 5	1	-	1	0	0	0	0	0	0
Level 6	4	-	4	2	0	2	2	0	2
Level 7	1	-	1	1	0	1	1	0	1
Level 8	1	-	1	1	0	1	1	0	1
Level 9	-	-	0	0	0	0	0	0	0
Class 2	-	-	0	1	0	1	1	0	1
Class 3	1	-	1	-	-	0	-	-	0
Track & Grounds	9	-	9	9	0	10	8	0	8
<b>SUB TOTAL</b>	<b>23</b>	<b>7</b>	<b>30</b>	<b>23</b>	<b>7</b>	<b>30</b>	<b>23</b>	<b>6</b>	<b>29</b>
<b>Permanent Part-Time</b>									
Level 1	-	-	0	0	0	0	1	1	2
Level 2	-	6	6	0	5	5	0	1	1
Level 3	1	1	2	1	1	2	0	0	0
Level 4	-	-	0	0	0	0	0	0	0
Level 5	-	-	0	0	0	0	0	0	0
Track & Grounds	1	-	1	1	0	1	0	0	0
<b>SUB TOTAL</b>	<b>2</b>	<b>7</b>	<b>9</b>	<b>25</b>	<b>13</b>	<b>38</b>	<b>24</b>	<b>8</b>	<b>32</b>
Casual	68	81	149	81	93	174	78	102	180
<b>TOTAL</b>	<b>93</b>	<b>95</b>	<b>188</b>	<b>106</b>	<b>106</b>	<b>213</b>	<b>102</b>	<b>110</b>	<b>212</b>



**MISS HOT GOSSIP (Victoria)** winner of the Schweppes WA Oaks 12 May 2007 pictured with owner Dave Robertson, kennel representative Seona Hood, and Holly Thompson.

### Five Year Statistical Summary

	2007	2006	2005	2004	2003
<b>Racing</b>					
Race Meetings:					
Cannington	125	105	105	95	104
Mandurah	126	129	128	143	125
Northam	25	26	26	22	27
<b>TOTAL</b>	<b>276</b>	<b>260</b>	<b>259</b>	<b>260</b>	<b>256</b>
Races	3,367	3,118	3,109	2,858	2,761
Starters	26,441	24,468	23,826	22,395	21,805
Average Starters per Race	7.9	7.8	7.7	7.8	7.9
Attendance	163,125	144,071	124,785	118,961	105,930
<b>Financials \$000</b>					
Operating Surplus/(Deficit)	233	7	(547)	662	588
Net Cash Provided/(Used) by Operating Activities	157	(63)	574	232	1,084
TAB Distribution *	11,196	10,315	8,863	8,237	9,438
Grants (Off-course)	1,050	900	820	1,033	954
Stakes/Trophies & BOIS	7,889	6,968	5,319	4,939	4,529
Stakes/TAB Distribution %	70.5%	67.6%	60.0%	60.0%	48.0%
<b>Betting Turnover \$000</b>					
Oncourse Turnover (Tote)	9,664**	7,907	6,845	6,260	5,194
Bookmakers	0	0	0	0	92
TAB on WAGRA meetings	56,299	50,123	44,100	39,429	36,635
<b>Membership</b>					
Total Members	153	119	127	118	113

\* Includes Tax rebates and discretionary TAB payments.

\*\* Excludes \$3,151 invested via Exotica Punters Club.



**MANDAGERY MAN (NSW)** winner of the WA Derby 2 June 2007 pictured with trainer Sam Sultana.

# Western Australian Greyhound Racing Association

## Annual Report 2006/2007

### Output Measures

	2006/07 Actual	2006/07 Target	Reason for Significant Variance
<b>Quantity</b> On-course Totalisator Profit Off-course commission* Stakemoney**	1,135,442 1,1196,630 7,513,380	1,018,500 11,041,864 7,515,600	On-course Commission Revenue increases by 5%.
<b>Quality</b> <i>On-course Totalisator Profit:</i> Number of racing opportunities for on-course investment (average number of races held/meeting). <i>Off-course Commission:</i> Number of meetings where live off-track vision was made possible through MDS or satellite services. <i>Stakemoney:</i> Number of feature races conducted as opportunity for higher stakemoney and continued quality of programme.	12.2 275 50	12.0 262 50	
<b>Timeliness</b> <i>On-course Totalisator Profit:</i> Number of meetings conducted in accordance with programme. <i>Off-course Commission:***.</i> <i>Stakemoney:</i> % stakemoney payments available (excludes swabs) within 4 working days of entitlement).	276 n/a 100%	262 n/a 100%	
<b>Cost</b> <i>On-course Totalisator Profit***:</i> Average profit/meeting <i>Offcourse Commission***:</i> Ratio of off-course commission to off-course turnover <i>Stakemoney:</i> Average stakemoney/meeting	4,114 5.03 27,222	3,887 5.00 28,685	Increased on-course attendance with increased revenue with minor costs increases.

#### Notes

- \* 2006/7 off-course commission was earned on turnover of \$56,298,273 for greyhounds racing in WA. The target turnover is estimated from the budgeted off-course commission in conjunction with the forecast net return per investment dollar.
- \*\* Excludes trophies and Breeders & Owners Incentive Scheme (BOIS)
- \*\*\* Off-course commission is net distribution by RWWA to WAGRA on a monthly basis. Timeliness is therefore beyond the control of WAGRA's operation.



The Run Fred Run promotion held 11 November 2006 was the idea of the Hamish and Andy radio programme. FRED "the Listeners' Champion" finished fourth in his heat but his performance did not disappoint the 5,942 strong crowd at Cannington.



# Western Australian Greyhound Racing Association

## Annual Report 2006/2007

### Compliance Statements

#### Advertising Expenditure

The following information pertains to WAGRA's advertising and market research expenditure incurred during 2006/07 and is listed in accordance with the provisions of Section 175ZE of The Electoral Act 1907:

Expenditure	Amount \$
WA Newspapers	30,273
Community Newspapers	54,196
Radio West Network	1,035
Rural Press	29,063
Radio 6IX	10,000
Concept Media	3,869
Fremantle Herald	4,740
Mix 94.5	15,040
Nova 93.7	13,800
Red Wave Media	6,600
Southern Cross Radio	47,940
Sunday Times	3,210
Scoop Publishing	7,570
West Coast Visitors Guide	3,960
TOTAL	231,296

#### Plan for Young People

WAGRA is committed to having a workforce that reflects the profile of the local community including the employment and development of young Western Australians. It employs students and other youths in many casual racenight activities, which encourage their active involvement in a safe and well supervised environment.

WAGRA also conducts a very successful and free initiative for children aged under 16 and offers them free entry to regular Puppy Club meetings with an array of free entertainment, products and activities.

#### Equal Employment Opportunity

WAGRA continues to support and develop the principles and practice of equal employment opportunity and diversity in the workplace. Equal Employment Opportunity principles are applied in the development of the organisation's human resources management.

All Government Agencies represented on the Strategic Management Council are required to report on their commitment to implement the Policy Framework for Substantive Equality. WAGRA is not represented on the Strategic Management Council, and therefore is not required to report on its commitment.

#### Public Sector Standards and Ethical Codes

In accordance with the Public Sector Management Act 1994, S31 (1), WAGRA has complied with the Public Sector Standards in Human Resource Management and Ethical Codes. During the reporting period, no grievances were lodged relating to non-compliance with the standards. We continue to monitor and assess our compliance and have not identified any breaches against the Standard.

#### Disability Services

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

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

#### Freedom of Information

WAGRA complies with its obligations under the Freedom of Information Act 1992. There were no applications for release of information received during the reporting period.

#### Anti Corruption Commission - Corruption and Crime Commission

WAGRA is required to report any matter suspected to concern corrupt conduct.

In respect to provisions of the Anti Corruption Act 1988, no matters were referred to the Commission during the reporting period.

In a proactive manner, WAGRA continues to focus on identifying potential areas of risk with a view to developing treatment plans to minimise exposure.

#### State Records Act, Recordkeeping Plan

In accordance with the State Records Act 2000, S61, and the State Record Commission Standards, Standard 2 : Principle 6; WAGRA has developed and maintains a Recordkeeping Plan.

In February 2007 WAGRA provided a final record keeping Disposal Authority which was considered and approved by the State Records Office in March 2007. Subsequent training will follow, to ensure staff and contractor compliance.

# Western Australian Greyhound Racing Association

## Annual Report 2006/2007

### Income Statement for the year ended 31 July 2007

Income	Note	2006/07 \$	2005/06 \$
<u>Racing:</u>			
RWWA Distribution	2	11,196,630	10,315,443
Oncourse Totalisator	4	1,523,757	1,311,921
Food & Beverage Sales	5	3,616,072	3,018,845
Admissions		107,866	108,876
Sponsorship		142,824	146,764
Other Racing Income	6	1,443,754	621,943
<b>Total Racing Income</b>		<b>18,030,902</b>	<b>15,523,792</b>
<u>Administration:</u>			
Interest Revenue		103,544	123,207
Other Administration Revenue	8	307,328	216,465
<b>Total Administration Revenue</b>		<b>410,872</b>	<b>339,672</b>
<u>Gains:</u>			
Gains on Disposal of Non Current Assets	7	-	3,077
<b>Total Income</b>		<b>18,441,774</b>	<b>15,866,542</b>
<b>Expenses</b>			
<u>Racing:</u>			
Stakemoney & Trophies	9	7,888,906	6,968,256
Employee Benefits	10	2,709,690	2,397,488
Marketing, Advertising and Promotions		505,175	620,768
CCTV, Photo & Telecasting Link		2,864	5,242
Food & Beverage Cost of Sales	5	1,570,360	1,291,788
Other Racing Expenses	11	1,970,677	1,552,378
<b>Total Racing Expenses</b>		<b>14,647,672</b>	<b>12,835,920</b>
<u>Administration:</u>			
Employee Benefits	12	1,960,545	1,689,137
Depreciation and Amortisation	13	794,602	666,911
Corporate Utilities and Services		310,036	288,631
Lease	15	450,000	325,000
Maintenance		365,208	225,117
Borrowing Costs		-	23,387
Other Administration Expenses	14	915,148	832,334
Loss on Disposal of Non-Current Assets	7	22,479	-
<b>Total Administration Expenses</b>		<b>4,818,018</b>	<b>4,050,515</b>
<b>Total Expenses</b>		<b>19,465,691</b>	<b>16,886,435</b>
<b>Profit/(Loss) Before Grants and Subsidies from State Government</b>		<b>(1,023,917)</b>	<b>(1,019,893)</b>
<b>Grants and subsidies from State Government</b>			
GST Recoup from State Government	4	206,996	127,240
RWWA Grants	3	1,050,000	900,000
<b>Profit/(Loss) for the Period</b>		<b>233,079</b>	<b>7,347</b>

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

# Western Australian Greyhound Racing Association

## Annual Report 2006/2007

### Balance Sheet for the year ended 31 July 2007

	Note	2006/07 \$	2005/06 \$
<b>Current Assets</b>			
Cash And Cash Equivalents	16	1,956,662	2,041,619
Inventories	17	119,299	127,420
Receivables and Prepayments	18	317,886	621,614
Loans to Affiliates	20	3,000	3,000
Total Current Assets		<u>2,396,847</u>	<u>2,793,653</u>
<b>Non Current Assets</b>			
Property, Plant & Equipment	19	13,093,931	6,787,550
Intangible Assets	19	17,638	28,732
Loans to Affiliates	20	108,876	111,876
Total Non Current Assets		<u>13,220,445</u>	<u>6,928,158</u>
<b>Total Assets</b>		<u>15,617,292</u>	<u>9,721,811</u>
<b>Current Liabilities</b>			
Payables	21	931,662	916,254
Provisions	22	559,639	496,303
Total Current Liabilities		<u>1,491,301</u>	<u>1,412,557</u>
<b>Non-Current Liabilities</b>			
Provisions	22	90,603	117,010
Total Non Current Liabilities		<u>90,603</u>	<u>117,010</u>
<b>Total Liabilities</b>		<u>1,581,904</u>	<u>1,529,567</u>
<b>Net Assets</b>		<u>14,035,388</u>	<u>8,192,244</u>
<b>Equity</b>			
Reserves	34	6,435,994	825,930
Retained Profits	35	7,599,394	7,366,314
<b>Total Equity</b>		<u>14,035,388</u>	<u>8,192,244</u>

The Balance Sheet should be read in conjunction with the accompanying notes.

# Western Australian Greyhound Racing Association

## Annual Report 2006/2007

### Statement of Changes in Equity for the year ended 31 July 2007

	Note	2006/07 \$	2005/06 \$
<b>Balance of Equity at start of period</b>		<u>8,192,244</u>	<u>8,232,044</u>
<b>Reserves</b>			
<b>Asset Revaluation Reserve</b>			
<b>Balance at start of period</b>		825,930	825,930
Gains/(losses) from asset revaluation		5,610,064	-
<b>Balance at end od period</b>		<u>6,435,994</u>	<u>825,930</u>
<b>Accumulated Surplus(Retained Earnings)</b>			
<b>Balance at start of period</b>		7,366,314	7,406,114
Change in accounting policy or correction of prior period errors	(b)	-	(47,147)
Profit/(loss) for the period.		233,079	7,347
<b>Balance at end of period</b>		<u>7,599,394</u>	<u>7,366,314</u>
<b>Balance of Equity at end of period</b>		<u>14,035,388</u>	<u>8,192,244</u>
Total Income and Expenses for the period	(a)	5,843,143	7,347

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

Note (a)

The aggregate net amount attributable to each category of equity is:  
surplus \$233,079 plus gains from asset revaluation of \$5,610,064  
(surplus 2006: \$7,347)

Note (b)

Depreciation in 2004/2005 and 2005/2006 as a result of revaluation in July 2004.

# Western Australian Greyhound Racing Association

## Annual Report 2006/2007

### Cash Flow Statement for the year ended 31 July 2007

	Note	2006/07 \$	2005/06 \$
<b>Cash Flows from Operating Activities</b>			
Receipts:			
Receipts from RWWA Distribution		4,831,482	4,871,135
Receipts from Customers		4,351,211	2,804,275
Interest Received		103,544	123,207
GST Collected on Sales		849,548	637,022
Payments:			
Payments to Suppliers		(4,076,674)	(3,598,523)
Payments to Employees		(4,633,307)	(3,936,301)
Payments for Rent		(450,000)	(325,000)
GST Payments on Purchases		(818,452)	(638,975)
Net Cash Provided/Used by Operating Activities	26(b)	157,352	(63,160)
<b>Cash Flows from Investing Activities</b>			
Payments for Property, Plant & Equipment		(1,580,593)	(1,163,082)
Payments for Intangible Assets		(2,037)	(17,393)
Proceeds from Sale of Plant & Equipment		80,324	14,854
Net Cash Used in Investing Activities		(1,502,306)	(1,165,621)
<b>Cash Flows from Financing Activities</b>			
Proceeds from Affiliate Loan Repayments		3,000	6,000
Borrowing Costs		-	(23,387)
Repayment of WA Treasury Corporation Borrowings		-	(454,852)
Net Cash Provided/Used for Financing Activities		3,000	(472,239)
<b>Cash Flows from State Government</b>			
RWWA Grants		1,050,000	900,000
GST Reimbursements		206,996	127,240
		1,256,996	1,027,240
Net Increase (Decrease) in Cash Held		<b>(84,957)</b>	<b>(673,778)</b>
Cash Assets at Beginning of Year		2,041,619	2,715,397
<b>Cash Assets at End of Year</b>	26(a)	<b>1,956,662</b>	<b>2,041,619</b>

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

### Notes to and forming part of the Financial Statements for the year ended 31 July 2007

#### 1.1 Australian equivalents to International Financial Reporting Standards

##### (A) General

The Association's financial statements for the year ended 31 July 2007 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a framework for the preparation and presentation of financial statements and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Association has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

##### (B) Early adoption of standards

The Association cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Association for the annual reporting period ended 31 July 2007.

#### 1.2 Summary of significant accounting policies

##### (C) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

##### (D) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which has been measured at fair value.

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

The financial statements are presented in Australian dollars rounded to the nearest dollar.

##### (E) Reporting Entity

The reporting entity comprises the Association and entities listed at note 31 'Related bodies'.

##### (F) Depreciation of Non-current Assets

Property and Plant and Equipment represent the capital works and plant required for the Association's operations and except where stated otherwise are recorded at historical cost. Depreciation of non current assets is calculated using the straight line method with the exception of motor vehicles which employ the diminishing value method based on a depreciation rate of 18.75%. Buildings and improvements and major leasehold improvements are generally depreciated over 20 years or the unexpired portion of the lease for the leased premises whichever is the lesser, in the case of leasehold improvements. With respect to Furniture, Equipment and Software, depreciation rates ranging from 6% to 33% are utilised. Capital acquisitions are those having a minimum value of \$1,000 with a life expectancy of more than 2 years. Software, furniture and equipment of lesser value are fully expensed in the year of purchase.

(G) **Valuation of Non-current Assets**

In accordance with AASB 1041, the Association elects to report non current assets at cost except for Freehold Land and Buildings. These asset classes were independently valued in April 2007 by John Garmony & Associates, 9 Hardy St. South Perth, Western Australia. The freehold land valuation was based on adopting similar alternative use, while the buildings valuation was based on depreciated capital replacement value.

(H) **Capital Works in Progress**

Capital works in progress represents costs associated with incomplete capital projects as at reporting date. Note 30 specifies capital works in progress by project, as at reporting date.

(I) **Investments**

All investments relate to fixed term deposits held with BankWest on an at call basis. Consequently, all fixed term deposits are classified as current assets.

(J) **Inventory**

Inventory is valued at the lower of cost or net realisable value.

(K) **Changes in Comparative Figures**

Where necessary, comparative figures for 2005/06 have been adjusted to conform with changes in presentation made in 2006/07. Any material changes are supported by note.

(L) **Provisions - Employee Benefits**

**Annual Leave and Long Service Leave**

The liability for annual and long service leave expected to be settled within 12 months after the end of the reporting date is recognised and measured at the undiscounted amounts expected to be paid when liabilities are settled. Annual and Long service leave expected to be settled more than 12 months after the end of the reporting date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the reporting date.

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

All annual leave and unconditional long service provisions are classified as current liabilities as the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

A liability for long service leave is recognised after a salary employee has completed 4 years of service and wages staff have completed 7 years of service. An actuarial assessment of long service leave and annual leave was undertaken by PriceWaterhouseCoopers Actuaries as at 31 July 2007

**Superannuation**

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

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

(M) **Provisions - Other**

**Employment On-Costs**

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

**(N) Revenue**

Sales revenue represents revenue earned from the sale of goods and services net of returns, allowances, expenses and GST. Other revenue is fully described in the Income Statement. Distribution from RWVA is based on an agreed formula taking into account the performance of Greyhound Racing both On and Offcourse in WA. Reimbursement of expenses from external entities is accounted for as revenue in the Income Statement and not netted off against expenditure.

**(O) Receivables, Payables, Accrued Salaries and Interest Bearing Liabilities**

Receivables are recognised at the amounts receivable and are due for settlement no more than 30 days from the date of recognition.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubt as to collection exists, providing that no known dispute exists as to the amount raised.

Payables, including accruals not yet billed, are recognised when the economic entity becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled according to the terms of payment specified.

Interest bearing liabilities are recognised and carried at the amount of net proceeds received. Interest is recognised as it becomes payable.

Accrued salaries and wages represent the amount due to staff but unpaid at the end of the financial year as the end of the last pay period for that financial year does not coincide with the end of the financial year. The Association considers the carrying amount approximates net fair value.

**(P) Net Fair Values of Financial Assets and Liabilities**

Net Fair Values of financial instruments are determined on the following bases:

Monetary financial assets and liabilities not traded in an organised financial market - cost approximates net market value;

Leave liabilities are recorded at current entitlements as at reporting date.

**(Q) AASB 108.30 Future impact of Australian Accounting Standards not yet operative**

The Association cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretations unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Association has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. These will be applied from their application date:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB1, AASB 4, AASB1023 and AASB 1038]').

This Standard requires new disclosures in relation to financial instruments.

The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Association's exposure to risks, enhanced disclosure regarding components of the Association's financial position and performance, and possible changes to the way of presenting certain items in the financial statements. The Association does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

2. AASB 2005-10 'Amendments to Australian Accounting Standards (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, & AASB 1038)'. The amendments are as a result of the issue of AASB 7 'Financial Instruments: Disclosures', which amends the financial instrument disclosure requirements in these standards. The Association does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting period beginning on or after 1 January 2007.

3. AASB 101 'Presentation of Financial Statement'.

This Standard was revised and issued in October 2006 so that AASB 101 has the same requirements as IAS 1 'Presentation of Financial Statements' (as issued by the IASB) in respect of for-profit entities. The Association is a not-for-profit entity and consequently does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.



# Western Australian Greyhound Racing Association

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4. AASB 2007-4 'Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments (AASB 1, 2, 3, 4, 5, 6, 7, 102,107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038)'. This Standard introduces policy options and modifies disclosures. These amendments arise as a result of the AASB decision that, in principle, all options that currently exist under IFRSs should be included in the Australian equivalents to and additional Australian disclosures should be eliminated, other than those now considered particularly relevant in the Australian reporting environment. The Department of Treasury and Finance has indicated that it will mandate to remove the policy options added to this amending Standard. This will result in no impact as a consequence of application of the Standard. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.

5. AASB 1007-5 'Amendment to Australian Accounting Standard- Inventories Held for Distribution by Not-for-Profit Entities (AASB 102)'. This amendment changes AASB 102 'Inventories' so that inventories held for distribution by not-for-profit entities are measured at cost, adjusted when applicable for any loss of service potential. The Association does not have any inventories held for distribution so does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.

6. AASB Interpretation 4 'Determining whether an Arrangement Contains a Lease [revised]'. This Interpretation was revised and issued in February 2007 to specify that if a public-to-private service concession arrangement meets the scope requirements of AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007, it would not be within the scope of Interpretation 4. At balance sheet date, the Association has not entered into any arrangements as specified in the Interpretation or within the scope of Interpretation 12, resulting in no impact when the Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

7. AASB Interpretation 12 'Service Concession Arrangement'. This Interpretation was issued in February 2007 and gives guidance on the accounting by operators (usually a private sector entity) for public-to-private service concession arrangements. It does not address the accounting by grantors (usually a public sector entity). It is currently unclear as to the application of the Interpretation to the Association if and when public-to-private service concession arrangements are entered into in the future. At balance sheet date, the Association has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

8. AASB Interpretation 129 'Service Concession Arrangements: Disclosures [revised]'. This Interpretation was revised and issued in February 2007 to be consistent with the requirements in AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007. Specific disclosures about service concession arrangements entered into are required in the notes accompanying the financial statements, whether as a grantor or an operator. At balance sheet date, the Association has not entered into any public-to-private concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

# Western Australian Greyhound Racing Association

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	2006/07 \$	2005/06 \$
<b>2. RWWA Distribution</b>		
Distribution for Stake money	7,864,780	6,948,010
Distribution - Other	<u>3,331,850</u>	<u>10,315,443</u>
	<u>11,196,630</u>	<u>3,367,433</u>
<b>3. Grants from RWWA</b>		
Grants received from RWWA -Operating	550,000	650,000
Grants received from RWWA - Mandurah Redevelopment	<u>500,000</u>	<u>250,000</u>
	<u>1,050,000</u>	<u>900,000</u>
<b>4. On Course Totalisator</b>		
Oncourse Commission	1,673,280	1,398,837
Unclaimed Dividends	57,473	40,324
Goods and Services Tax	<u>(206,996)</u>	<u>(127,240)</u>
Trading Income	<u>1,523,757</u>	<u>1,311,921</u>
<p>The Goods and Services Tax (GST) is not applied to the consumption of gambling services. It is however, applied to the operators margin defined as the subscription(wagering less sales commission)less the amount of prizes (dividends). The State provides reimbursement to gaming operator's (including WAGRA) for GST paid on the operator's margin.</p> <p>The GST paid on the operator's margin is disclosed as a cost of On Course Tote operation's (as above). Treasurer's Instruction 1102 however, requires the reimbursement of the GST to be disclosed as a grant from the State Government rather than offset against the cost to which it applies.</p>		
<b>5. Food &amp; Beverage</b>		
Sales	3,616,072	3,018,845
Less Cost of Goods Sold:		
Opening Stock	127,420	114,175
Purchases	1,562,239	1,305,033
Closing Stock	<u>(119,299)</u>	<u>(127,420)</u>
	<u>1,570,360</u>	<u>1,291,788</u>
Trading Income	<u>2,045,711</u>	<u>1,727,057</u>
<b>6. Other Racing Income</b>		
Trial Income	74,360	76,295
Gaming Income	128,232	107,904
Racebook Sales	58,868	59,071
Sundry Racing Income	<u>1,182,294</u>	<u>378,673</u>
	<u>1,443,754</u>	<u>621,943</u>

# Western Australian Greyhound Racing Association

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	2006/07	2005/06
	\$	\$
<b>7. Net Profit / (Loss) on Disposal of Non Current Assets</b>		
Proceeds from Disposal of Non Current Assets:		
Furniture and Equipment	5,000	1,908
Motor Vehicles	75,324	12,946
	<u>80,324</u>	<u>14,854</u>
Carrying Amount of Assets Sold:		
Furniture and Equipment	20,886	
Motor Vehicles	81,917	11,777
	<u>102,803</u>	<u>11,777</u>
Profit/(Loss) on Disposal of Non-Current Assets	(22,479)	3,077
<b>8. Other Administration Income</b>		
Greyhounds as Pets	75,281	-
Venue Hire	31,031	37,562
Sundry Administration Income	201,016	178,903
	<u>307,328</u>	<u>216,465</u>
<b>9. Stakemoney &amp; Trophies</b>		
Stakemoney	7,513,380	6,593,310
Breeders Bonus	351,400	354,700
Trophies	24,126	20,246
	<u>7,888,906</u>	<u>6,968,256</u>
<b>10. Employee Benefits Expense</b>		
Salaries and Wages - Oncourse Totalisator	415,772	358,428
Salaries and Wages - Food and Beverage	1,275,808	1,006,468
Salaries and Wages - Gaming	34,792	36,202
Salaries and Wages - Printing	107,635	95,016
Other Casual Wages	875,683	901,374
	<u>2,709,690</u>	<u>2,397,488</u>
<b>11. Other Racing Expenses</b>		
Direct Expenses - Oncourse Totalisator	179,539	152,053
Direct Expenses - Food and Beverage	147,441	161,125
Direct Expenses - Gaming	19,055	18,678
Veterinary Fees	145,312	138,373
Printing Expense	160,216	123,307
Security	99,888	83,638
Cleaning and Laundry	281,286	240,346
Sundry Racing Expenses	937,940	634,858
	<u>1,970,677</u>	<u>1,552,378</u>

# Western Australian Greyhound Racing Association

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	2006/07	2005/06
	\$	\$
<b>12. Employee Benefits Expense</b>		
Salaries	884,966	802,447
Ground Staff Wages	453,070	329,563
Annual Leave	168,631	153,185
Long Service Leave	62,131	66,858
Fringe Benefit Tax	12,000	10,601
Training - Salaries & Wages	-	1,460
Training - Other	5,814	3,039
Employee Benefits	1,654	3,922
Admin Temp/Contract Staff	31,800	18,226
Superannuation	340,479	299,838
	<u>1,960,545</u>	<u>1,689,139</u>
<b>13. Depreciation &amp; Amortisation Expense</b>		
Intangible Assets	13,131	13,969
Furniture and Equipment	221,886	236,505
Motor Vehicles	43,925	42,819
Buildings, Structures and Leasehold Improvements	515,660	373,618
	<u>794,602</u>	<u>666,911</u>
<b>14. Other Administration Expenses</b>		
Insurance	137,520	176,029
Motor Vehicle Expenses	48,051	44,366
Travel, Accommodation & Conferences	18,145	18,633
Legal & Appeal Expenses	1,763	871
Postage and Stationery	89,497	61,967
Rates and Taxes	91,323	79,601
Payroll Tax	212,895	181,002
Staff Recruitment Expenses	4,262	2,521
Sundry Administration Expenses	311,692	267,344
	<u>915,148</u>	<u>832,334</u>
<b>15. Leases</b>		
<b>Lease expenses for period</b>	450,000	325,000
<b>CANNINGTON:</b>		
The Western Australian Greyhound Racing Association has a lease with the Canning Agricultural, Horticultural and Recreational Society (Inc) for the lease of the Canning Racecourse for a period of 30 years from 27th July 1981 with options of renewal for two further periods of 30 years each. Lease payments totalling \$450,000pa are applicable to the 5 year period ending on 27th July 2011		
<b>Lease Commitments:</b>		
Commitments in relation to the lease contracted for at the reporting date but not recognised as liabilities, are payable as follows:		
Within one year	450,000	325,000
Later than one year and not later than five years	1,350,000	1,300,000
Later than five years	-	-
	<u>1,800,000</u>	<u>1,625,000</u>
Prior years "later than five years" amended to reflect the true commitment		
Representing:		
Non-cancellable operating lease	<u>1,800,000</u>	<u>1,625,000</u>

# Western Australian Greyhound Racing Association

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	2006/07	2005/06
	\$	\$
<b>16 Cash &amp; Investments</b>		
All investments held by the Association at balance date were short term deposits held with BankWest on an at call basis.		
Short Term Deposits	1,355,079	1,675,207
Cash at Bank	461,092	219,322
Cash on Hand	140,491	147,091
	<u>1,956,662</u>	<u>2,041,619</u>
<b>17 Inventories</b>		
As at balance date inventories held by the Association were:		
Restaurant food stocks	52,642	43,067
Restaurant beverage stocks	66,657	84,353
	<u>119,299</u>	<u>127,420</u>
<b>18 Receivables &amp; Prepayments</b>		
Accounts receivable for goods and services supplied	213,865	444,501
Prepayments	97,726	175,463
Accrued Income	6,295	1,650
	<u>317,886</u>	<u>621,614</u>
Significant Terms and Conditions:		
(i) Sundry debtors are either seven or thirty day accounts.		
(ii) Credit Risk Exposure:		
The Association does not have any significant exposure to any individual customer or counterparty.		
(iii) Net Fair Values		
The Association considers the carrying amounts of accounts receivable approximate their net fair values.		
<b>19 Property, Plant &amp; Equipment</b>	\$	\$
Furniture, Equipment and Software at Cost	3,680,076	3,648,780
less accumulated depreciation	<u>(3,123,899)</u>	<u>(3,049,811)</u>
	556,175	598,968
Motor Vehicles at Cost	290,294	254,593
less accumulated depreciation	<u>(72,717)</u>	<u>(90,263)</u>
	217,576	164,330
Leasehold Improvements at Cost	5,481,839	4,330,572
less accumulated depreciation	<u>(2,979,160)</u>	<u>(2,618,946)</u>
	2,502,679	1,711,626
Buildings, Structures and Improvements at Valuation	3,585,750	3,353,584
less accumulated depreciation	<u>-</u>	<u>(172,565)</u>
	3,585,750	3,181,019
Land at Valuation	6,231,750	992,492
Work in Progress	<u>-</u>	<u>139,115</u>
	6,231,750	1,131,607
	<u>13,093,931</u>	<u>6,787,550</u>
Intangible Assets	82,932	80,896
less accumulated amortisation	<u>(65,294)</u>	<u>(52,164)</u>
	17,638	28,732

# Western Australian Greyhound Racing Association

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In accordance AASB 1041 the following reconciliation of carrying amounts of property, plant and equipment and vehicles at the beginning and end of the current financial year is set out below.

	Furniture & Equipment	Intangible Assets	Motor Vehicles	Leasehold Improvements	Buildings and Improvements	Land and WIP	Total
	\$		\$	\$	\$	\$	\$
<b>2006/2007</b>							
Carrying amount at start of the year	598,968	28,732	164,330	1,711,626	3,181,019	1,131,607	<b>6,816,282</b>
plus							
Additions	203,786	2,037	179,082	1,243,133	93,055	(139,115)	<b>1,581,978</b>
Increments in asset class due to revaluation					370,806	5,239,258	<b>5,610,064</b>
less							
Net Disposals	(329)	-	(81,911)	-	(20,556)	-	<b>(102,796)</b>
Depreciation	(221,886)	(13,130)	(43,925)	(368,770)	(146,891)	-	<b>(794,602)</b>
Adjustment					643		<b>643</b>
Transfers	(24,364)	-	-	(83,310)	107,674	-	<b>0</b>
Carrying amount at end of the year	<b>556,175</b>	<b>17,638</b>	<b>217,576</b>	<b>2,502,679</b>	<b>3,585,750</b>	<b>6,231,750</b>	<b>13,111,568</b>

	Furniture & Equipment	Intangible Assets	Motor Vehicles	Leasehold Improvements	Buildings and Improvements	Land and WIP	Total
	\$		\$	\$	\$	\$	\$
<b>2005/2006</b>							
Carrying amount at start of the year	660,223	11,339	205,980	1,774,986	1,189,838	2,519,274	<b>6,361,640</b>
plus							
Additions	175,249	31,362	12,946	195,440	2,153,147	(1,387,667)	<b>1,180,477</b>
Increments in asset class due to revaluation							<b>0</b>
less							
Net Disposals	-	-	(11,777)	-	-	-	<b>(11,777)</b>
Depreciation	(236,504)	(13,969)	(42,819)	(294,692)	(78,927)	-	<b>(666,911)</b>
Revaluation depreciation adjustment					(47,148)		<b>(47,148)</b>
Transfers	-	-	-	35,892	(35,892)		<b>0</b>
Carrying amount at end of the year	<b>598,968</b>	<b>28,732</b>	<b>164,330</b>	<b>1,711,626</b>	<b>3,181,019</b>	<b>1,131,607</b>	<b>6,816,282</b>

# Western Australian Greyhound Racing Association

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20 Loans to Affiliated Clubs	2006/07 \$	2005/06 \$
<p>Two separate unsecured, interest free loans capped at an overall total of \$144,878 are provided to Avon Valley Greyhound Racing Association for the financing of the Northam greyhound racing facility. Loan 1 (\$58,140) and Loan 2 (\$86,737) financed the racetrack and kennel block respectively. Whilst Loan 1 is repayable over 20 years commencing 1997/98, repayment of the second loan is not envisaged until such time as the operation becomes self supporting. Outstanding loans to AVGRA totalled \$111,876 as at 31 July 2007</p>		
Current	3,000	3,000
Non Current	108,876	111,876
	<u>111,876</u>	<u>114,876</u>
<b>21 Payables</b>		
Accounts Payable	428,123	379,703
Accrued Expenses	165,732	74,336
Other Payables: Fees in Advance	337,807	462,213
	<u>931,662</u>	<u>916,252</u>
<p>All financial liabilities are unsecured. The Association considers the carrying amounts of creditors, accrued expenses and other payables approximate to their net fair values.</p>		
<b>22 Provisions</b>		
<b>Current</b>		
Employee benefits Provisions:		
Annual Leave	293,227	280,173
Long Service Leave	234,582	187,931
	<u>527,809</u>	<u>468,104</u>
Other Provisions		
On Costs Annual Leave and Long Service Leave	31,830	28,199
	<u>31,830</u>	<u>28,199</u>
	<u>559,639</u>	<u>496,303</u>
<b>Non-Current</b>		
Employee benefits Provisions:		
Long Service Leave	85,382	110,268
	<u>85,382</u>	<u>110,268</u>
Other Provisions		
On Costs Long Service Leave	5,221	6,742
	<u>5,221</u>	<u>6,742</u>
	<u>90,603</u>	<u>117,010</u>
	<u>650,242</u>	<u>613,313</u>
<p>Annual Leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate actual settlement of the liability will occur as follows:</p>		
Within 12 months of balance sheet date	162,201	142,345
More than 12 months after balance sheet date.	131,026	137,828
	<u>293,227</u>	<u>280,173</u>
<p>Long Service Leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate actual settlement of the liability will occur as follows:</p>		
Within 12 months of balance sheet date	143,444	102,532
More than 12 months after balance sheet date.	176,520	195,667
	<u>319,964</u>	<u>298,199</u>

# Western Australian Greyhound Racing Association

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	2006/07 \$	2005/06 \$
Movement of Other Provisions:		
Employment on-cost Provision:		
Carrying amount at start of year	34,941	56,823
Additional provisions recognised	2,110	-
Payments/other sacrifices of economic benefit	-	(21,882)
Carrying amount at end of year	<u>37,051</u>	<u>34,941</u>

### 23 Borrowings

- (i) Significant Terms and Conditions:  
Total borrowings of \$1.0m were secured by mortgage over real property by the WA Treasury Corporation.
- (ii) The Loan from WA Treasury Corporation was finalised in November 2005

Opening Balance 1 August	-	454,852
add Revision of Balance		
less Repayments	-	(454,852)
equals		
Closing Balance 31 July	<u>-</u>	<u>-</u>
Represented by:		
Current Liability	-	-
Non-Current Liability	<u>-</u>	<u>-</u>

### 24 Auditors Remuneration

The total of fees paid or due and payable for the financial year is as follows:

Fees for External Audit (Excluding GST)	<u>53,000</u>	<u>50,000</u>
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### 25 Remuneration of members of the Accountable Association and Senior Officers

- (i) The total fees, salaries, superannuation and other benefits received or due and receivable for the financial year by Members of the Accountable Association, from the Statutory Association or any related body.

	<u>31,510</u>	<u>31,980</u>
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No members of the Accountable Association are members of the Pension Scheme.

The number of Members of the Accountable Association whose total of fees, salaries, superannuation and other benefits received or due and receivable for the financial year, falls within the following bands:

\$0 - \$10,000	5	5
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# Western Australian Greyhound Racing Association

## Annual Report 2006/2007

	2006/07 \$	2005/06 \$
(ii) The total fees, salaries, superannuation and other benefits received or due and receivable for the financial year, by Senior Officers other than Members of the Accountable Association, from the Statutory Association or any related body.	<u>656,868</u>	<u>524,609</u>

The number of Senior Officers other than Members of the Accountable Association whose total of fees, salaries, superannuation and other benefits received or due and receivable for the financial year, falls within the following bands:

\$ 40,001 - \$50,000	2	
\$ 50,001 - \$60,000	1	1
\$ 70,001 - \$80,000		2
\$ 80,001 - \$90,000	3	1
\$ 90,001 - \$100,000		1
\$100,001 - \$120,000	1	
\$130,001 - \$140,000		1
\$140,001 - \$150,000	1	

No Senior Officers are members of the Pension Scheme.

### 26 Notes to the Statement of Cash Flows

#### (a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, cash at bank and investments in money market instruments. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash at Bank	461,092	219,322
Investments	1,355,079	1,675,207
Cash on Hand	<u>140,491</u>	<u>147,091</u>
	<u>1,956,662</u>	<u>2,041,619</u>

#### (b) Reconciliation of Operating Profit from Ordinary Activities to Net cash Flows Provided by Operating Activities

Net Operating Profit	(1,023,917)	(1,019,893)
<b>Non Cash items:</b>		
Depreciation	794,602	666,911
Proceeds on Disposal of Non Current Assets	(80,324)	(14,854)
Carrying Value of Non Current Assets Disposed	102,803	11,777
<b>Changes in Assets and Liabilities:</b>		
Decrease in Receivables and Prepayments	303,728	207,494
Increase (Decrease) in Stock	8,121	(13,245)
Net decrease in GST Collected on Sales	31,096	7,010
Increase in Payables	(15,688)	(87,895)
Increase in Leave Entitlements (Current)	63,336	144,596
Decrease in Leave Entitlements (Non Current)	(26,407)	34,940
<b>Net Cash Provided From Operating Activities</b>	<u>157,350</u>	<u>(63,159)</u>

# Western Australian Greyhound Racing Association

## Annual Report 2006/2007

### 27 Explanatory Statement

Significant variations between actual results for 2005/2006 and 2006/2007 for income and expenses are shown below  
Significant variations between budget estimates and actual results for 2006/2007 for income and expenses are shown below

Significant variations are considered to be those greater than \$150,000

#### (i) Comparison of Actual Results of 2006/07 with those of the Preceding Year

	2006/07 Actual (\$'000)	2005/06 Actual (\$'000)	Variation (\$'000)
RWWA Distribution	11,196	10,315	881
On-Course Totalisator	1,524	1,312	212
Food & Beverage	3,616	3,019	597
Other Racing Income	1,444	622	822
Stakemoney & Trophies	7,889	6,968	-921
Food & Beverage Cost of Sales	1,570	1,292	-278
Other Racing Expenses	1,971	1,552	-419

Significant variations between and actual results for 2005/2006 and 2006/2007.

#### Income

##### (a) RWWA Distribution

Variance due to payments of Stakemoney having increased as as result of RWWA initiatives to assist industry members.

##### (b) On-Course Totalisator:

An rise in on-course betting turnover of 22% on which this commission revenue is based is the primary factor for the the positive result and was generated from 17 race meetings more than in the previous year.

##### (c) Food & Beverage:

Revised marketing and promotional strategies for the Food and and Beverage operation in the previous year proved successful in the continued growth in patronage to generating a 20% increase in revenue for 2006/2007.

##### (d) Other Racing Income

Increase in revenue due to the full year impact of The Exotica Punter's Club which commenced in February 2006.

#### Expenses

##### (e) Stakemoney & Trophies:

Stakemoney & Breeders Bonus increased due to RWWA policy and the offsetting revenue appears as RWWA Distribution at note 2 and item (a) above.

##### (f) Food & Beverage Cost of Sales

Refer note(c) above for Sales increase of \$597,000 with resulting cost of goods increase.

# Western Australian Greyhound Racing Association

## Annual Report 2006/2007

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(g) Other Racing Expenses

Major variation was full year costs associated with Exotica which commenced in February 2006. Refer note (d) above.

(ii) Comparison of Estimates and Actual Results:

Significant variations are considered to be those over \$150,000.

	2006/07 Budget (\$'000)	2006/07 Actual (\$'000)	Variation (\$'000)
RWWA Distribution	11,042	11,196	154
Food & Beverage Sales	3,071	3,616	545
Other Racing Income	344	1,444	1,100
Food & Beverage Cost of Sales	1,197	1,570	373
Marketing, Advertising and Promotions	731	505	-226
Depreciation and Amortisation Expense	612	795	183

Income

(a) RWWA Distribution:

Actual revenue recorded for the period was \$11.196 million against an estimate of \$11.042 million. The majority of this variance results from increased Off course TAB Turnover on WA Greyhound race meetings.

(b) Food & Beverage Sales:

Due to increased Restaurant attendance food and beverage sales were 18% higher than the budget based on previous years attendance and Sales.

(c) Other Racing Income:

Exotica Punter's Club commenced in February 2006 with income for the current year being \$1.045 million for which no budget was provided due to uncertainty of its continued operations.

Expenses

(d) Food & Beverage Cost of Sales:

Due to increased Restaurant attendance food and beverage sales (see note (b) above) were higher than the budget based on previous year with a corresponding increase in cost of goods sold.

(e) Depreciation and Amortisation Expense

The Actual in 2006/2007 was \$183k greater than budget due to Revaluations and major redevelopment carried out at Mandurah Track and surrounds.

(f) Marketing, Advertising and Promotions

Results from a review of marketing policy allowing concentration on the removal of non effective advertising areas with beneficial results from reduced advertising costs.

# Western Australian Greyhound Racing Association

## Annual Report 2006/2007

### 28. Additional Financial Instruments Disclosures

	Weighted average effective interest rate %	Floating interest rate \$'000	Fixed interest rate maturities			Non - interest bearing \$'000	Total \$'000
			< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000		
<u>31/07/2007</u>							
<b>Assets</b>							
Cash resources	3.75	461				140	<b>601</b>
Receivables						318	<b>318</b>
Investments:							
Fixed Term Deposits	6.22		1,355				<b>1,355</b>
Loans to Affiliates						112	<b>112</b>
		461	1,355	-	-	570	<b>2,385</b>
<b>Liabilities</b>							
Payables						932	<b>932</b>
Employee entitlements						613	<b>613</b>
		-	-	-	-	1,545	<b>1,545</b>
		461	1,355	-	-	(975)	<b>841</b>
<u>31/07/2006</u>							
Total Financial Assets		219	1,675	-	-	884	<b>2,778</b>
Total Financial Liabilities				-	-	1,033	<b>1,033</b>
		219	1,675	-	-	(149)	<b>1,745</b>

#### Credit risk exposure

All financial assets are unsecured.

Amounts owing by other government agencies are guaranteed and therefore no credit risk exists in respect of those amounts. In respect of other financial assets the carrying amounts represent the Association's maximum exposure to credit risk in relation to those assets.

#### Liquidity Risk

The Association has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

# Western Australian Greyhound Racing Association

## Annual Report 2006/2007

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### 29 Supplementary Financial Information

Assets valued at \$20,885 were written off due to obsolescence or irreparable condition and as a result of the major redevelopment recently completed at the Mandurah facility.

### 30 Capital Works in Progress

As at 31 July, 2007 no Work In Progress existed.

### 31 Capital Commitments

As at 31 July 2007 the Association had no capital commitments.

### 32 Related Bodies

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

### 33 Affiliated Bodies

Avon Valley Greyhound Racing Association is considered an affiliated body of the Association, operating from the Northam venue. Whilst WAGRA, through its Charter, holds the licence to conduct greyhound racing in this State, loans have been made available to AVGRA for the development of facilities at that site. Note 20 outlines the nature of all loans made by WAGRA to AVGRA and indicates that repayments on the first loan have commenced.

	2006/07	2005/06
	\$	\$
<b>34 Movements in Reserves</b>		
Asset Revaluation Reserve:		
Balance at start of year	825,930	825,930
Transfers to Reserves: Asset Revaluation Reserve	5,610,064	-
Transfer from Reserve	-	-
Balance at end of year	<u>6,435,994</u>	<u>825,930</u>
<b>35 Changes in Equity</b>		
Balance at start of year	7,366,314	7,406,114
Adjustment to depreciation due to 2004 revaluation	-	(47,147)
Depreciation adjustment to 2004/2005 and 2005/2006		
Net Profit	<u>233,079</u>	<u>7,347</u>
Balance at end of year	<u>7,599,393</u>	<u>7,366,314</u>



### CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of the Western Australian Greyhound Racing Association have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the year ending 31 July 2007 and the financial position as at 31 July 2007.

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

Handwritten signature of P. Tassell in black ink.

P. TASSELL  
WAGRA Chairman  
Date: 25.09.2007

Handwritten signature of M. Penson in blue ink.

M PENSON  
WAGRA Committee Member  
Date: 25.09.2007

Handwritten signature of B. Sealey in black ink.

B SEALEY  
Manager Business & Finance  
and Principal Accounting Officer  
Date: 25.09.2007



### AUDITOR GENERAL

#### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

#### WESTERN AUSTRALIAN GREYHOUND RACING ASSOCIATION FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 31 JULY 2007

I have audited the accounts, financial statements, controls and key performance indicators of the Western Australian Greyhound Racing Association.

The financial statements comprise the Balance Sheet as at 31 July 2007, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

#### Association's Responsibility for the Financial Statements and Key Performance Indicators

The Association is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

#### Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

# Western Australian Greyhound Racing Association

## Annual Report 2006/2007

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### Western Australian Greyhound Racing Association Financial Statements and Key Performance Indicators for the year ended 31 July 2007

#### Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Western Australian Greyhound Racing Association at 31 July 2007 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Association provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Association are relevant and appropriate to help users assess the Association's performance and fairly represent the indicated performance for the year ended 31 July 2007.



COLIN MURPHY  
AUDITOR GENERAL  
10 October 2007



# Western Australian Greyhound Racing Association

## Annual Report 2006/2007

### Key Performance Indicators

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

**Service:** Entertainment and opportunity through greyhound racing.

The overall service includes the supporting activities of:

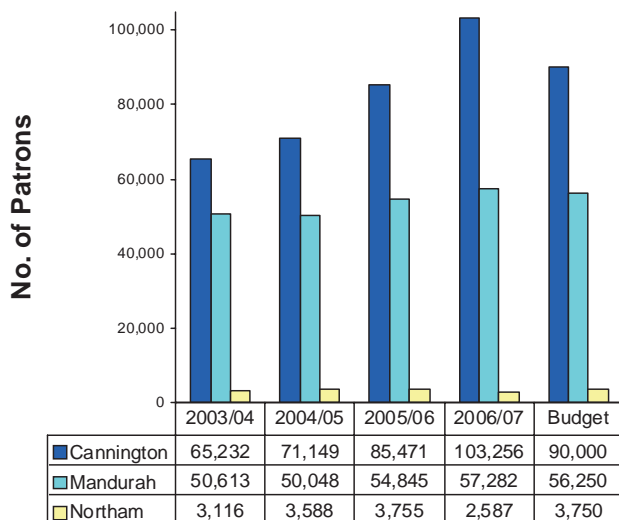
**Services and Facilities:** The provision of optimum quality services and facilities to encourage maximum participation in greyhound racing by participants and spectators.

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

GRAPH 1

#### Attendance at Race Meetings

Comparison by Venue 2003/04 to 2006/07



#### Effectiveness

Attendances at race meetings are prime indicators of public support for WAGRA's investment in oncourse services and facilities together with the performance of on-course totalisator profit.

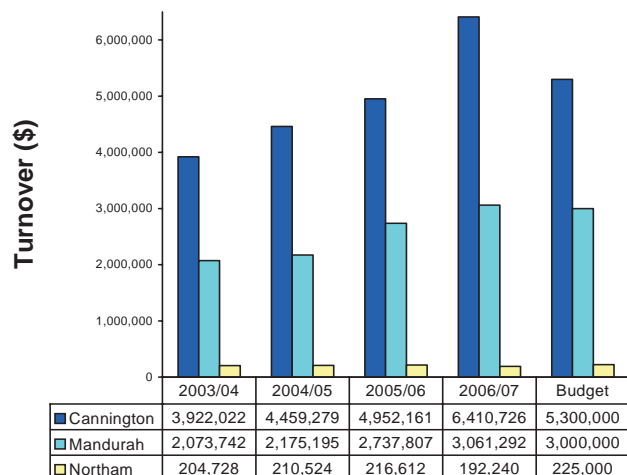
Attendances at free admittance race meetings, where there are no gate records kept, are assessed on estimate of patrons by the Manager Operations or duly appointed race meeting manager.

NOTE: during September/ October 2006 19 Mandurah meetings were held at Cannington.

GRAPH 2

#### On-course Totalisator Turnover

Comparison by Venue 2003/04 to 2006/07



#### Effectiveness

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

Note:

- (1) The Cannington figures exclude Exotica turnover of \$3,151,240.
- (2) Nineteen Mandurah meetings conducted at Cannington in September/October 2006.

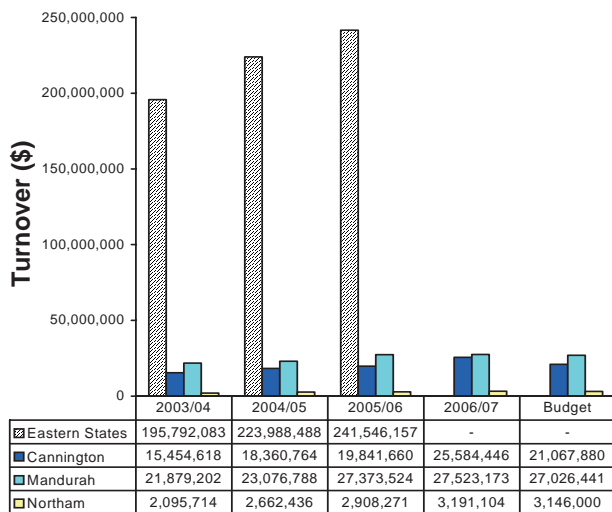
# Western Australian Greyhound Racing Association

## Annual Report 2006/2007

GRAPH 3

### Off-course Totalisator Turnover

Comparison by Venue 2003/04 to 2006/07



### Effectiveness

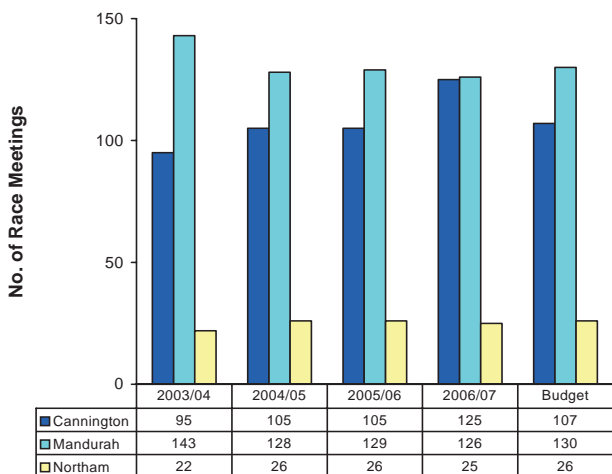
Off-course totalisator turnover is the single most important factor to the main income source, RWWA Distribution. Coverage of local and interstate race meetings through TAB agencies, quality of race meetings, stakeonies and the overall promotion of this racing code in WA are collectively important to maximise the interest of offcourse investors. The success of this business output is paramount to the achievement of the desired business outcome.

Due to a change in policy of RWWA Distribution, the betting turnover on meetings conducted in other States/Territories in Australia are no longer relevant to distribution funding for WAGRA.

GRAPH 4

### Racing Opportunities

Comparison by Venue 2003/04 to 2006/07



### Effectiveness

Race meetings held at the three locations provide the opportunity for owners, as well as trainers, to race their greyhounds. Whilst the graph logs race meetings, the number of races held in 2006/07 was 3,367 as compared to 3,118 the previous year.

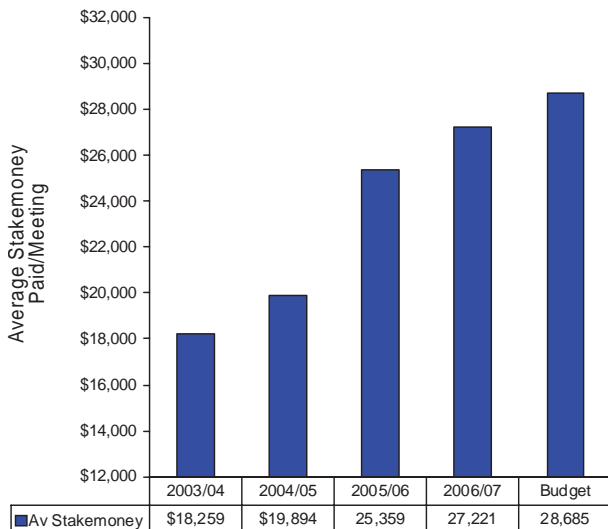
# Western Australian Greyhound Racing Association

## Annual Report 2006/2007

GRAPH 5

### Average Stakemoney Paid/Meeting

Comparison 2003/04 to 2006/07



### Effectiveness

Stakemonies paid in conjunction with the number of race meetings held provide the incentive for new and existing owners as well as trainers, to increase their interest in the sport. In 2006/07 stakemoney totalled \$7.513m being paid over 276 race meetings and an additional \$376k was allocated in the form of trophies and incentives. Country stakemoney for Northam racing reduces the average stakemoney paid per meeting.

In 2006/07 14 additional race meetings were held.

Stakemoney paid was \$2,220 less than budget.

Average stakemoney per meeting was lower than budget due to the greater proportion of additional races at country grades due to industry requirements.

### WAGRA Costs per \$000 of Betting Turnover

Comparison by Venue 2003/04 to 2006/07

PERIOD	TOTAL BETTING TURNOVER \$000	OPERATING EXPENSES \$000	Audited KPI
			COST/\$000 BETTING TURNOVER
2006/07	65,963	17,895	271.29
2005/06	299,576	15,595	52.07
2004/05	274,933	14,069	51.17
2003/04	241,422	14,144	58.59

### Operating Expenses to Betting Turnover

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

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

Due to change in policy of RWWA Distribution, the betting turnover on meetings conducted in other states/territories in Australia are no longer relevant to distribution funding.

Refer Graph 3 - Off-Course Turnover.

The comparable details for prior years are:

2005/06	58,030	268.74
2004/05	50,945	276.16
2003/04	45,680	309.94

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



### CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Greyhound Racing Association's performance, and fairly represent the performance of the Western Australian Greyhound Racing Association for the financial year ended 31 July 2007.

A handwritten signature in black ink, appearing to read "P. Tassell".

P. TASSELL  
WAGRA Chairman  
Date: 25.09.2007

A handwritten signature in blue ink, appearing to read "M. Penson".

M PENSON  
WAGRA Committee Member  
Date: 25.09.2007



