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

In accordance with Section 63 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Western Australian Greyhound Racing Association for the financial year ended 31 July 2018.

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

Yours sincerely,

Richard Humphries
Chairperson

Lauren Prater
Deputy Chairperson

12 October 2018

12 October 2018
MISSION STATEMENT

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

WAGRA’s present tasks are to:

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

AIMS AND OBJECTIVES

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

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

The functions of WAGRA are to:

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

INTERNAL AUDIT CHARTER

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

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

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

CORPORATE GOVERNANCE PRINCIPLES

• Lay solid foundations for management and responsibility.
• Structure the Committee to add value.
• Promote ethical and responsible decision-making.
• Safeguard integrity in financial reporting.
• Recognise and manage risk.
• Encourage enhanced and sustainable performance.
• Remunerate fairly and responsibly.
• Recognise the legitimate interest of stakeholders.
The Western Australian Greyhound Racing Association (WAGRA) and the Committee are committed to achieving the highest standards of corporate governance.

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

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

The Committee’s overall responsibilities include:

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

Mr Roy Rowe
Chairman
First appointed
June 2011
Resigned April 2018

Mr Richard Humphries
Chairman
First appointed
December 2014
Appointed Chairman
June 2018

Mr Peter Casey
First appointed
October 2016

Ms Lauren Prater
Deputy Chairperson
First appointed
February 2018

Ms Sophie Dwyer
First appointed
February 2018

Greg Munt (part)
First Appointed
November 2013
Resigned
December 2017
It is my privilege to provide my first report as Chairman on the Western Australian Greyhound Racing Association activities for 2017/18 racing year.

The 2017/18 racing year has overseen the restructure of the Association’s Board, financial position and race tracks, which has had significant impact on the overall governance and trading performance.

The racing year has seen restoration and rejuvenation works undertaken by the Association at our non-metropolitan Mandurah and Northam tracks in addition to the introduction of a trial to conduct greyhound racing on Sundays. The outcome has been a substantial impost on the greyhound industry participants and Association staff. The support and resilience of our industry participants is acknowledged, their commitment to race in the varying circumstances is unparalleled.

The highlight of the 2017/18 racing season was leading trainer David Hobby recording his first Group 1 victory when Trouper Monelli beat Victorian chasers Up Hill Jill and Hecton Bale in the 520m SKY Racing Perth Cup. A young up and coming WA chaser West On Augie finished last after missing the start in the big final. Victorian stayer Rippin’ Sam was too good for locals Moment To Jive and Quick Jagger in the Group 1 Galaxy Final over the 715m distance.

In the Age Classics it was the Paul Stuart-trained Cropduster which was too good in the WA Oaks and West On Augie gave trainer Chris Halse his first WA Derby winner. In a good sign for WA breeding both greyhounds were WA Bred. The Miata (715m) was run with Group 3 status for the first time in January with Neil Monelli winning with a track record of 41.66secs.

Mandurah race track held two Group races with the Birthday Cup won by Miss Bamsy in January and the Paul Stuart - trained Astrozone claiming the Mandurah Cup in October.

In the Avon, the Northam Anniversary Cup was won by outsider Blackwood Burst trained in Bakers Hill by long time Northam participant and supporter Peter Glenny.
The year’s trading conditions have remained subdued, the financial outcome for the Association impacted by the ten week project Mandurah rejuvenation works where racing was suspended, the major asset transfer of the Mandurah land and buildings to Racing and Wagering Western Australia and adjustment to the Association’s depreciation schedules.

This has resulted in a financial operating surplus of $251,631 for the 2017/18 Financial Year. This outcome is tempered by the resultant detriment of the Association’s Balance Sheet from the transfer of Mandurah.

On behalf of WAGRA I would like to thank Hon. Paul Papalia CSC MLA, Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests and his staff for the support provided to the Association during 2017/18.

The Minister, the Hon. Paul Papalia CSC MLA, in his capacity as Minister for Racing and Gaming, accepted the resignation of Mr Roy Rowe as long-time Chairman of the Association in April of this year, subsequently appointing myself to the position of Chairman of WAGRA in June 2018.

May I thank, on behalf of the Association, Roy Rowe for his contribution and dedication to greyhound racing, the diligence in rebuilding the Association governance, financial performance and most importantly the relationships with industry that are necessary for the continuing success and sustainability for our code.

I welcome the appointments of Ms Lauren Prater as Deputy Chairperson and Ms Sophie Dwyer as a Member to the WAGRA Board. May I also acknowledge Mr Peter Casey, and Mr Greg Munt (Part) for the ongoing contribution to our governance.

Acknowledgement must go to our colleagues at RWWA for their ongoing support and assistance to the Association during this financial year. RWWA’s involvement in the greyhound industry remains integral to the future sustainability and success. The creation and appointment of the Greyhound Racing Committee, a sub-committee of the RWWA Board dedicated to the greyhound code, has been a key initiative demonstrating long term support and commitment to our code.

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

I wish to express my gratitude and that of the Board to the WAGRA management and staff for their ongoing and professional efforts to enable our racing, resourcing the demand of 317 race meetings this year. The WAGRA team is greatly valued, delivering as lead partners in the greyhound racing experience.

Finally, WAGRA continues to support and be integral to ensuring our industry remains a leader in animal welfare and integrity matters. I congratulate the Minister, the Hon. Paul Papalia CSC MLA, in his capacity as Minister for Racing and Gaming, on the establishment of the Greyhound Welfare Working Group to review and revise all matters pertaining to the welfare of greyhounds. I again appeal to every participant in our industry to put the welfare of our greyhounds at the core of all our decisions.

Richard Humphries
Chairman
SENIOR OFFICERS

GENERAL MANAGER
Noel Reilly

Responsible to the WAGRA Committee for the effective performance of the Association's functions and duties.

CHIEF FINANCIAL OFFICER
Michael Seaton

Generates financial management information and accounting reports to the Committee and Management. Determines and interprets operating results and establishes accounting policies and practices.

MANAGER OPERATIONS
Craig Renton

Responsible for Gaming and Food & Beverage procedures at Cannington and Mandurah. Administers Occupational Health & Safety Committee function, and other statutory reporting requirements. Liaises with WAGRA's insurance company.

MANAGER RACING & SPONSORSHIP
Dennis O'Brien

Ensures the effectiveness of the Association's racing product, including programmed race meetings and trials. Responsible for the administration and supervision of the Association's Marketing function. Liaises with media and industry participants.

MANAGER TRACK & GROUNDS
Michael Dailly

Manages track preparation and maintenance for the efficient conduct of greyhound racing. Manages and co-ordinates all grounds maintenance including attention to buildings, plant and equipment.

MANAGER SERVICES
Dudley Corbett

Manages the Association's operational policies and procedures to deliver on the requirements of racing. Manages the facilities services, projects and co-ordinates strategic maintenance plans. Liaises with contractors, industry participants and operational teams.
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 2018 the Consultative Committee comprised of Richard Humphries, Noel Reilly, Craig Renton, Dennis O’Brien, James Broadhurst, Dudley Corbett, David Robartson, Stephanie Catchpole, Linda Britton, Lynne Vagg.

Oncourse veterinary surgeons and RWWA Chief Steward Greyhounds Mr Carlos Martins attended meetings when invited to offer advice in their specialist areas. RWWA representation was also invited.

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

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

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

RWWA members Mr Gary Gliddon (Board Member), Mr Jeff Schrull (Alternative Member) were appointed for a three year term from 1 August 2018. In November 2014 Mr Ken Norquay replaced Mr David Simonette on the Selection Panel.

WESTERN AUSTRALIAN GREYHOUND BREEDERS, OWNERS AND TRAINERS’ ASSOCIATION
At the WAGBOTA Annual General Meeting at Cannington on 26 February 2017 the following were elected and remain current:

- **President:** Mr Tim Mullany
- **V/President:** Mr Darren Rowe
- **Treasurer:** Vacant
- **Secretary:** Ms Susan Peterson
- **Committee:**
  - Mr David Robartson
  - Mrs Moana Marshall
  - Mr Mick McLennan
  - Mr Eric Campana (Part)
  - Mr Bill Choules
RWWA GREYHOUND RACING COMMITTEE

The RWWA Greyhound Racing Committee comprised:

**RWWA**
- Mr Gary Gliddon Director (Chairman)

**WAGRA**
- Mr Richard Humphries (Chairman)
- Mr Noel Reilly (General Manager)

**WAGBOTA**
- Mr Dean Starkie
- Mr Gary Weston

**INDEPENDENT**
- Ms Cheryl Isaac
- Mr Ken Norquay

RWWA GREYHOUND RACING CONSULTATIVE GROUP

The RWWA Greyhound Racing Consultative Group comprised:

**RWWA**
- Mr Gary Gliddon
- Mr Richard Burt
- Ms Charlotte Mills
- Mr Denis Borovica
- Mr Peter Howell
- Mr David Hunter

**WAGRA**
- Mr Richard Humphries
- Mr Noel Reilly
- Mr Dennis O’Brien
- Mr Gary Weston

**WAGBOTA**
- Mr Tim Mullany
- Mr Paul Stuart
- Mr Dean Starkie

Director (Chairman)
Chief Executive Officer
General Manager Racing
General Manager Racing Integrity
Manager Greyhound Racing
Manager Racing Commercial and Planning
Chairman
General Manager
Manager Racing & Marketing
President (Breeder)
Representative (Trainer)
Representative (Owner)
### EMPLOYEE PROFILE

<table>
<thead>
<tr>
<th>Category</th>
<th>2017/18</th>
<th>2016/17</th>
<th>2015/16</th>
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<td></td>
<td>M</td>
<td>F</td>
<td>T</td>
</tr>
<tr>
<td><strong>Permanent Full-Time</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 1</td>
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<td>3</td>
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</tr>
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<td>1</td>
<td>2</td>
</tr>
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<td>Level 5</td>
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<td>-</td>
<td>1</td>
</tr>
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<td>Level 6</td>
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<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Level 9</td>
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<td>1</td>
</tr>
<tr>
<td>F&amp;B Level 5</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>F&amp;B Level 6</td>
<td>2</td>
<td>-</td>
<td>2</td>
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<tr>
<td>Class 4</td>
<td>0</td>
<td>-</td>
<td>0</td>
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<tr>
<td>Track &amp; Grounds</td>
<td>7</td>
<td>-</td>
<td>7</td>
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<tr>
<td><strong>SUB TOTAL</strong></td>
<td>19</td>
<td>4</td>
<td>23</td>
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<tr>
<td><strong>Permanent Part-Time</strong></td>
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<td>Level 1</td>
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<tr>
<td>Level 5</td>
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<tr>
<td>Track &amp; Grounds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>SUB TOTAL</strong></td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Casual</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>85</td>
<td>145</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>79</strong></td>
<td><strong>90</strong></td>
<td><strong>169</strong></td>
</tr>
</tbody>
</table>

**LEGEND:**

F&B: Food and Beverage
### Racing

**Race Meetings:**

<table>
<thead>
<tr>
<th>Location</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannington</td>
<td>145</td>
<td>113</td>
<td>41</td>
<td>99</td>
<td>103</td>
</tr>
<tr>
<td>Mandurah</td>
<td>131</td>
<td>167</td>
<td>198</td>
<td>169</td>
<td>162</td>
</tr>
<tr>
<td>Northam</td>
<td>41</td>
<td>28</td>
<td>69</td>
<td>40</td>
<td>43</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>317</strong></td>
<td><strong>308</strong></td>
<td><strong>308</strong></td>
<td><strong>308</strong></td>
<td><strong>308</strong></td>
</tr>
<tr>
<td>Races</td>
<td>3545</td>
<td>3600</td>
<td>3624</td>
<td>3,628</td>
<td>3,582</td>
</tr>
<tr>
<td>Starters</td>
<td>25,945</td>
<td>27,401</td>
<td>27,705</td>
<td>27,736</td>
<td>27,605</td>
</tr>
<tr>
<td>Average Starters per Race</td>
<td>7.3</td>
<td>7.6</td>
<td>7.6</td>
<td>7.7</td>
<td>7.7</td>
</tr>
</tbody>
</table>

### Financials $000

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Surplus/(Deficit)</td>
<td>252</td>
<td>26</td>
<td>(860)</td>
<td>(1,675)</td>
<td>(468)</td>
</tr>
<tr>
<td>Net Cash Provided/(Used) by Operating Activities</td>
<td>803</td>
<td>331</td>
<td>(147)</td>
<td>(770)</td>
<td>508</td>
</tr>
<tr>
<td>TAB Distribution *</td>
<td>17,928</td>
<td>17,709</td>
<td>17,201</td>
<td>15,887</td>
<td>15,671</td>
</tr>
<tr>
<td>Grants (Off-course)</td>
<td>1,551</td>
<td>831</td>
<td>472</td>
<td>43</td>
<td>620</td>
</tr>
<tr>
<td>Stakes/Trophies &amp; BOIS</td>
<td>12,868</td>
<td>13,062</td>
<td>12,793</td>
<td>11,536</td>
<td>11,272</td>
</tr>
<tr>
<td>Stakes/TAB Distribution %</td>
<td>71.78%</td>
<td>73.60%</td>
<td>74.21%</td>
<td>72.61%</td>
<td>71.93%</td>
</tr>
</tbody>
</table>

### Betting Turnover $000

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Oncourse Turnover (Tote) $000</td>
<td>4,137</td>
<td>4,738</td>
<td>3,498</td>
<td>5,636</td>
<td>6,851</td>
</tr>
<tr>
<td>TAB on WAGRA meetings</td>
<td>60,288</td>
<td>63,091</td>
<td>72,130</td>
<td>73,956</td>
<td>76,896</td>
</tr>
</tbody>
</table>

### Membership

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total Members</td>
<td>274</td>
<td>273</td>
<td>205</td>
<td>64</td>
<td>61</td>
</tr>
</tbody>
</table>

* Includes Tax rebates and discretionary TAB payments.
## OUTPUT MEASURES

<table>
<thead>
<tr>
<th></th>
<th>2017/18 Actual</th>
<th>2017/18 Target</th>
<th>Reason for Significant Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-course Totalisator Profit</td>
<td>$371,317</td>
<td>$333,454</td>
<td>Declining on-course attendance and the attractiveness of online betting has led to lower actual.</td>
</tr>
<tr>
<td>Stakemoney*</td>
<td>$11,804,730</td>
<td>$13,068,182</td>
<td></td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-course Totalisator Profit: Number of racing opportunities for on-course investment (average number of races held/ meeting).</td>
<td>11.18</td>
<td>12.00</td>
<td></td>
</tr>
<tr>
<td>Off-course Commission: Number of meetings where live off-track vision was made possible through MDS or satellite services.</td>
<td>317</td>
<td>308</td>
<td></td>
</tr>
<tr>
<td>Stakemoney: Number of feature races conducted as opportunity for higher stakemoney and continued quality of programme.</td>
<td>50</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td><strong>Timeliness</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-course Totalisator Profit: Number of meetings conducted in accordance with programme.</td>
<td>317</td>
<td>308</td>
<td></td>
</tr>
<tr>
<td>Stakemoney: % stakemoney payments available. (excludes swabs) within 4 working days of entitlement).</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-course Totalisator Profit: Average profit/meeting</td>
<td>$1,171</td>
<td>$1,082</td>
<td>The attractiveness of online betting has led to lower on-course turnover.</td>
</tr>
<tr>
<td>Stakemoney: Average stakemoney/meeting</td>
<td>$37,239</td>
<td>$37,578</td>
<td></td>
</tr>
</tbody>
</table>

**Notes**

* Excludes trophies and Breeders & Owners Incentive Scheme (BOIS)
RECORDKEEPING PLAN

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

ADVERTISING EXPENDITURE

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

Total expenditure for 2017/2018 was $28,077 and was incurred as:

<table>
<thead>
<tr>
<th>Advertising Agencies/Organisations</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADZOO</td>
<td>825</td>
</tr>
<tr>
<td>Market research</td>
<td></td>
</tr>
<tr>
<td>Polling</td>
<td></td>
</tr>
<tr>
<td>Direct Mail</td>
<td></td>
</tr>
<tr>
<td>Media Advertising</td>
<td></td>
</tr>
<tr>
<td>Community Newspapers</td>
<td>4,445</td>
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<tr>
<td>West Coast Radio</td>
<td>500</td>
</tr>
<tr>
<td>Western Sports Media</td>
<td>5,375</td>
</tr>
<tr>
<td>Rural Press</td>
<td>8,774</td>
</tr>
<tr>
<td>Blue Sky Media</td>
<td>595</td>
</tr>
<tr>
<td>McLeod Publishing</td>
<td>500</td>
</tr>
<tr>
<td>Greyhound Recorder</td>
<td>1,270</td>
</tr>
<tr>
<td>Fairfax Media Publications</td>
<td>5,793</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>28,077</strong></td>
</tr>
</tbody>
</table>

DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

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

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

WAGRA continues our commitment to the Companion Card program for gate attendance.

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

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

CORRUPTION PREVENTION

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

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

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

WAGRA has an appointed Public Interest Disclosure Officer and there were no reported disclosures during 2017/2018.

WAGRA Annual Report
OCCUPATIONAL SAFETY AND HEALTH

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

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

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

Staff are encouraged to undertake Senior First Aid courses, and quarterly Emergency Response training is conducted by an accredited provider in accordance with Australian Standard AS-3745-2002.

<table>
<thead>
<tr>
<th>Annual Performance Indicator</th>
<th>2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of fatalities</td>
<td>0</td>
</tr>
<tr>
<td>Number of severe claims</td>
<td>1</td>
</tr>
<tr>
<td>Number of Lost time injury/diseases (LTI/D)</td>
<td>3</td>
</tr>
<tr>
<td>Lost time injury severity rate</td>
<td>33.3333</td>
</tr>
</tbody>
</table>

SUSTAINABILITY


WAGRA provides opportunities for all members of society to engage in recreational activity that provides enrichment in people’s lives through hobby participation and general race meeting attendance, and improves connections amongst the wider community. Support for local charity foundations is a part of the commitment to the community and is supported by management and industry participants.

Various charities have been involved and have obtain benefits through participation with greyhound racing.

In 2017/2018 WAGRA continued to adopt sustainable practices in line with Government policies when procuring goods and services and in the delivery of its services. In respect to waste management and recycling, energy and water conservation, vehicle and fuel efficiencies, WAGRA will continue to work towards enhancing its performance and is developing policies and practices to encourage its employees to continue to adopt and improve sustainable practices.
## FINANCIALS

<table>
<thead>
<tr>
<th>Financial Statement</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certification of Financial Statements</td>
<td>21</td>
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<tr>
<td>Statement of Comprehensive Income</td>
<td>22</td>
</tr>
<tr>
<td>Statement of Financial Position</td>
<td>23</td>
</tr>
<tr>
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<td>24</td>
</tr>
<tr>
<td>Statement of Cash Flow</td>
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</tr>
<tr>
<td>Notes to the Financial Statements</td>
<td>26</td>
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<tr>
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</tr>
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<td>Statement of Financial Position</td>
<td>67</td>
</tr>
<tr>
<td>Statement of Cash Flow</td>
<td>68</td>
</tr>
</tbody>
</table>
The accompanying financial statements of the Western Australian Greyhound Racing Association (WAGRA) have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 31 July 2018 and the financial position as at 31 July 2018.

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

RICHARD HUMPHRIES    LAUREN PRATER
Chairman      Deputy Chairperson
12 October 2018     12 October 2018

MICHAEL SEATON
Chief Financial Officer
12 October 2018
## Statement of Comprehensive Income

**For the Year Ended 31 July 2018**

<table>
<thead>
<tr>
<th>Income</th>
<th>Note</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Racing:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RWWA Distribution</td>
<td>8</td>
<td>17,928,286</td>
<td>17,709,119</td>
</tr>
<tr>
<td>On-course Totalisator</td>
<td>8</td>
<td>696,800</td>
<td>734,872</td>
</tr>
<tr>
<td>Food and Beverage Sales</td>
<td>8,9</td>
<td>1,622,940</td>
<td>1,842,500</td>
</tr>
<tr>
<td>Admissions</td>
<td>8</td>
<td>14,245</td>
<td>38,275</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>8</td>
<td>66,969</td>
<td>63,742</td>
</tr>
<tr>
<td>Other Racing Revenue</td>
<td>8</td>
<td>105,603</td>
<td>157,059</td>
</tr>
<tr>
<td><strong>Total Racing Revenue</strong></td>
<td></td>
<td>20,434,843</td>
<td>20,545,567</td>
</tr>
<tr>
<td><strong>Administration:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>8</td>
<td>14,159</td>
<td>9,570</td>
</tr>
<tr>
<td>Other Administration Revenue</td>
<td>8</td>
<td>587,274</td>
<td>584,088</td>
</tr>
<tr>
<td><strong>Total Administration Revenue</strong></td>
<td></td>
<td>601,433</td>
<td>593,658</td>
</tr>
<tr>
<td><strong>Gains:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on disposal of non-current assets</td>
<td>8,10</td>
<td>5,881</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td></td>
<td><strong>21,042,157</strong></td>
<td><strong>21,139,225</strong></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Racing:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakemoney and Trophies</td>
<td>11</td>
<td>12,868,276</td>
<td>13,061,760</td>
</tr>
<tr>
<td>Employee Benefits Expense</td>
<td>12</td>
<td>1,996,404</td>
<td>2,067,769</td>
</tr>
<tr>
<td>Marketing, Advertising and Promotions</td>
<td></td>
<td>61,677</td>
<td>78,241</td>
</tr>
<tr>
<td>CCTV, Photo and Telecasting Link</td>
<td>3</td>
<td>38</td>
<td>798</td>
</tr>
<tr>
<td>Food &amp; Beverage Cost of Sales</td>
<td>9</td>
<td>623,835</td>
<td>728,472</td>
</tr>
<tr>
<td>Other Racing Expenses</td>
<td>13</td>
<td>854,163</td>
<td>944,875</td>
</tr>
<tr>
<td><strong>Total Racing Expenses</strong></td>
<td></td>
<td>16,404,393</td>
<td>16,881,915</td>
</tr>
<tr>
<td><strong>Administration:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Benefits Expense</td>
<td>14</td>
<td>2,704,635</td>
<td>2,399,388</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>15</td>
<td>1,646,369</td>
<td>1,110,887</td>
</tr>
<tr>
<td>Corporate Utilities and Services</td>
<td></td>
<td>346,574</td>
<td>309,388</td>
</tr>
<tr>
<td>Lease</td>
<td>17</td>
<td>254,766</td>
<td>251,521</td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td>198,212</td>
<td>162,703</td>
</tr>
<tr>
<td>Other Administration Expenses</td>
<td>16</td>
<td>786,383</td>
<td>825,753</td>
</tr>
<tr>
<td>Loss on Disposal of Non-Current Assets</td>
<td>10</td>
<td>-</td>
<td>52,119</td>
</tr>
<tr>
<td><strong>Total Administration Expenses</strong></td>
<td></td>
<td>5,936,939</td>
<td>5,111,759</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td><strong>22,341,332</strong></td>
<td><strong>21,993,674</strong></td>
</tr>
<tr>
<td><strong>(Deficit) Before Grants and Subsidies from State Government</strong></td>
<td></td>
<td><strong>(1,299,175)</strong></td>
<td><strong>(854,448)</strong></td>
</tr>
<tr>
<td><strong>Grants and subsidies from State Government</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and subsidies received</td>
<td>8</td>
<td>1,550,806</td>
<td>880,722</td>
</tr>
<tr>
<td><strong>Surplus (Deficit) for the Period</strong></td>
<td></td>
<td><strong>251,631</strong></td>
<td><strong>26,273</strong></td>
</tr>
<tr>
<td><strong>Other Comprehensive Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items Not reclassified subsequently to profit or loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in asset revaluation decrement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total other comprehensive income</strong></td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income for the Period</strong></td>
<td></td>
<td><strong>251,631</strong></td>
<td><strong>26,273</strong></td>
</tr>
</tbody>
</table>

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

For the Year Ended 31 July 2018

<table>
<thead>
<tr>
<th>Note</th>
<th>2018 $ Restated</th>
<th>2017 $ Restated</th>
<th>2016 $ Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>18,30(a)</td>
<td>1,716,247</td>
<td>913,493</td>
</tr>
<tr>
<td>Inventories</td>
<td>9,19</td>
<td>58,059</td>
<td>58,628</td>
</tr>
<tr>
<td>Receivables</td>
<td>20</td>
<td>737,352</td>
<td>863,225</td>
</tr>
<tr>
<td>Assets held for Distribution to Government</td>
<td>21(a)</td>
<td>-</td>
<td>7,942,148</td>
</tr>
<tr>
<td><strong>Total current Assets</strong></td>
<td></td>
<td>2,511,658</td>
<td>9,777,494</td>
</tr>
<tr>
<td><strong>Non Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>21(b)</td>
<td>14,360,919</td>
<td>13,818,836</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>22</td>
<td>6,699</td>
<td>7977</td>
</tr>
<tr>
<td><strong>Total Non Current Assets</strong></td>
<td></td>
<td>14,367,618</td>
<td>13,826,813</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td>16,879,276</td>
<td>23,604,307</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>23</td>
<td>787,244</td>
<td>692,806</td>
</tr>
<tr>
<td>Provisions</td>
<td>24</td>
<td>1,298,346</td>
<td>1,245,256</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td></td>
<td>2,085,590</td>
<td>1,938,062</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>23</td>
<td>15,356,037</td>
<td>14,320,956</td>
</tr>
<tr>
<td>Provisions</td>
<td>24</td>
<td>23,107</td>
<td>23,107</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td></td>
<td>15,379,144</td>
<td>14,344,063</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td>17,464,734</td>
<td>16,282,448</td>
</tr>
<tr>
<td><strong>Net Assets/(Liabilities)</strong></td>
<td></td>
<td>(585,458)</td>
<td>7,321,859</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Revaluation Surplus</td>
<td>25</td>
<td>-</td>
<td>4,859,512</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>26</td>
<td>(585,458)</td>
<td>2,462,347</td>
</tr>
<tr>
<td><strong>(Equity Deficit)/Total Equity</strong></td>
<td></td>
<td>(585,458)</td>
<td>7,321,859</td>
</tr>
</tbody>
</table>

The Statement of Financial Position should be read in conjunction with the accompanying notes. Refer to Note 7 “Disclosure of changes of an Australian Accounting Standard and corrections of prior period errors.”
### CHANGES IN EQUITY
**FOR THE YEAR ENDED 31 JULY 2018**

<table>
<thead>
<tr>
<th>Note</th>
<th>Asset Revaluation Surplus</th>
<th>Retained earnings</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Balance as at 1 August 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,859,512</td>
<td>2,436,074</td>
<td>7,295,586</td>
</tr>
<tr>
<td></td>
<td>Total Comprehensive income for the period</td>
<td>-</td>
<td>26,273</td>
</tr>
<tr>
<td></td>
<td>Gains/(losses) from asset revaluation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Balance at 31 July 2017</td>
<td>4,859,512</td>
<td>2,462,347</td>
</tr>
<tr>
<td></td>
<td>Balance as at 1 August 2017</td>
<td>4,859,512</td>
<td>2,462,347</td>
</tr>
<tr>
<td></td>
<td>Total Comprehensive income for the period</td>
<td>-</td>
<td>251,631</td>
</tr>
<tr>
<td></td>
<td>Distribution to Government</td>
<td>(8,158,948)</td>
<td>(8,158,948)</td>
</tr>
<tr>
<td></td>
<td>Transfers (from)/to reserves</td>
<td>4,859,512</td>
<td>4,859,512</td>
</tr>
<tr>
<td></td>
<td>Balance at 31 July 2018</td>
<td>25,26</td>
<td>-</td>
</tr>
</tbody>
</table>

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

**For the Year Ended 31 July 2018**

### Cash Flows from Operating Activities

<table>
<thead>
<tr>
<th>Receipts</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from RWWA</td>
<td>$18,625,085</td>
<td>$18,443,991</td>
</tr>
<tr>
<td>Receipts from Customers</td>
<td>$2,447,306</td>
<td>$3,932,750</td>
</tr>
<tr>
<td>Interest Received</td>
<td>$14,159</td>
<td>$9,570</td>
</tr>
<tr>
<td>GST Receipts on Sales</td>
<td>$307,780</td>
<td>$437,224</td>
</tr>
</tbody>
</table>

### Payments

<table>
<thead>
<tr>
<th>Payments</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments to Suppliers</td>
<td>$(2,850,889)</td>
<td>$(3,322,783)</td>
</tr>
<tr>
<td>Payment of Stakemoney</td>
<td>$(12,868,276)</td>
<td>$(13,061,760)</td>
</tr>
<tr>
<td>Payments to Employees</td>
<td>$(4,573,255)</td>
<td>$(4,381,264)</td>
</tr>
<tr>
<td>Payments for Rent</td>
<td>$(254,766)</td>
<td>$(251,521)</td>
</tr>
<tr>
<td>GST Payments on Purchases</td>
<td>$(232,183)</td>
<td>$(506,834)</td>
</tr>
</tbody>
</table>

**Net Cash Provided by/(Used by) Operating Activities**

<table>
<thead>
<tr>
<th>30 (b)</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$614,961</td>
<td>$1,299,373</td>
</tr>
</tbody>
</table>

### Cash Flows from Investing Activities

<table>
<thead>
<tr>
<th>Receipts</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Sale of Plant &amp; Equipment</td>
<td>$19,773</td>
<td>$33,355</td>
</tr>
</tbody>
</table>

### Payments

<table>
<thead>
<tr>
<th>Payments</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases for Intangible Assets</td>
<td>$(8,407)</td>
<td>$(5,050)</td>
</tr>
<tr>
<td>Purchases for Property, Plant &amp; Equipment</td>
<td>$(703,066)</td>
<td>$(1,518,225)</td>
</tr>
</tbody>
</table>

**Net Cash Used in Investing Activities**

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>$(691,700)</td>
<td>$(1,489,920)</td>
</tr>
</tbody>
</table>

### Cash Flows from State Government

<table>
<thead>
<tr>
<th>Other grants and subsidies</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash from State Government</td>
<td>$879,493</td>
<td>$522,026</td>
</tr>
</tbody>
</table>

### Net Increase/(Decrease) in Cash and Cash Equivalents

<table>
<thead>
<tr>
<th>802,754</th>
<th>331,479</th>
</tr>
</thead>
<tbody>
<tr>
<td>802,754</td>
<td>331,479</td>
</tr>
</tbody>
</table>

### Cash and Cash Equivalents at beginning of the period

<table>
<thead>
<tr>
<th>913,493</th>
<th>582,014</th>
</tr>
</thead>
<tbody>
<tr>
<td>913,493</td>
<td>582,014</td>
</tr>
</tbody>
</table>

### Cash and Cash Equivalents at end of the period

<table>
<thead>
<tr>
<th>1,716,247</th>
<th>913,493</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,716,247</td>
<td>913,493</td>
</tr>
</tbody>
</table>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.
1. **Nature of operations**
The Association is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Association is a not-for-profit entity (as profit is not its principal objective).

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

These financial statements for the year ended 31 July 2018 were approved for issue by the Accountable Authority of the Association on 02 October 2018.

2. **General information and statement of compliance**
These general purpose financial statements have been prepared in accordance with:
(a) The Financial Management Act 2006 (FMA)
(b) The Treasurer's Instructions (the Instructions or TI)
(c) The Act
(d) Australian Accounting Standards (AAS) including applicable interpretations
(e) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

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

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

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

The Association is a going concern despite the net liability position. The Association’s Total Current Assets exceeds the Total Current Liabilities by $426,068. The Non Current Payables will be released over the life of the New Cannington lease, another 53 years.

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

5. **Summary of significant accounting policies**
(a) **Income**
Revenue recognition
Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

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

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

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

Interest
Revenue is recognised as interest accrues.

Gains
Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.

(b) Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

Derecognition
Upon disposal or derecognition of an item of property, plant and equipment any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

Asset revaluation surplus
The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets on a class of assets basis.
5. **Summary of significant accounting policies continued**

**Depreciation**

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

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

- **Buildings**: 20 to 40 years
- **Furniture and equipment**: 10 to 15 years
- **Office equipment**: 5 years
- **Computer equipment**: 3 years
- **Software**: 3 to 10 years
- **Motor vehicles**: 4 to 6 years
- **Leasehold improvements**: 5 to 30 years

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

Land is not depreciated

(c) **Intangible Assets**

**Capitalisation/expensing of assets**

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

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

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

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

The expected useful lives for each class of intangible asset are:

- **Software**: 3 years
- **Website Costs**: 10 years

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

**Computer software**

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

**Website costs**

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

(d) **Impairment of assets**

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

(d) Impairment of assets continued

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

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

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

(e) Non-current assets (or disposal groups) classified as held for sale/distribution to owner

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

(f) Leases

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

The Association does not have any finance leases.

(g) Financial instruments

In addition to cash and bank overdraft, the Association has three categories of financial instrument:

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

Financial instruments have been disaggregated into the following classes:

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

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

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

(h) Cash and cash equivalents

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

(i) Accrued Salaries

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

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

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

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

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

Provision - employee benefits
All annual leave and long service leave provisions are in respect of employees’ services up to the end of the reporting period.

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

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

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

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

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

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

A liability for long service leave is recognised after a salary employee has completed 4 years of service and wages staff have completed 7 years of service. An actuarial assessment of long service leave and annual leave is undertaken by PriceWaterhouseCoopers Actuaries as at 31 July 2018.
5. **Summary of significant accounting policies continued**

### Provisions (continued)

#### Superannuation

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

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

**Employment on-costs**

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

(n) **Comparative figures**

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

6. **Key sources of estimation uncertainty**

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

**Long Service Leave**

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

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

**Initial Application of an Australian Accounting Standard**

The Association has applied the following Australian Accounting Standards effective or adopted, for annual reporting periods beginning on or after 1 August 2017 that impacted on the Association.

<table>
<thead>
<tr>
<th>TITLE</th>
<th>Operative for reporting periods beginning on/after</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB 9</td>
<td>Financial Instruments</td>
</tr>
</tbody>
</table>

This Standard supersedes AASB 139 Financial instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.

The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9, and AASB 2014-1 Amendments to Australian Accounting Standards. The Association has not yet determined the application or the potential impact of the Standard.
### 7. Disclosure of changes of an Australian Accounting Standard and corrections of Prior Period Errors

<table>
<thead>
<tr>
<th>TITLE</th>
<th>Operative for reporting periods beginning on/after</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AASB 15</strong></td>
<td><strong>Revenue from Contracts with Customers</strong></td>
</tr>
<tr>
<td></td>
<td>This Standard establishes the principles that the Association shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Association has not yet determined the application or the potential impact of the Standard.</td>
</tr>
<tr>
<td><strong>AASB 16</strong></td>
<td><strong>Leases</strong></td>
</tr>
<tr>
<td></td>
<td>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Whilst the impact of AASB 16 has not yet been quantified, the Association currently has operating lease commitments for $6,401,591. The worth of non-cancellable operating lease which the Association anticipates most of this amount will be brought onto the statement of financial position.</td>
</tr>
<tr>
<td><strong>AASB 1058</strong></td>
<td><strong>Income of Not-for-Profit Entities</strong></td>
</tr>
<tr>
<td></td>
<td>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, or a performance obligation (a promise transfer a good or service), or, an obligation to acquire an asset. The Association has not yet determined the application or the potential impact of the standard.</td>
</tr>
<tr>
<td><strong>AASB 1059</strong></td>
<td><strong>Service Concession Arrangements: Grantors</strong></td>
</tr>
<tr>
<td></td>
<td>This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by the grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor’s perspective. Timing and measurement of the recognition of a specific asset class occurs on the commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The Association has not identified any public private partnerships within the scope of the standard.</td>
</tr>
</tbody>
</table>
7. **Disclosure of changes of an Australian Accounting Standard and corrections of Prior Period Errors (continued)**

<table>
<thead>
<tr>
<th>TITLE</th>
<th>Operative for reporting periods beginning on/after</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AASB 2010-7</strong></td>
<td>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [ AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</td>
</tr>
</tbody>
</table>

This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.

The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Association has not yet determined the application or the potential impact of the Standard.

| **AASB 2014-1** | Amendments to Australian Accounting Standards Part E of this Standard make amendments to AASB 9 and consequential amendments to other Standards. These changes have no impact as Appendix E has been superseded and the Association was not permitted to early adopt AASB 9. | 1 January 2018 |

| **AASB 2014-5** | Amendments to Australian Accounting Standards arising from AASB 15 | 1 January 2018 |

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard was amended by AASB 2015-8 to 1 January 2018. The Association has not yet determined the application or the potential impact of the Standard.

| **AASB 2014-7** | Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) | 1 January 2018 |

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Association has not yet determined the application or the potential impact of the Standard.

| **AASB 2015-8** | Amendments to Australian Accounting Standards – Effective date of AASB 15 | 1 Jan 2019 |

This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For Not-for-Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The Association has not yet determined the application or potential impact of AASB 15.
Disclosure of changes of an Australian Accounting Standard and corrections of Prior Period Errors (continued)

This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognizing revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Association has not yet determined the application or potential impact when the deferred AASB 15 becomes effective from 1 January 2019.

This Standard defers, for not-for-profit entities, the mandatory application date of AASB 15 to 1 January 2019, and the consequential amendments that were originally set out in ASB 2014-5. There is no financial impact arising from this standard.

This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.

Correction of Prior Year Errors

When reviewing the transfer of Mandurah Land and Building to Racing and Wagering Western Australia (RWWA) in accordance with the September 2016 Cabinet Decision, it was identified that the cost of the Marquee to be transferred from RWWA to WAGRA should have been recorded in 2015/16 Statement of Financial Position. The correction in carrying value of Property, Plant and Equipment and Non-Current Payables has no impact on the Statement of Comprehensive Income or Equity for the ensuing periods.

<table>
<thead>
<tr>
<th>31 July 2016</th>
<th>Actual 2016 $</th>
<th>Correction $</th>
<th>Revised 2016 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement of Financial Position (extract)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>14,528,278</td>
<td>1,706,392</td>
<td>16,234,670</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>4,653</td>
<td>-</td>
<td>4,653</td>
</tr>
<tr>
<td>Total Non-Current Assets</td>
<td>14,532,931</td>
<td>1,706,392</td>
<td>16,239,323</td>
</tr>
<tr>
<td>Total Assets</td>
<td>24,117,120</td>
<td>1,706,392</td>
<td>25,823,512</td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>13,436,898</td>
<td>1,706,392</td>
<td>15,143,290</td>
</tr>
<tr>
<td>Provisions</td>
<td>31,238</td>
<td>-</td>
<td>31,238</td>
</tr>
<tr>
<td>Total Non-Current Liabilities</td>
<td>13,468,136</td>
<td>1,706,392</td>
<td>15,174,528</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>16,821,534</td>
<td>1,706,392</td>
<td>18,527,926</td>
</tr>
<tr>
<td>Net Assets</td>
<td>7,295,586</td>
<td>-</td>
<td>7,295,586</td>
</tr>
</tbody>
</table>
7. Disclosure of changes of an Australian Accounting Standard and corrections of Prior Period Payables has no impact on the Statement of Comprehensive Income or Equity for the ensuing periods.

Correction in carrying value of Property, Plant and Equipment and Non-Current Marquee to be transferred from RWWA to WAGRA should have been recorded in 2015/16 Statement of (RWWA) in accordance with the September 2016 Cabinet Decision, it was identified that the cost of the Correction of Prior Year Errors (continued)

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Actual 2017 $</th>
<th>Correction $</th>
<th>Revised 2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>13,818,836</td>
<td>1,706,392</td>
<td>15,525,228</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>7,977</td>
<td>-</td>
<td>7,977</td>
</tr>
<tr>
<td>Total Non-Current Assets</td>
<td>13,826,813</td>
<td>1,706,392</td>
<td>15,533,205</td>
</tr>
<tr>
<td>Total Assets</td>
<td>23,604,307</td>
<td>1,706,392</td>
<td>25,310,699</td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>14,320,956</td>
<td>1,706,392</td>
<td>16,027,348</td>
</tr>
<tr>
<td>Provisions</td>
<td>23,430</td>
<td>-</td>
<td>23,430</td>
</tr>
<tr>
<td>Total Non-Current Liabilities</td>
<td>14,344,386</td>
<td>1,706,392</td>
<td>16,050,778</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>16,282,448</td>
<td>1,706,392</td>
<td>17,988,840</td>
</tr>
<tr>
<td>Net Assets</td>
<td>7,521,859</td>
<td>-</td>
<td>7,521,859</td>
</tr>
</tbody>
</table>

8. Revenue

The Association’s revenue may be analysed as follows for each service category:

Distribution

Totalisator

Food and Beverage
- Sales: 1,622,940 (2017) 1,842,500 (2018)

Admissions

Sponsorship

Other Racing Revenue

Grants and subsidies from State Government

Other Administration Revenue

Investment Income

Other Income

9. **Trading Profit**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food and Beverage Sales</strong></td>
<td>$1,622,940</td>
<td>$1,842,500</td>
</tr>
<tr>
<td><strong>Cost of Sales:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Inventory</td>
<td>($58,628)</td>
<td>($73,107)</td>
</tr>
<tr>
<td>Purchases</td>
<td>($623,266)</td>
<td>($713,993)</td>
</tr>
<tr>
<td><strong>Closing Inventory</strong></td>
<td>58,059</td>
<td>58,628</td>
</tr>
<tr>
<td><strong>Cost of goods sold</strong></td>
<td>($623,835)</td>
<td>($728,472)</td>
</tr>
<tr>
<td><strong>Trading Profit</strong></td>
<td>999,105</td>
<td>1,114,028</td>
</tr>
</tbody>
</table>

10. **Net Gain / (Loss) on Disposal of Non Current Assets**

Proceeds from Disposal of Non Current Assets:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Proceeds</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and improvements</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td></td>
<td>-</td>
<td>2,400</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td></td>
<td>19,773</td>
<td>30,909</td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td></td>
<td>-</td>
<td>45</td>
</tr>
</tbody>
</table>

Carrying Amount of Assets Sold:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Carrying Amount</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangibles</td>
<td></td>
<td>-</td>
<td>(4,751)</td>
</tr>
<tr>
<td>Building and Improvements</td>
<td></td>
<td>-</td>
<td>(4,558)</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td></td>
<td>-</td>
<td>(39,797)</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td></td>
<td>(13,892)</td>
<td>(36,367)</td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Net (Loss)/Gain on disposal of Non-Current Assets: 5,881  (52,119)

11. **Stakemoney & Trophies**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakemoney</td>
<td>11,804,730</td>
<td>11,934,935</td>
</tr>
<tr>
<td>Breeders Bonus</td>
<td>1,034,750</td>
<td>1,098,825</td>
</tr>
<tr>
<td>Trophies</td>
<td>28,796</td>
<td>28,000</td>
</tr>
</tbody>
</table>

12. **Employee Benefits Expense - Racing**

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages – Oncourse Totalisator</td>
<td>219,901</td>
<td>220,706</td>
</tr>
<tr>
<td>Salaries and Wages – Food and Beverage</td>
<td>573,784</td>
<td>663,070</td>
</tr>
<tr>
<td>Salaries and Wages – Printing</td>
<td>24,658</td>
<td>21,592</td>
</tr>
<tr>
<td>Other Casual Wages</td>
<td>1,178,061</td>
<td>1,162,401</td>
</tr>
</tbody>
</table>

13. **Other Racing Expenses**

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Expenses – Oncourse Totalisator</td>
<td>128,197</td>
<td>129,186</td>
</tr>
<tr>
<td>Direct Expenses – Food and Beverage</td>
<td>23,703</td>
<td>22,657</td>
</tr>
<tr>
<td>Veterinary Fees</td>
<td>248,888</td>
<td>246,264</td>
</tr>
<tr>
<td>Printing Expense</td>
<td>105,201</td>
<td>113,955</td>
</tr>
<tr>
<td>Security</td>
<td>80,725</td>
<td>115,419</td>
</tr>
<tr>
<td>Cleaning and Laundry</td>
<td>114,649</td>
<td>165,800</td>
</tr>
<tr>
<td>Sundry Racing Expenses</td>
<td>152,800</td>
<td>151,594</td>
</tr>
</tbody>
</table>

14. **Stakemoney & Trophies**

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Expenses – Oncourse Totalisator</td>
<td>128,197</td>
<td>129,186</td>
</tr>
<tr>
<td>Direct Expenses – Food and Beverage</td>
<td>23,703</td>
<td>22,657</td>
</tr>
<tr>
<td>Veterinary Fees</td>
<td>248,888</td>
<td>246,264</td>
</tr>
<tr>
<td>Printing Expense</td>
<td>105,201</td>
<td>113,955</td>
</tr>
<tr>
<td>Security</td>
<td>80,725</td>
<td>115,419</td>
</tr>
<tr>
<td>Cleaning and Laundry</td>
<td>114,649</td>
<td>165,800</td>
</tr>
<tr>
<td>Sundry Racing Expenses</td>
<td>152,800</td>
<td>151,594</td>
</tr>
</tbody>
</table>
14. **Employee Benefits Expense - Administration**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>1,232,471</td>
<td>1,109,864</td>
</tr>
<tr>
<td>Ground Staff Salaries and Wages</td>
<td>742,029</td>
<td>638,985</td>
</tr>
<tr>
<td>Annual Leave</td>
<td>192,431</td>
<td>160,604</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>107,303</td>
<td>32,689</td>
</tr>
<tr>
<td>Fringe Benefit Tax</td>
<td>26,132</td>
<td>32,703</td>
</tr>
<tr>
<td>Redundancy</td>
<td>-</td>
<td>49,717</td>
</tr>
<tr>
<td>Training - Other</td>
<td>2,304</td>
<td>-</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>2,980</td>
<td>2,960</td>
</tr>
<tr>
<td>Admin Temp/Contract Staff</td>
<td>5,102</td>
<td>8,076</td>
</tr>
<tr>
<td>Superannuation</td>
<td>393,883</td>
<td>363,790</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,704,635</td>
<td>2,399,388</td>
</tr>
</tbody>
</table>

15. **Depreciation & Amortisation Expenses - Administration**

**Depreciation:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and Equipment</td>
<td>218,103</td>
<td>180,564</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>28,203</td>
<td>33,077</td>
</tr>
<tr>
<td>Buildings and Leasehold Improvements</td>
<td>1,374,498</td>
<td>895,521</td>
</tr>
<tr>
<td><strong>Total Depreciation</strong></td>
<td>1,620,804</td>
<td>1,109,162</td>
</tr>
</tbody>
</table>

**Amortisation:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible Assets</td>
<td>25,565</td>
<td>1,725</td>
</tr>
<tr>
<td><strong>Total Amortisation</strong></td>
<td>25,565</td>
<td>1,725</td>
</tr>
<tr>
<td><strong>Total Depreciation &amp; Amortisation</strong></td>
<td>1,646,369</td>
<td>1,110,887</td>
</tr>
</tbody>
</table>

16. **Other Administration Expenses**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td>92,621</td>
<td>187,411</td>
</tr>
<tr>
<td>Motor Vehicle Expenses</td>
<td>60,230</td>
<td>51,880</td>
</tr>
<tr>
<td>Travel, Accommodation &amp; Conferences</td>
<td>22,650</td>
<td>12,737</td>
</tr>
<tr>
<td>Legal Expenses</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Postage and Stationery</td>
<td>3,495</td>
<td>2,903</td>
</tr>
<tr>
<td>Rates and Taxes</td>
<td>82,840</td>
<td>77,424</td>
</tr>
<tr>
<td>Payroll Tax</td>
<td>236,133</td>
<td>226,192</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Staff Recruitment Expenses</td>
<td>280</td>
<td>-</td>
</tr>
<tr>
<td>Bad Debts Written Off</td>
<td>-</td>
<td>4,954</td>
</tr>
<tr>
<td>Sundry Administration Expenses</td>
<td>288,134</td>
<td>262,252</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>786,383</td>
<td>825,753</td>
</tr>
</tbody>
</table>

17. **Leases**

Lease expenses for period

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Term Deposits</td>
<td>1,213,148</td>
<td>783,397</td>
</tr>
<tr>
<td>Cash at Bank</td>
<td>419,080</td>
<td>33,385</td>
</tr>
<tr>
<td>Cash on Hand</td>
<td>84,019</td>
<td>96,711</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,716,247</td>
<td>913,493</td>
</tr>
</tbody>
</table>

Short term deposits are held with BankWest on an at call basis.

19. **Inventories**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurant food stocks</td>
<td>13,892</td>
<td>10,892</td>
</tr>
<tr>
<td>Restaurant beverage stocks</td>
<td>44,167</td>
<td>47,736</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>58,059</td>
<td>58,628</td>
</tr>
</tbody>
</table>

20. **Receivables and Prepayments**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable for goods and services supplied</td>
<td>529,267</td>
<td>499,844</td>
</tr>
<tr>
<td>GST Receivable</td>
<td>133,760</td>
<td>209,540</td>
</tr>
<tr>
<td>Prepayments</td>
<td>73,739</td>
<td>153,841</td>
</tr>
<tr>
<td>Accrued Income</td>
<td>586</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>737,352</td>
<td>863,225</td>
</tr>
</tbody>
</table>
21. **Property, Plant & Equipment**

(a) **Current (Assets held for distribution to Government)**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>-</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Buildings, Structures and Improvements at Valuation</td>
<td>-</td>
<td>3,942,148</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>7,942,148</td>
</tr>
</tbody>
</table>

Land and Buildings were independently valued in 2015 by John Garmony & Associates, 9 Hardy St. South Perth, Western Australia.

**Reconciliation**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at start of period</td>
<td>7,942,148</td>
<td>8,151,869</td>
</tr>
<tr>
<td>Transferred from Non Current to Current</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>WIP Additions</td>
<td>406,565</td>
<td>-</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Disposals</td>
<td>(8,158,948)</td>
<td>(4,558)</td>
</tr>
<tr>
<td>accumulated depreciation</td>
<td>(189,765)</td>
<td>(205,163)</td>
</tr>
<tr>
<td>Carrying amount at end of period</td>
<td>-</td>
<td>7,942,148</td>
</tr>
</tbody>
</table>

(b) **Non Current**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and Equipment at Cost</td>
<td>2,691,253</td>
<td>2,343,846</td>
</tr>
<tr>
<td>less accumulated depreciation</td>
<td>(1,569,890)</td>
<td>(1,351,787)</td>
</tr>
<tr>
<td>Total</td>
<td>1,121,363</td>
<td>992,059</td>
</tr>
<tr>
<td>Motor Vehicles at Cost</td>
<td>267,412</td>
<td>289,335</td>
</tr>
<tr>
<td>less accumulated depreciation</td>
<td>(145,020)</td>
<td>(144,170)</td>
</tr>
<tr>
<td>Total</td>
<td>122,392</td>
<td>145,165</td>
</tr>
<tr>
<td>Leasehold Improvements at Cost</td>
<td>14,944,451</td>
<td>12,396,375</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(1,886,999)</td>
<td>(702,266)</td>
</tr>
<tr>
<td>Total</td>
<td>13,057,452</td>
<td>11,694,109</td>
</tr>
<tr>
<td>Capital Work in Progress</td>
<td>59,712</td>
<td>2,693,895</td>
</tr>
<tr>
<td>Total</td>
<td>59,712</td>
<td>2,693,895</td>
</tr>
<tr>
<td>Total Property Plant and Equipment</td>
<td>14,360,919</td>
<td>15,525,228</td>
</tr>
</tbody>
</table>
The reconciliation of carrying amounts of property, plant and equipment at the beginning and end of the current financial year is set out below.

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

<table>
<thead>
<tr>
<th></th>
<th>Furniture &amp; Equipment</th>
<th>Motor Vehicles</th>
<th>Leasehold Improvements</th>
<th>Buildings</th>
<th>Land at Valuation</th>
<th>Capital Work in Progress</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at start of the year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Plus</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Additions</td>
<td>$17,090</td>
<td>$36,141</td>
<td>$78,595</td>
<td>-</td>
<td>-</td>
<td>$143,646</td>
<td>$275,472</td>
</tr>
<tr>
<td>Transfers between asset classes</td>
<td>$764,794</td>
<td>-</td>
<td>$12,321,722</td>
<td>-</td>
<td>-</td>
<td>$(13,086,516)</td>
<td>-</td>
</tr>
<tr>
<td>Less</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Disposals</td>
<td>$(4,751)</td>
<td>$(36,367)</td>
<td>$(39,797)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$(80,915)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$(180,564)</td>
<td>$(33,077)</td>
<td>$(690,358)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$(903,999)</td>
</tr>
<tr>
<td>Carrying amount at end of the year</td>
<td>$992,059</td>
<td>$145,165</td>
<td>$11,694,109</td>
<td>-</td>
<td>-</td>
<td>$2,693,895</td>
<td>$15,525,228</td>
</tr>
</tbody>
</table>

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

Information on fair value measurement is provided in Note 28.
## Notes to the Financial Statements

### For the Year Ended 31 July 2018

### 22. Intangible Assets

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible Assets – Computer Software</td>
<td>34,782</td>
<td>10,495</td>
</tr>
<tr>
<td>less accumulated amortisation</td>
<td>(28,083)</td>
<td>(2,518)</td>
</tr>
<tr>
<td><strong>Net Intangible Assets</strong></td>
<td><strong>6,699</strong></td>
<td><strong>7,977</strong></td>
</tr>
</tbody>
</table>

### Reconciliation

**Computer Software**

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at start of period</td>
<td>7,977</td>
<td>4,653</td>
</tr>
<tr>
<td>WIP Additions</td>
<td>24,287</td>
<td>5,050</td>
</tr>
<tr>
<td>Less  Amortisation</td>
<td>(25,565)</td>
<td>(1,726)</td>
</tr>
<tr>
<td><strong>Carrying amount at end of period</strong></td>
<td>6,699</td>
<td>7,977</td>
</tr>
</tbody>
</table>

### 23. Payables

#### Current

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>284,162</td>
<td>185,563</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>105,589</td>
<td>127,506</td>
</tr>
<tr>
<td>Other Liabilities: Fees in Advance</td>
<td>397,493</td>
<td>379,737</td>
</tr>
<tr>
<td><strong>Total Current Payables</strong></td>
<td>787,244</td>
<td>692,806</td>
</tr>
</tbody>
</table>

#### Non-Current

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Liabilities: Grants in Advance</td>
<td>15,356,037</td>
<td>16,027,348</td>
</tr>
<tr>
<td><strong>Total Non-Current Payables</strong></td>
<td>16,143,281</td>
<td>16,720,154</td>
</tr>
</tbody>
</table>

All financial liabilities are unsecured. The Association considers the carrying amounts of creditors, accrued expenses and other payables approximate to their net fair values.


#### Current

**Employee benefits Provisions:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Leave (a)</td>
<td>438,716</td>
<td>431,114</td>
</tr>
<tr>
<td>Long Service Leave (b)</td>
<td>775,543</td>
<td>733,397</td>
</tr>
<tr>
<td><strong>Total Current Provisions</strong></td>
<td>1,214,259</td>
<td>1,164,511</td>
</tr>
</tbody>
</table>

**Other Provisions**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment On Costs (c)</td>
<td>84,087</td>
<td>80,745</td>
</tr>
<tr>
<td><strong>Total Other Provisions</strong></td>
<td>84,087</td>
<td>80,745</td>
</tr>
</tbody>
</table>

**Total Current Provisions**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>1,298,346</td>
<td>1,245,256</td>
</tr>
</tbody>
</table>
### Provisions (Continued)

#### Non-Current

**Employee benefits Provisions:**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Service Leave (b)</td>
<td>21,622</td>
<td>21,924</td>
</tr>
<tr>
<td></td>
<td>21,622</td>
<td>21,924</td>
</tr>
<tr>
<td>Other Provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment On Costs (c)</td>
<td>1,485</td>
<td>1,506</td>
</tr>
<tr>
<td></td>
<td>1,485</td>
<td>1,506</td>
</tr>
<tr>
<td><strong>Total Non Current Provisions</strong></td>
<td>23,107</td>
<td>23,430</td>
</tr>
<tr>
<td><strong>Total Provisions</strong></td>
<td>1,321,453</td>
<td>1,268,686</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 12 months of the end of the reporting period</td>
<td>201,354</td>
<td>216,944</td>
</tr>
<tr>
<td>More than 12 months after the end of the reporting period</td>
<td>237,362</td>
<td>214,170</td>
</tr>
<tr>
<td></td>
<td>438,716</td>
<td>431,114</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 12 months of the end of the reporting period</td>
<td>363,329</td>
<td>351,780</td>
</tr>
<tr>
<td>More than 12 months after the end of the reporting period</td>
<td>433,836</td>
<td>403,541</td>
</tr>
<tr>
<td></td>
<td>797,165</td>
<td>755,321</td>
</tr>
</tbody>
</table>

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers’ compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in Note 16 Employee Benefits Expense – Administration

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

<table>
<thead>
<tr>
<th>Employment on-cost Provision:</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying amount at start of period</td>
<td>82,251</td>
<td>80,368</td>
</tr>
<tr>
<td>Additional/(reversals of) provisions recognised</td>
<td>3,321</td>
<td>1,883</td>
</tr>
<tr>
<td>Payments/Other sacrifices of economic benefit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carrying amount at end of period</td>
<td>85,572</td>
<td>82,251</td>
</tr>
</tbody>
</table>

### Asset Revaluation Surplus:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at start of year</td>
<td>4,859,512</td>
<td>4,859,512</td>
</tr>
<tr>
<td>Transfer to Retained Earnings:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>(1,836,398)</td>
<td>-</td>
</tr>
<tr>
<td>Land</td>
<td>(3,023,114)</td>
<td>-</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>-</td>
<td>4,859,512</td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

26. Retained Earnings

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at start of year</td>
<td>$2,462,347</td>
<td>$2,436,074</td>
</tr>
<tr>
<td>Transfer from Asset Revaluation Surplus</td>
<td>4,859,512</td>
<td>-</td>
</tr>
<tr>
<td>Distribution to Government</td>
<td>(8,158,948)</td>
<td>-</td>
</tr>
<tr>
<td>Result for period</td>
<td>251,631</td>
<td>26,273</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>(585,458)</td>
<td>2,462,347</td>
</tr>
</tbody>
</table>

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

27. Remuneration of Auditor

The total of fees paid or due and payable for the financial year is as follows:
Auditing the accounts, financial statements and key performance indicators                                                  74,740 74,000

28. Fair value measurements

<table>
<thead>
<tr>
<th>Assets measured at fair Value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Fair Value At end of period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land (Note 21)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Buildings(Note 21)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land (Note 21)</td>
<td>-</td>
<td>4,000,000</td>
<td>-</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Buildings(Note 21)</td>
<td>-</td>
<td>-</td>
<td>3,942,148</td>
<td>3,942,148</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>4,000,000</td>
<td>3,942,148</td>
<td>7,942,148</td>
</tr>
</tbody>
</table>

There were no transfers between Levels 1, 2 or 3 during the current or previous period.
28. **Fair value measurements (continued)**

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

Fair value measurements using significant unobservable inputs (Level 3)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Land</td>
<td>Buildings</td>
</tr>
<tr>
<td>Fair Value at start of period</td>
<td></td>
<td>3,942,148</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>4,151,869</td>
</tr>
<tr>
<td>Distribution to Government</td>
<td>-</td>
<td>(4,558)</td>
</tr>
<tr>
<td>Revaluation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increments/(Decrements) recognized in Other Comprehensive Income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>-</td>
<td>(189,765)</td>
</tr>
<tr>
<td>Fair Value at end of period</td>
<td>-</td>
<td>3,942,148</td>
</tr>
</tbody>
</table>

Valuation processes
There were no changes in valuation techniques during the period.

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

**Buildings (Level 3 fair values)**
Fair value for existing use specialised buildings and infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimization (where applicable) of the asset. Current replacement cost is generally determined by reference to the market-observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Valuation using depreciation replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by John Garmondy and Associates. The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fare values of buildings.
28. **Fair value measurements (continued)**

Information about significant unobservable inputs (Level 3) in fair value measurements

**Basis of Valuation**

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

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Compensation of Key Management Personnel</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Compensation Bands:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0-$10,000</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>$10,000-$20,000</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>$20,000-$30,000</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Short term employee benefits</td>
<td>41,548</td>
<td>48,547</td>
</tr>
<tr>
<td>Post employment benefits</td>
<td>3,774</td>
<td>4,538</td>
</tr>
<tr>
<td>Other long term benefits</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Termination benefits</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>The total compensation of members of the accountable association</strong></td>
<td><strong>45,322</strong></td>
<td><strong>53,085</strong></td>
</tr>
<tr>
<td>No members of the Accountable Association are members of the Pension Scheme.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(iii) **Compensation of Senior Officers**

**Compensation Bands:**

| $100,001 - $120,000 | - | 1 |
| $120,001 - $140,000 | - | 2 |
| $140,001 - $160,000 | 4 | 2 |
| $160,001 - $180,000 | - | 1 |
| $180,001 - $200,000 | 3 | 1 |

| Short term employee benefits | 926,580 | 768,388 |
| Post employment benefits    | 182,750 | 180,119 |
| Other long term benefits    | 32,038  | 25,845  |
| Termination benefits        | -       | 49,717  |
| **Total compensation of senior officers** | **1,141,368** | **1,024,069** |
| No senior officers are members of the Pension Scheme. |          |          |
30. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at Bank</td>
<td>419,080</td>
<td>33,385</td>
</tr>
<tr>
<td>Investments</td>
<td>1,213,148</td>
<td>783,397</td>
</tr>
<tr>
<td>Cash on Hand</td>
<td>84,019</td>
<td>96,710</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,716,247</td>
<td>913,493</td>
</tr>
</tbody>
</table>

(b) Reconciliation of profit to net cash flows provided by/(used in) Operating Activities

Surplus/(Deficit) for the period

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Cash Items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>1,646,369</td>
<td>1,110,887</td>
</tr>
<tr>
<td>Net (gain)/Loss on sale of Non Current Assets Disposed</td>
<td>(5,881)</td>
<td>(52,118)</td>
</tr>
<tr>
<td>Grants and Subsidies from State Government</td>
<td>(879,494)</td>
<td>(880,721)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Receivables and Prepayments(a)</td>
<td>48,996</td>
<td>(65,277)</td>
</tr>
<tr>
<td>Current Inventories</td>
<td>569</td>
<td>14,479</td>
</tr>
<tr>
<td><strong>Increase/(decrease) in liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Payables(a)</td>
<td>94,441</td>
<td>(120,492)</td>
</tr>
<tr>
<td>Current Provisions</td>
<td>53,090</td>
<td>34,382</td>
</tr>
<tr>
<td>Non Current Payables</td>
<td>(671,313)</td>
<td>1,170,157</td>
</tr>
<tr>
<td>Non Current Provisions</td>
<td>(324)</td>
<td>(7,808)</td>
</tr>
<tr>
<td>Net GST receipts/(payments)(b)</td>
<td>76,877</td>
<td>69,611</td>
</tr>
<tr>
<td><strong>Net Cash Provided by/(used in) operating activities</strong></td>
<td>614,961</td>
<td>1,299,373</td>
</tr>
</tbody>
</table>

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

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

31. Explanatory Statement

Significant variations between actual results for 2016/2017 and 2017/2018 for income and expenses are shown below. Significant variations are considered to be those greater than $150,000.

(i) Comparison of Actual Results of 2017/2018 with those of the Preceding Year:

<table>
<thead>
<tr>
<th>Item</th>
<th>2017/18 (’000)</th>
<th>2016/17 (’000)</th>
<th>Variation (’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RWWA Distribution</td>
<td>17,928</td>
<td>17,709</td>
<td>219 (a)</td>
</tr>
<tr>
<td>Food and Beverage Sales</td>
<td>1,622</td>
<td>1,842</td>
<td>(220) (b)</td>
</tr>
<tr>
<td>Grants and Subsidies Received</td>
<td>1,551</td>
<td>881</td>
<td>670 (c)</td>
</tr>
<tr>
<td>Stakemoney and Trophies</td>
<td>12,868</td>
<td>13,062</td>
<td>(194) (d)</td>
</tr>
<tr>
<td>Employee Benefits Expense - Administration</td>
<td>2,704</td>
<td>2,399</td>
<td>305 (e)</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>1,646</td>
<td>1,111</td>
<td>535 (f)</td>
</tr>
</tbody>
</table>
31. Explanatory Statement (Continued)

Income

(a) RWWA Distribution
RWWA increased Distribution for Event Fee above the 2016/17 Event Fee.

(b) Food and Beverage Sales
Food and Beverage Sales was below the 2016/17 as the Mandurah Track was closed for the 2 months during the year.

(c) Grants and Subsidies Received
Grants for the Northam Rail rebuild and the Mandurah sand replacement/transition improvement contributed to the increase. As a result of a Cabinet decision WAGRA had to include an additional Grant from 2016 which is to be released over the 10 year life of the marquee. The actual includes a 29 months backdated amount.

Expenses

(d) Stakemoney and Trophies
During the year a number of races were not run due to insufficient nominations.

(e) Employee Benefits Expense – Administration
During 2017/18 an additional staff member and the introduction of further increase in long service leave accrual for casuals was brought in.

(f) Depreciation and Amortisation
The Cannington F&B Marque has now been capitalised, the current year charges includes $385,604 for depreciation for the previous financial year.

Significant variations between budget estimates and actual results for 2017/2018 for income and expenses are shown below.

Comparison of Estimates and Actual Results:

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

<table>
<thead>
<tr>
<th></th>
<th>2017/18 Budget ($)000</th>
<th>2017/18 Actual ($)000</th>
<th>Variation ($)000</th>
</tr>
</thead>
<tbody>
<tr>
<td>RWWA Distribution</td>
<td>17,370</td>
<td>17,928</td>
<td>558 (a)</td>
</tr>
<tr>
<td>Food and Beverage Sales</td>
<td>1,833</td>
<td>1,622</td>
<td>(211) (b)</td>
</tr>
<tr>
<td>Other Administration Revenue</td>
<td>363</td>
<td>587</td>
<td>224 (c)</td>
</tr>
<tr>
<td>Grants and Subsidies Received</td>
<td>593</td>
<td>1,551</td>
<td>958 (d)</td>
</tr>
<tr>
<td>Employee Benefits Expense - Racing</td>
<td>2,155</td>
<td>1,996</td>
<td>(159) (e)</td>
</tr>
<tr>
<td>Other Racing Expenses</td>
<td>1,165</td>
<td>854</td>
<td>(311) (f)</td>
</tr>
<tr>
<td>Employee Benefits Expense - Administration</td>
<td>2,517</td>
<td>2,704</td>
<td>187 (g)</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>766</td>
<td>1,646</td>
<td>880 (h)</td>
</tr>
</tbody>
</table>
31. Explanatory Statement (Continued)

Income

(a) RWWA Distribution
The budget RWWA Distribution was left at the 2016/17 rate as there is a timing difference between when the budget must be submitted and when RWWA advises distribution for the year.

(b) Food and Beverage Sales
Budget Revenue from Food and Beverage did not take into account a two month closedown to upgrade the track.

(c) Other Administration Revenue
The actual revenue from product fees for International Sky Vision was higher than budgeted.

(d) Grants and Subsidies Received
During the year WAGRA also received a number of one off unbudgeted grants from RWWA. As a result of a Cabinet decision WAGRA had to include an additional Grant from 2016 which is to be released over the 10 year life of the marquee. The actual includes a 29 months backdated amount and was unbudgeted.

Expenses

(e) Employee Benefits Expense – Racing
Savings were achieved mainly in the food and Beverage area due to the unbudgeted closure of the Mandurah track for upgrades. Savings were also achieved through better staff management.

(f) Other Racing Expenses
Savings were achieved across most areas including, security, printing, cleaning and sundry racing expenditure.

(g) Employee Benefits Expense – Administration
Costs of employing an unbudgeted staff member resulted in costs above budget.

(h) Depreciation and Amortisation
The Cannington F&B Marque has now been capitalised, the current year charges includes $385,604 for depreciation for the previous financial year.
32. Financial Instruments

(a) Financial Risk Management Objectives and Policies

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

Credit Risk

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

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

Liquidity Risk

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

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

Market Risk

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

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>(b) Categories of Financial Instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,716</td>
<td>913</td>
</tr>
<tr>
<td>Receivables(\text{a}))</td>
<td>529</td>
<td>500</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>390</td>
<td>313</td>
</tr>
</tbody>
</table>

\(\text{(a)}\) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).
## Aging analysis of financial assets.

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Carrying Amount</th>
<th>Not past due and not impaired</th>
<th>Up to 3 Months</th>
<th>3-12 Months</th>
<th>1-2 years</th>
<th>2-5 years</th>
<th>More than 5 years</th>
<th>Impaired financial assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,716</td>
<td>1,716</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Receivables&lt;sup&gt;(a)&lt;/sup&gt;</td>
<td>529</td>
<td>529</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,245</td>
<td>2,245</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>913</td>
<td>913</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables&lt;sup&gt;(a)&lt;/sup&gt;</td>
<td>500</td>
<td>500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,413</td>
<td>1,413</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>(a)</sup>The amount of receivables excludes GST recoverable from the ATO (statutory receivable).
32. Financial Instruments (continued)
   (c) Financial Instrument Disclosures (continued)

Liquidity Risk and interest rate exposure

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

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

<table>
<thead>
<tr>
<th>Weighted Average Effective Interest Rate %</th>
<th>Carrying Amount</th>
<th>Fixed Interest Rate</th>
<th>Variable Interest Rate</th>
<th>Non Interest Bearing</th>
<th>Nominal Amount</th>
<th>Up to 1 Months</th>
<th>1-3 Months</th>
<th>3 months - 1 year</th>
<th>1-5 years</th>
<th>More than 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>2018 Financial Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1.08</td>
<td>1,716</td>
<td>1,632</td>
<td>-</td>
<td>84</td>
<td>1,716</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Receivables**(a)**</td>
<td>529</td>
<td>-</td>
<td>-</td>
<td>529</td>
<td>529</td>
<td>529</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,245</td>
<td>1,632</td>
<td>-</td>
<td>613</td>
<td>2,245</td>
<td>2,245</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

| **2017 Financial Assets**                |                 |                     |                        |                      |                |                |             |                  |           |                  |
| Cash and cash equivalents                 | 1.37            | 913                 | 817                    | -                    | 96             | 913            | -           | -                | -         |                  |
| Receivables**(a)**                        | 500             | -                   | -                      | 500                  | 500            | 500            | -           | -                | -         |                  |
| **Total**                                 | 1,413           | 817                 | -                      | 596                  | 1,413          | 1,413          | -           | -                | -         |                  |

| **Financial Liabilities**                |                 |                     |                        |                      |                |                |             |                  |           |                  |
| Payables                                 | 313             | -                   | -                      | 313                  | 313            | 313            | -           | -                | -         |                  |
| **Total**                                 | 313             | -                   | -                      | 313                  | 313            | 313            | -           | -                | -         |                  |

**(a)** The amount of receivables excludes GST recoverable from the ATO (statutory receivable).
32. Financial Instruments (continued)

Interest Rate Sensitivity Analysis

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

<table>
<thead>
<tr>
<th></th>
<th>-100 basis points</th>
<th>+ 100 basis points</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying amount</td>
<td>Profit $000</td>
</tr>
<tr>
<td></td>
<td>$000</td>
<td>Equity $000</td>
</tr>
<tr>
<td></td>
<td>Profit $000</td>
<td>Equity $000</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash</td>
<td>1,632</td>
<td>(16.3)</td>
</tr>
<tr>
<td>equivalents</td>
<td></td>
<td>(16.3)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>16.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>16.3</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash</td>
<td>817</td>
<td>(8.2)</td>
</tr>
<tr>
<td>equivalents</td>
<td></td>
<td>(8.2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8.2</td>
</tr>
</tbody>
</table>

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

33. Impairment of Assets

There are no indications of impairment to property, plant and equipment, infrastructure or intangible assets at 31 July, 2018.

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

All surplus assets at 31 July 2018 have been classified as assets held for resale or written-off.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

34. Commitments

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

34. Commitments (Continued)

Non-Cancellable Operating Lease Commitments
Commitments in relation to the lease contracted for at the reporting date but not recognised as liabilities, are payable as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>260,093</td>
<td>268,059</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>936,156</td>
<td>962,078</td>
</tr>
<tr>
<td>Later than five years</td>
<td>5,205,342</td>
<td>5,489,074</td>
</tr>
<tr>
<td></td>
<td>6,401,591</td>
<td>6,719,211</td>
</tr>
</tbody>
</table>

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

35. Contingent liabilities and contingent assets

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

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>97,000</td>
<td>103,000</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>120,000</td>
<td>128,000</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>217,000</td>
<td>231,000</td>
</tr>
</tbody>
</table>

36. Affiliated Bodies
There are no affiliated bodies with respect to the Association’s operation.

37. Related Bodies
There are no related bodies with respect to the Association’s operation.
38. **Related Party Transactions**

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

Related parties of the Association include:

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

The Government Employees Superannuation Board (GESB)

**Significant transactions with government related entities**

Significant transactions include:

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

**Material transactions with related parties**

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

39. **Events occurring after the end of the reporting period**

There were no events occurring after the reporting date that impact on the financial statements.

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

40. **Supplementary financial information**

(a) **Write-offs**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad debts Written off during the financial year</td>
<td>-</td>
<td>4,954</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>4,954</td>
</tr>
</tbody>
</table>

(b) **Losses through theft, defaults and other causes**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Losses of public money and public and other property through theft or default</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amounts recovered</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(c) **Gifts of public property**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifts of public property by the Association</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
38

Related Party Transactions

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

Related parties of the Association include:

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

39

Significant transactions with government related entities

Significant transactions include:

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

39

Material transactions with related parties

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

Events occurring after the end of the reporting period

There were no events occurring after the reporting date that impact on the financial statements.

40.

Supplementary financial information

(a) Write-offs Bad debts Written off during the financial year - 4,954 - 4,954
(b) Losses through theft, defaults and other causes Losses of public money and public and other property through theft or default Amounts recovered - - - - - -
(c) Gifts of public property Gifts of public property by the Association - - - - - -
INDEPENDENT AUDITOR’S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN GREYHOUND RACING ASSOCIATION

Report on the Financial Statements

Qualified Opinion
i have audited the financial statements of the Western Australian Greyhound Racing Association which comprise the Statement of Financial Position as at 31 July 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter referred to in the Basis for Qualified Opinion Section of my report, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Western Australian Greyhound Racing Association for the year ended 31 July 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the Financial Management Act 2006 and the Treasurer’s Instructions.

Basis for Qualified Opinion
In prior years, grants received from Racing and Wagering Western Australia to fund construction costs for the new Cannington track were not recognised as revenue in accordance with Australian Accounting Standard AASB 1040 “Contributions”. Instead, these grants were recorded as Non-Current Liabilities – Payables, with revenue being recorded progressively over the life of the asset.

As a result, for the year ended 31 July 2018, ‘Non-Current Liabilities – Payables’ are overstated by $15,356,037 in 2018, $16,027,348 in 2017 and $15,143,290 in 2016. Retained Earnings are understated by the same amount for each respective year.

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Association in accordance with the Auditor General Act 2006 and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Responsibility of the Association for the Financial Statements
The Association is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the Financial Management Act 2006 and the Treasurer’s Instructions, and for such internal control as the Association determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the Association is responsible for assessing the agency’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Association.

**Auditor’s Responsibility for the Audit of the Financial Statements**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency’s internal control.

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

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

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

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

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

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

In my opinion, in all material respects, the controls exercised by the Western Australian Greyhound Racing Association are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 31 July 2018.

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

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

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

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

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

Qualified Opinion
I have undertaken a reasonable assurance engagement on the key performance indicators of the Western Australian Greyhound Racing Association for the year ended 31 July 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, except for the effects of the matter referred to in the Basis for Qualified Audit Opinion paragraph, the key performance indicators of the Western Australian Greyhound Racing Association are relevant and appropriate to help users assess the Association’s performance and fairly represent the indicated performance for the year ended 31 July 2018.

Basis for Qualified Opinion
The Association is not reporting its key effectiveness indicator ‘Attendance at race meetings’. As a consequence, the Association has not complied with the requirement to report results for all key performance indicators approved by the Under Treasurer.

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

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

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

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

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.
My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

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

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

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Greyhound Racing Association for the year ended 31 July 2018 included on the Association’s website. The Association’s management is responsible for the integrity of the Association’s website. This audit does not provide assurance on the integrity of the Association’s website. The auditor’s report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
22 October 2018
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.

Effectiveness

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

The use of online bookmakers by the punters and smaller on-course attendance contributes to the overall decline in On-course turnover. Mandurah was closed for two months whilst a track upgrade was undertaken, consequently Cannington ran 32 more meetings and Northam 13.

Effectiveness

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

Extra meetings run by Cannington and Northam whilst Mandurah was closed for upgrade works contributed to their increase and the decline in Mandurah. The use of online bookmakers by the punters contributed to the overall decline in Off-course turnover.
Effectiveness

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

Whilst the graph logs race meetings, the number of races held in 2017/18 was 3,545 as compared to 3,600 the previous year.

Effectiveness

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

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

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

The decline in average reflects more meetings being run during the year (317 this year, 308 Last year) including a trial for Sunday meetings and the lower number of races held during the year.

In prior years, the Association included Attendance at Race meetings as an effectiveness KPI. WAGRA’s Board felt that the admission fee was unprofitable and a detriment to attracting patrons to bet on-course. During 2015 the admission fee was abolished, other than Friday nights at Mandurah. As a result, the Attendance at Race meetings are no longer suitable to be reported as an effectiveness indicator.
### WAGRA Costs per $000 of Betting Turnover
Comparison by Venue 2014/15 to 2017/18

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>TOTAL BETTING TURNOVER $000</th>
<th>OPERATING EXPENSES $000</th>
<th>COST/$000 BETTING TURNOVER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>73,049</td>
<td>21,021</td>
<td>287.76</td>
</tr>
<tr>
<td>2017/18</td>
<td>64,425</td>
<td>21,717</td>
<td>337.10</td>
</tr>
<tr>
<td>2016/17</td>
<td>67,837</td>
<td>21,265</td>
<td>313.47</td>
</tr>
<tr>
<td>2015/16</td>
<td>75,629</td>
<td>21,027</td>
<td>278.03</td>
</tr>
<tr>
<td>2014/15</td>
<td>79,592</td>
<td>21,861</td>
<td>274.67</td>
</tr>
</tbody>
</table>

**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.

The decline in On-course betting turnover has contributed to an increase in the higher Cost of Betting Turnover.

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

Operating expense amounts above exclude expenses relating to Food and Beverage cost of sales.
We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Greyhound Racing Association's (WAGRA) performance, and fairly represent the performance of WAGRA for the financial year ended 31 July 2018.

Richard Humphries  
Chairperson  
12 October 2018

Lauren Prater  
Deputy Chairperson  
12 October 2018
## Statement of Comprehensive Income

### For the Year Ended 31 July 2018

<table>
<thead>
<tr>
<th>Income</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Racing:</strong></td>
<td>BUDGET</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>RWWA Distribution</td>
<td>17,191,921</td>
<td>17,928,286</td>
</tr>
<tr>
<td>On-course Totalisator</td>
<td>684,623</td>
<td>696,800</td>
</tr>
<tr>
<td>Food and Beverage Sales</td>
<td>1,631,355</td>
<td>1,622,940</td>
</tr>
<tr>
<td>Admissions</td>
<td>19,200</td>
<td>14,245</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>62,500</td>
<td>66,969</td>
</tr>
<tr>
<td>Other Racing Revenue</td>
<td>155,503</td>
<td>105,603</td>
</tr>
<tr>
<td><strong>Total Racing Revenue</strong></td>
<td>19,745,102</td>
<td>20,434,843</td>
</tr>
<tr>
<td><strong>Administration:</strong></td>
<td>BUDGET</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>21,648</td>
<td>14,159</td>
</tr>
<tr>
<td>Other Administration Revenue</td>
<td>626,708</td>
<td>587,274</td>
</tr>
<tr>
<td><strong>Total Administration Revenue</strong></td>
<td>648,356</td>
<td>601,433</td>
</tr>
<tr>
<td><strong>Gains:</strong></td>
<td>BUDGET</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>Gain on disposal of non-current assets</td>
<td>-</td>
<td>5,881</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>20,393,458</td>
<td>21,042,157</td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Racing:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Stakemoney and Trophies</td>
<td>12,126,013</td>
<td>12,868,276</td>
</tr>
<tr>
<td>Employee Benefits Expense</td>
<td>2,220,072</td>
<td>1,996,404</td>
</tr>
<tr>
<td>Marketing, Advertising and Promotions</td>
<td>200,599</td>
<td>61,677</td>
</tr>
<tr>
<td>CCTV, Photo and Telecasting Link</td>
<td>1,280</td>
<td>38</td>
</tr>
<tr>
<td>Food &amp; Beverage Cost of Sales</td>
<td>533,676</td>
<td>623,835</td>
</tr>
<tr>
<td>Other Racing Expenses</td>
<td>957,849</td>
<td>854,163</td>
</tr>
<tr>
<td><strong>Total Racing Expenses</strong></td>
<td>16,039,489</td>
<td>16,404,393</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Administration:</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Employee Benefits Expense</td>
<td>2,410,113</td>
<td>2,704,635</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>988,330</td>
<td>1,646,369</td>
</tr>
<tr>
<td>Corporate Utilities and Services</td>
<td>330,140</td>
<td>346,574</td>
</tr>
<tr>
<td>Lease</td>
<td>254,610</td>
<td>254,766</td>
</tr>
<tr>
<td>Maintenance</td>
<td>185,420</td>
<td>198,212</td>
</tr>
<tr>
<td>Other Administration Expenses</td>
<td>815,369</td>
<td>786,383</td>
</tr>
<tr>
<td>Loss on Disposal of Non-Current Assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Administration Expenses</strong></td>
<td>4,983,982</td>
<td>5,936,939</td>
</tr>
</tbody>
</table>

| **Total Expenses**              | 21,023,471   | 22,341,332   |

**Surplus/(Deficit) Before Grants and Subsidies from State Government**

<table>
<thead>
<tr>
<th>BUDGET</th>
<th>ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>(630,013)</td>
<td>(1,299,175)</td>
</tr>
</tbody>
</table>

**Grants and subsidies from State Government**

Grants and subsidies received  

<table>
<thead>
<tr>
<th>BUDGET</th>
<th>ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>569,918</td>
<td>1,550,806</td>
</tr>
</tbody>
</table>

**Surplus / (Deficit) for the Period**

<table>
<thead>
<tr>
<th>BUDGET</th>
<th>ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>(60,095)</td>
<td>251,631</td>
</tr>
</tbody>
</table>

This Statement is not subject to Audit.
# Statement of Financial Position

## For the Year Ended 31 July 2018

### Assets

#### Current Assets

<table>
<thead>
<tr>
<th>Item</th>
<th>2019 Budget</th>
<th>2018 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>2,490,699</td>
<td>1,716,247</td>
</tr>
<tr>
<td>Inventories</td>
<td>58,628</td>
<td>58,059</td>
</tr>
<tr>
<td>Receivables</td>
<td>763,225</td>
<td>737,352</td>
</tr>
<tr>
<td><strong>Total current Assets</strong></td>
<td><strong>2,883,592</strong></td>
<td><strong>2,511,658</strong></td>
</tr>
</tbody>
</table>

#### Non Current Assets

<table>
<thead>
<tr>
<th>Item</th>
<th>2019 Budget</th>
<th>2018 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Plant and Equipment</td>
<td>15,210,995</td>
<td>14,360,919</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>5,777</td>
<td>6,699</td>
</tr>
<tr>
<td><strong>Total Non Current Assets</strong></td>
<td><strong>15,216,772</strong></td>
<td><strong>14,367,618</strong></td>
</tr>
</tbody>
</table>

**Total Assets**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>18,100,363</strong></td>
<td><strong>16,879,276</strong></td>
</tr>
</tbody>
</table>

### Liabilities

#### Current Liabilities

<table>
<thead>
<tr>
<th>Item</th>
<th>2019 Budget</th>
<th>2018 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td>692,802</td>
<td>787,244</td>
</tr>
<tr>
<td>Provisions</td>
<td>1,587,814</td>
<td>1,298,346</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>2,280,616</strong></td>
<td><strong>2,085,590</strong></td>
</tr>
</tbody>
</table>

#### Non-Current Liabilities

<table>
<thead>
<tr>
<th>Item</th>
<th>2019 Budget</th>
<th>2018 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td>13,150,799</td>
<td>15,356,037</td>
</tr>
<tr>
<td>Provisions</td>
<td>23,430</td>
<td>23,107</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td><strong>13,174,229</strong></td>
<td><strong>15,379,144</strong></td>
</tr>
</tbody>
</table>

**Total Liabilities**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>15,454,845</strong></td>
<td><strong>17,464,734</strong></td>
</tr>
</tbody>
</table>

**Net Assets**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Assets</strong></td>
<td><strong>2,645,518</strong></td>
<td><strong>(585,458)</strong></td>
</tr>
</tbody>
</table>

### Equity

<table>
<thead>
<tr>
<th>Item</th>
<th>2019 Budget</th>
<th>2018 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained Earnings</td>
<td>2,645,519</td>
<td>(585,458)</td>
</tr>
</tbody>
</table>

**Total Equity**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Equity</strong></td>
<td><strong>2,645,519</strong></td>
<td><strong>(585,458)</strong></td>
</tr>
</tbody>
</table>

---

This Statement is not subject to Audit.
### Statement of Cash Flow

FOR THE YEAR ENDED 31 JULY 2018

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities</th>
<th>2019 Budget $</th>
<th>2018 Actual $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from RWWA</td>
<td>17,876,543</td>
<td>18,625,085</td>
</tr>
<tr>
<td>Receipts from Customers</td>
<td>2,495,266</td>
<td>2,447,306</td>
</tr>
<tr>
<td>Interest Received</td>
<td>21,648</td>
<td>14,159</td>
</tr>
<tr>
<td>GST Receipts on Sales</td>
<td>450,000</td>
<td>307,780</td>
</tr>
<tr>
<td><strong>Payments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to Suppliers</td>
<td>(3,024,333)</td>
<td>(2,850,889)</td>
</tr>
<tr>
<td>Payment of Stakehold</td>
<td>(12,126,013)</td>
<td>(12,868,276)</td>
</tr>
<tr>
<td>Payments to Employees</td>
<td>(4,365,108)</td>
<td>(4,573,255)</td>
</tr>
<tr>
<td>Payments for Rent</td>
<td>(254,610)</td>
<td>(254,766)</td>
</tr>
<tr>
<td>GST Payments on Purchases</td>
<td>(450,000)</td>
<td>(232,183)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by/(Used by) Operating Activities</strong></td>
<td>623,394</td>
<td>614,961</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Investing Activities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from Sale of Plant &amp; Equipment</td>
<td>-</td>
<td>19,773</td>
</tr>
<tr>
<td><strong>Payments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases for Intangible Assets</td>
<td>(8,407)</td>
<td></td>
</tr>
<tr>
<td>Purchases for Property, Plant &amp; Equipment</td>
<td>(237,000)</td>
<td>(703,066)</td>
</tr>
<tr>
<td><strong>Net Cash Used in Investing Activities</strong></td>
<td>(237,000)</td>
<td>(691,700)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from State Government</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other grants and subsidies</td>
<td>42,566</td>
<td>879,493</td>
</tr>
<tr>
<td><strong>Net Cash from State Government</strong></td>
<td></td>
<td>879,493</td>
</tr>
</tbody>
</table>

Net Increase/(Decrease) in Cash and Cash Equivalents  
428,960  802,754

Cash and Cash Equivalents at beginning of the period  
2,061,739  913,493

**Cash and Cash Equivalents at end of the period**  
2,490,699  1,716,247

This Statement is not subject to Audit.
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ADMINISTRATION
2 Adrian Street
Welshpool WA 6106
(08) 6350 4600

CANNINGTON
Station Street
Cannington WA 6107
(08) 6350 4600

MANDURAH
Gordon Road
Mandurah WA 6210
(08) 9581 7188

NORTHAM
Clarke Road
Northam WA 6401
(08) 9622 5794

www.greyhoundswa.com.au