



ANNUAL REPORT

GREYHOUND WELFARE & INTEGRITY COMMISSION

2017/18





The Hon. Paul Toole MP
Minister for Racing
and
The Hon. Dominic Perrottet MP
Treasurer
Parliament of NSW
6 Macquarie Street
Sydney NSW 2000

Dear Minister and Treasurer

It is our pleasure to forward to you for presentation to the NSW Parliament the Annual Report for the Greyhound Welfare & Integrity Commission for the year ended 30 June 2018.

This report has been prepared in accordance with the provisions of the *Annual Reports (Departments) Act 1985*, the *Annual Reports (Departments) Regulation 2015*, Section 15 of the *Greyhound Racing Act 2017* and clause 5 of the *Greyhound Racing Regulation 2018*.

Yours sincerely

Mr Alan Brown
Chief Commissioner
Greyhound Welfare & Integrity Commission

Ms Judy Lind
Chief Executive Officer
Greyhound Welfare & Integrity Commission

Thursday 18 October 2018

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CHIEF COMMISSIONER & CEO'S FOREWORD

We are privileged to present the Greyhound Welfare & Integrity Commission's (the Commission) first Annual Report. The Report explains the planning and activities undertaken in the 2017-18 financial year to establish the Commission and to have it ready to commence operational activities on 1 July 2018.

The Commission has had a relatively short gestation period. On 28 March 2017 the NSW Minister for Racing, the Hon Paul Toole, announced that the Government had accepted all but one of the recommendations of the NSW Greyhound Industry Reform Panel (the Panel). A key recommendation of the Panel was to separate the commercial arm of the industry from welfare and integrity functions which were to become the responsibility of the new Commission. Planning for its establishment commenced almost immediately with work on essential infrastructure, culminating in the successful employment of most of the necessary staff, and the relatively seamless transition of its responsibilities from Greyhound Racing NSW (GRNSW) to the Commission on 1 July 2018.

Engagement with the industry has and will continue to be a major focus of the Commission. Throughout March and April 2018, we embarked on a State wide 'Road Show' to communicate to industry participants what the Commission's role was to be, how it would affect them, and to discuss other key reforms recommended by the Panel.

What was evident from these road shows was the depth of feeling from participants about the difficult journey the industry had been on, yet at the same time, there appeared to be a strong level of acceptance of the changes expected of the industry into the future.

We are committed to working with all stakeholders to implement best practices to ensure greyhound welfare; to provide high levels of service to participants; to enable and ensure compliance with our policies and the rules of racing, and to tackle the difficult issues facing the industry. We aim to improve public confidence in the industry through open and transparent communications about what is happening, potential changes, and the impact any change may have on industry participants and the welfare of greyhounds.

The Commission is in its infancy. There is much still to be done. With the goodwill, support and contribution from all who care about greyhounds and the greyhound racing industry, the Commission should be well placed to help ensure the industry and the greyhounds themselves remain a welcome and respected part of contemporary Australia.



Mr Alan Brown
Chief Commissioner
Greyhound Welfare & Integrity Commission



Ms Judy Lind
Chief Executive Officer
Greyhound Welfare & Integrity Commission

KEY ACHIEVEMENTS IN 2017/18

Establishment of the Commission

A dedicated independent welfare and integrity regulator with extensive powers to safeguard animal welfare and target wrongdoing. The Commission is led by three Commissioners and supported by a staff of experienced inspectors, investigators, stewards, veterinarians, lawyers, customer relations officers, business managers and policy experts.

A better system to support racing and compliance

Our new business system to support participants and enable the Commission to carry out its functions was ready to 'go live' on 1 July 2018, with new features and enhancements planned.

A new era for industry engagement

In April and May 2018 the Commission travelled to greyhound racing clubs across NSW, meeting with more than 300 industry participants to hear their concerns and begin building positive relationships with the industry.

Reporting welfare and integrity concerns

Our confidential online form and hotline for reporting concerns about animal cruelty and the conduct of NSW greyhound racing industry participants were ready for 1 July 2018, with our investigation team ready to respond.

Ready to race

The Commission's stewards and veterinarians were fully prepared for race days from 1 July 2018, while our customer relations officers were taking calls to help industry participants as soon as the phone lines opened.

Integrity first

Strict new standards to ensure the independence and integrity of Commission staff and to prevent corruption have been put in place.

Establishment of the Greyhound Industry Animal Welfare Committee

This independent committee of animal welfare experts and industry representatives made significant progress on the development of a new code of practice for greyhound welfare.

Support for the industry

Existing licences were extended until 30 June 2019 at no extra cost to give participants time to make the transition to new registration and accreditation requirements.

A new head office located in the heart of regional NSW

This brought new employment opportunities to Bathurst, a central location for NSW's many regional greyhound racing tracks.

A smooth transition of functions

Extensive planning and consultation with GRNSW ensured a smooth transition of functions on 1 July 2018.

KEY EVENTS IN THE COMMISSION'S ESTABLISHMENT

The ABC exposes serious animal welfare breaches and corruption in the greyhound industry

FEBRUARY 2015

NSW Premier Mike Baird announces a ban on greyhound racing

JULY 2016

The Government accepts all but one of the Greyhound Industry Reform Panel's recommendations

MARCH 2017

MARCH 2015

The NSW Government announces a Special Commission of Inquiry into the greyhound racing industry led by Michael McHugh AC QC

OCTOBER 2016

Premier Mike Baird reverses the greyhound ban and announces the establishment of the Greyhound Industry Reform Panel

Chief Commissioner Alan Brown and Commissioners Clare Petre and John Keniry AM are appointed

OCTOBER 2017

The Greyhound Industry Animal Welfare Committee is established and an inaugural meeting held

MARCH 2018

The Commission's head office is officially opened by NSW Deputy Premier John Barilaro and Minister Paul Toole

The Commission conducts an information road show at greyhound racing clubs across NSW

APRIL 2018

JULY 2017

The Greyhound Racing Act 2017 is passed, establishing the Greyhound Welfare & Integrity Commission and reconstituting GRNSW

A project team begins establishing the Commission's staff and offices, and planning for the transition of functions from GRNSW to the Commission

FEBRUARY 2018

Judy Lind is appointed to the role of CEO of the Commission and recruitment for other staff begins

JULY 2018

The Commission takes over responsibility for:

- Controlling and regulating greyhound racing in NSW pursuant to the *Greyhound Racing Act 2017*
- Administering the Greyhound Racing Rules
- Registering greyhounds and industry participants
- Investigating animal welfare and integrity concerns relating to greyhound racing
- Employing race stewards, inspectors, investigators and veterinary officers

The Commission's key goals for 2018-19

- Finalise and implement the Commission's first strategic plan as the foundation of its operational objectives, planning, policies and performance indicators
- Deliver a number of significant reforms including an enhanced licensing scheme, a whole of life greyhound tracking system and an enforceable Code of Practice for the Welfare of Greyhounds (Code of Practice)
- Evolve the Commission into an effective and efficient organisation that is trusted as a regulator and has a strong customer service focus
- Develop data systems and processes that enable the Commission to provide the community with accurate data about the industry and monitor the Commission's success against key performance indicators
- Establish a contemporaneous picture of levels of compliance in the industry and respond appropriately to identified non-compliance
- Successfully engage with industry participants and welfare stakeholders to complete and implement key policies such as the Code of Practice
- Review and implement revised Greyhound Racing Rules which are easier for participants to follow and which improve the integrity of racing
- Improve the registration scheme to support industry participants and animal welfare outcomes by 30 June 2019, with a transition period to enable existing participants to complete new competency requirements
- Regulate the conduct of greyhound races to the highest standards
- Roll out a comprehensive program of compliance inspections
- Build investigation and intelligence capabilities, and effective partnerships with law enforcement agencies to prevent, detect and address wrongdoing in the industry.



Our charter

A key recommendation of the Greyhound Industry Reform Panel's 2017 report was separation of the commercial and regulatory functions carried out by GRNSW, with GRNSW retaining the commercial functions and the Commission administering welfare and regulatory functions.

The Commission was established under the *Greyhound Racing Act 2017 (GRA)*, which also reconstituted GRNSW with commercial functions and new governance requirements. The GRA repealed the *Greyhound Racing Prohibition Act 2016* and the *Greyhound Racing Act 2009*, and with the *Greyhound Racing Regulation 2018* came fully into effect on 1 July 2018.

Our objectives and functions

The principal objectives of the Commission are:

- to promote and protect the welfare of greyhounds
- to safeguard the integrity of greyhound racing and betting
- to maintain public confidence in the greyhound racing industry.

The Commission's functions include but are not limited to:

- controlling and regulating greyhound racing in NSW under the GRA
- developing and implementing policies relating to the welfare of greyhounds
- consulting with animal welfare bodies in developing changes to legislation relating to the welfare of greyhounds
- undertaking research into the breeding of greyhounds and greyhound racing
- administering the Greyhound Racing Rules
- registering greyhounds and industry participants, including owners, breeders, trainers and bookmakers
- investigating animal welfare and integrity concerns relating to greyhound racing in NSW.

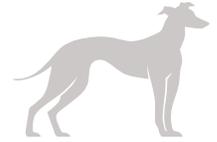
Our strategies

Set standards

From 1 July 2018 the Commission began implementing industry reforms, guided by the Greyhound Industry Reform Panel's recommendations. The Commission will set clear standards and expectations for the greyhound racing industry through regulation, policy and registration, and consult with industry participants, animal welfare groups and community stakeholders on all major reforms.

Inform and educate

The Commission, in conjunction with GRNSW, is responsible for educating industry participants on industry reforms and best practices. This includes raising awareness of a new Code of Practice, the Greyhound Racing Rules, and the regulations which must be complied with under the GRA.



Support

The Commission works with industry participants to make sure everyone is aware of what the changes to the industry mean for them. We aim to ensure everyone involved in the industry is aware of and complies with their obligations. Some changes will be phased in over time, giving participants time to comply with new requirements.

Monitor compliance and enforce the law

Under the GRA, the Commission has a range of powers to enforce compliance with the Code of Practice, the Greyhound Racing Rules, and other provisions of the GRA and regulations.

Monitoring compliance and investigating complaints is crucial to maintain public confidence that greyhounds are treated well and the industry is regulated ethically. The Commission's inspectors, investigators, veterinarians, stewards and customer relations officers aim to maximise compliance in the industry, with breaches detected and dealt with promptly and fairly.

Encourage higher performance

The Commission works with industry participants, animal welfare groups, researchers, animal behaviourists and other stakeholders to ensure continuous improvement in the welfare standards and integrity of the greyhound industry.



OUR MANAGEMENT STRUCTURE

Commission leadership team



Chief Commissioner, Alan Brown

Alan Brown is a solicitor of the Supreme Court of NSW with 45 years' experience in providing legal advice and services to the commercial, banking, finance, and property sectors. He was the independent chair of Moss Capital Funds Management Limited, and a member of the advisory board of Moss Capital Pty Ltd before its listing on the ASX as Elanor Investments Limited. Alan also has extensive experience in the racing industry, having served as an independent chair on a number of boards and committees. With Racing NSW, he served as chair, deputy chair and director. He also served as chair, vice chair, treasurer and director of the Sydney Turf Club. Alan was appointed Chief Commissioner for three years on a part-time basis.



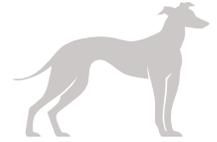
Commissioner, Clare Petre

Clare Petre is the former NSW Energy and Water Ombudsman and a Senior Assistant Commonwealth Ombudsman. Clare is currently a board member of Energy Consumers Australia and City West Housing, Chair of the Australian Council for International Development - Code of Conduct Committee, Deputy Chair of the Asylum Seekers Centre and Customer Advocate (Wealth) for NAB. Clare was previously Chair of the consumer advisory committees of the Australian Securities and Investments Commission (ASIC) and the Credit and Investments Ombudsman (CIO). She was Chair of the Australian and New Zealand Ombudsman Association, and has served on various federal and state bodies. Clare was appointed as a part-time Commissioner for 12 months and has been reappointed for a further 12 month period commencing 17 October 2018.



Commissioner, John Keniry AM

Dr John Keniry is a chemical engineer who has held extensive leadership positions in the private and public sector, including various senior executive roles with Goodman Fielder Limited and CSR Limited. He has served as Chair of Ridley Corporation Limited, President of the Australian Chamber of Commerce and Industry, and Commissioner for the NSW Natural Resources Commission. John has also been appointed to a number of taskforces including the Prime Minister's Biofuels Taskforce, NSW Abalone Industry Taskforce and Consumer Literacy Taskforce. He was Co-ordinator General of the NSW Greyhound Transition Taskforce. John was appointed as a part-time Commissioner for 12 months and has been reappointed for a further 12 month period commencing 17 October 2018.



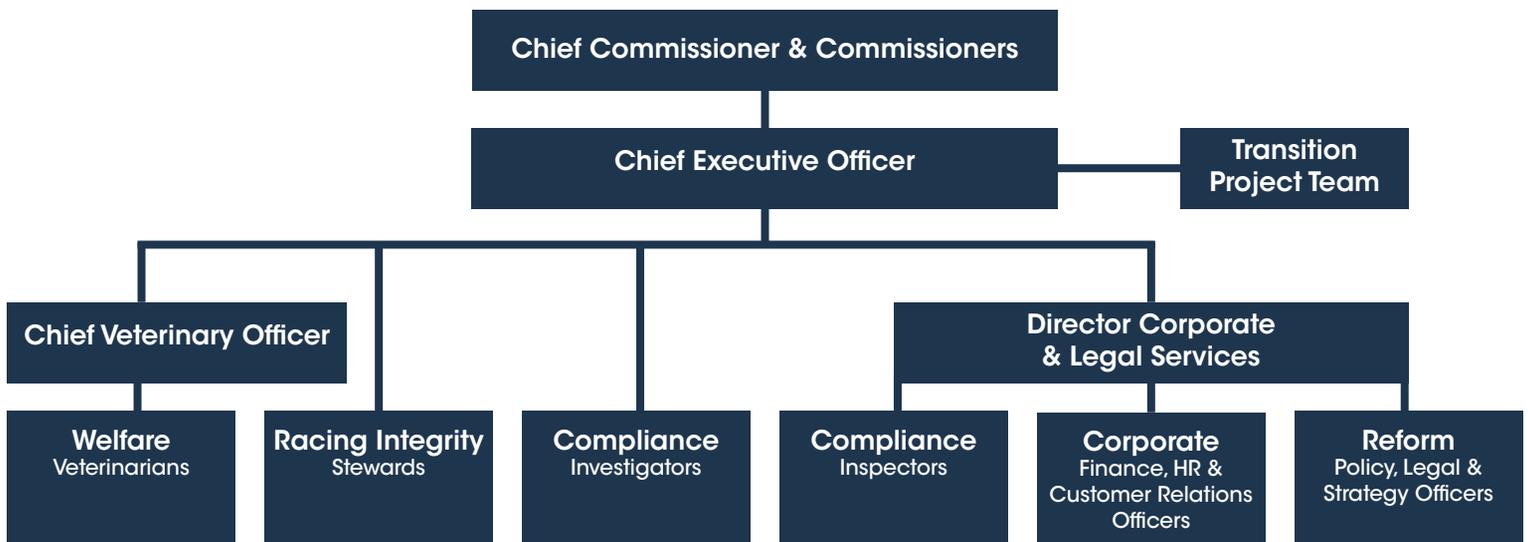
Chief Executive Officer, Judy Lind

Judy Lind is a former senior executive of the Australian Sports Anti-Doping Authority (ASADA) with over 30 years' experience in the public sector. Judy has held senior leadership roles in the Australian Federal Police, the Australian Crime Commission and the Australian Taxation Office.

Judy is highly experienced in the areas of complex regulatory and compliance matters, law enforcement, intelligence and national security. She also has extensive experience in leading and building organisational capability and implementing programs to prevent, detect and prosecute non-compliance. She has an in-depth understanding of global and national sports integrity threats and risks, governing frameworks and legislation with a deep commitment to ethics in sport.

As CEO of the Commission, Judy's goal is to re-establish the NSW greyhound racing industry with animal welfare at its heart, adding economic value to its participants and communities.

Commission structure



As the Commission did not commence operational activities until 1 July 2018, this chapter outlines key activities undertaken in 2017/18 to prepare for our 'go live' date of 1 July 2018.

Establishment of the Commission

Following the announcement of the establishment of the Commission, a project team was appointed in July 2017 by the Office of Racing to manage the establishment of the Commission, and transition functions from GRNSW to the Commission.



The Chief Commissioner and Commissioners were appointed by Minister for Racing Paul Toole and commenced in October 2017. The Commissioners recruited Judy Lind to the position of Chief Executive Officer in February 2018. In the first half of 2018, staff were recruited to Commission roles of inspectors, investigators, stewards, veterinarians, customer relations officers, business managers, lawyers, and policy officers.

The project team had responsibility for preparing a range of documents and processes necessary for commencement of operations on 1 July 2018, including internal policies and procedures, recruitment processes, and managing the setup of the Bathurst office.

The decision to locate the Commission headquarters in Bathurst was made after an independent analysis of suitable locations recommended a regional base, recognising that greyhound racing is strongest in those communities.

Preparing for transition of functions

The Commission's focus in 2017-18 was on preparing for the transition of relevant functions from GRNSW for an agreed operational 'go live' date of 1 July 2018. Key activities to ensure a smooth transition were:

- establishing a business model and structure for the Commission
- working with GRNSW to ensure a seamless transition
- the transfer of tens of thousands of registration records for greyhounds, owners, trainers, breeders and trial track owners from GRNSW to the Commission's system
- negotiating agreements with various service providers, including the Department of Industry for access to information technology and communications, accounting and finance, human resources and records management services



Industry engagement

In April and May 2018, the Commission travelled to greyhound racing clubs across NSW. The roadshow was attended by more than 300 industry participants in Newcastle, Sydney, Wauchope, Tamworth, Lismore, Richmond, Dapto, Goulburn, Wagga Wagga, Bathurst and Dubbo.

Chief Commissioner Alan Brown, CEO Judy Lind, and Commissioners Clare Petre and John Keniry outlined the role of the Commission, answered questions and listened to concerns raised by those who attended.

Key concerns raised by participants during the roadshow were:

- Uncertainty about the future of the industry
- Whether registration fees would increase significantly after 1 July 2018
- The cost of a potential bond and its impact on breeders and owners
- Requests to update the Race Day Hydration and Water Policy and align it with other states
- That the industry is, or will be, over regulated
- Drug testing threshold levels and testing methods
- Previous lack of consultation with industry participants
- Low race prize money in NSW
- Operation of the grading system, and that greyhounds are being upgraded too quickly
- Ability of participants to easily meet new enhanced registration requirements
- High turnover of vets, and a perception that some vets and stewards lack greyhound-specific experience
- Restrictions under the GRA on certain animals being housed with or near greyhounds.

This valuable feedback was considered in the establishment of the Commission, in the preparation of operational policies and processes, and when reviewing existing policies. These roadshows mark the beginning of regular and ongoing dialogue between the Commission, industry participants and other stakeholders. The Commission is keen to implement communication processes that work for the industry at many levels - through social media, the Commission's website, newsletter and publications, face-to-face meetings, and consultative groups.

Support for greyhound racing participants

The decision was made to extend all existing greyhound industry licences until 30 June 2019 at no extra cost, in order to give participants time to make the transition to new registration and accreditation requirements which will be introduced progressively over 2018-19.

The Commission's customer relations staff began taking calls to help industry participants as soon as the phone lines opened at 9am on Monday 2 July 2018.

Greyhound Industry Animal Welfare Committee

The GRA established the Greyhound Industry Animal Welfare Committee to provide advice to the Commission on any matter relating to the welfare of greyhounds, including the formulation of welfare policies and standards. Committee members were appointed in early 2018 after a call for expressions of interest.



The Greyhound Industry Animal Welfare Committee has provided a statement of its activities, membership and achievements for 2017-18 at Appendix A.

Establishing the Commission's identity

Placing the Commission's headquarters in Bathurst means that it is ideally located for NSW's many country greyhound race tracks. The Commission's 'brand' is visible through its website and social media presence, and is worn proudly by staff at greyhound race meetings.

Personnel and workplace health and safety

The Commission adopted a number of personnel and workplace health and safety policies from the Department of Industry as an interim arrangement, pending the future development of Commission-specific policies. In fitting out the Commission's office in Bathurst, the project team selected features that support a healthy working environment, such as height-adjustable sit-stand desks, good natural light, and banks of low-maintenance potted plants to improve air quality.

Converge International has been engaged to provide employee assistance programs to Commission staff.

The Commission is currently undertaking a review of the operating environment of its field based staff, to ensure workplace health and safety risks are minimised.

Industry and Commission integrity

The Commission's confidential online form and telephone hotline for reporting concerns about animal cruelty and the conduct of NSW greyhound racing industry participants were ready for 1 July 2018, and our investigation team were also ready to respond to any concerns reported.

The Commission has put in place strict new standards to ensure the independence and integrity of Commission staff, and to prevent corruption. Under the GRA individuals with strong links to the industry were ineligible to be inspectors and probity checks were conducted during the pre-employment phase. All employees are required to make disclosure of all personal associations with the greyhound racing industry. All staff are required to sign a declaration that they will abide by the Commission's Code of Ethics and Conduct, and are also strictly prohibited from wagering on greyhound races.

Preparing for longer-term needs

Continued investment in information systems and technology will assist the industry to meet higher standards while minimising the cost of compliance. The Commission's investment in the OneGov business platform will support full implementation of the reform agenda and will enhance the Commission's capabilities.

By using OneGov, the Commission is also supporting the Government's commitment to provide a more robust, reliable and secure service to the people of NSW. Sharing a centralised IT service also reduces future capital and maintenance expenditure, and has the capability for further development to meet future information storage and reporting needs.

HUMAN RESOURCES

All roles in the Commission were advertised externally and were recruited in accordance with the *Government Sector Employment Act 2013*, and *Government Sector Rules 2014*. All recruitment to the Commission was merit based.

Officers of the Commission

Officers of the Commission are employed under the *Government Sector Employment Act 2013* and the *Crown Employees (Public Services Conditions of Employment) Reviewed Award 2009*.

Table 1: Number and diversity of staff as at 30 June 2018

Officers of the Commission	Female	Male	Not identified	Total
Executive appointments				3
Band 4	0	0	0	0
Band 3	0	0	0	0
Band 2	1	0	0	1
Band 1	1	1	0	2
Non-executive officers				25
Business operations, compliance and strategic reform staff	13	9	0	22
Race day welfare and integrity functions staff	0	3	0	3
Total	15	13	0	28

A further 36 stewards and veterinarians were recruited on a permanent, part-time, casual or contracted basis and commenced employment after 30 June 2018.

The Commission is committed to the advancement of women into leadership roles and to providing flexible working arrangements for all employees.

At 30 June 2018, women made up 53% of the Commission's officers. Three staff were employed part-time or on other special work arrangements.



Workforce diversity, disability inclusion and multicultural policies

The Commission did not develop a workforce diversity strategy, disability inclusion action plan, or a multicultural policies and services program in 2017-18.

Work health and safety

The Commission had no reports of work health and safety injuries, illness or prosecutions under the *Work Health and Safety Act 2011* in 2017-18.

Executive remuneration

Members of the Commission's executive team are employed under individual Public Sector Senior Executive employment contracts, the terms of which provide for regular performance assessment.

Band	Range	Avg annual remuneration	Remuneration for 2017/18
Band 4 (Secretary)	-	0	0
Band 3 (Deputy Secretary)	-	0	0
Band 2 (Executive Director)	\$268,001 - \$337,100	\$300,002 ¹	\$104,698
Band 1 (Director)	\$187,900 - \$268,000	\$188,409 ²	\$55,399
Band 1 (Director)	\$187,900 - \$268,000	\$198,453 ³	\$23,618

¹The Chief Executive Officer was employed from 5 February 2018

²Director was employed from 5 March

³Director was employed from 14 May

The Commissioners are appointed by the Governor, on the joint recommendation of the Minister for Racing and the Minister for Primary Industries, pursuant to section 5 and clause 6 of Schedule 1 of the GRA, and are not subject to the *Government Sector Employment Act 2013*.

	Band	Salary - full time annual	Days/weeks employed	Remuneration for 2017/18
Chief Commissioner Alan Brown ¹	Band 2	\$328,900	3 days (0.6 FTE)	\$130,096
Commissioner Clare Petre ²	Band 1	\$246,990	1 day (0.2 FTE)	\$34,819
Commissioner John Keniry ³	Band 1	\$246,990	1 day (0.2 FTE)	\$34,819

¹Chief Commissioner Brown was employed from 10 October 2017

²Commissioner Petre was employed from 12 October 2017

³Commissioner Keniry was employed from 17 October 2017

Financial report

Funding was allocated by the NSW Government to establish the Commission and transition the existing integrity and welfare functions of GRNSW to the new Commission. This funding was held within the budget of Liquor and Gaming NSW.

The Commission's audited financial statements follow.

Payment of accounts

Establishment of the Commission leading up to 1 July 2018 and lack of administrative personnel during that time led to delays in the payment of some accounts in 2017-18, although no interest was payable.



INDEPENDENT AUDITOR'S REPORT

Greyhound Welfare and Integrity Commission

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Greyhound Welfare and Integrity Commission (the Commission), which comprise the Statement of Comprehensive Income for the period 3 July 2017 to 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows, for the period then ended, notes comprising a Summary of Significant Accounting Policies and explanatory information of the Commission and the consolidated entity. The consolidated entity comprises the Department and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Commission and the consolidated entity as at 30 June 2018, and of their financial performance and their cash flows for the period then ended in accordance with Australian Accounting Standards
- are in accordance with section 45E of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Commission in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Other Information

Other information comprises the information included in the Commission's annual report for the period ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The Chief Commissioner is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the statement by the Chief Commissioner and the Chief Executive Officer.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

Chief Commissioner's Responsibilities for the Financial Statements

The Chief Commissioner is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chief Commissioner determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Commissioner is responsible for assessing the Commission's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Commission's operations will cease as a result of an administrative restructure.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Commission or the consolidated entity carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



C J Giumelli
Director, Financial Audit Services

23 October 2018
SYDNEY

GREYHOUND WELFARE AND INTEGRITY COMMISSION

STATEMENT BY THE CHIEF COMMISSIONER AND CHIEF EXECUTIVE OFFICER

Pursuant to section 45(F) (1C) of the *Public Finance and Audit Act 1983*, we state that:

- (a) the accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions mandated by the Treasurer;
- (b) the accompanying financial statements exhibit a true and fair view of the financial position and the financial performance of Greyhound Welfare and Integrity Commission for the period ended 30 June 2018;
- (c) at the date of signing we are not aware of any circumstances that would render the financial statements misleading or inaccurate.



Alan Brown
Chief Commissioner

Date:



Judith Lind
Chief Executive Officer

Date: 18 October 2018

Beginning of financial statements

GREYHOUND WELFARE AND INTEGRITY COMMISSION
STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2018

	Notes	Consolidated 2018* \$000	Parent 2018* \$000
Expenses excluding losses			
Operating expenses			
Employee related	2(a)	801	-
Personnel services	2(b)	-	801
Other operating expenses	2(c)	1,713	1,713
Total Expenses excluding losses		2,514	2,514
Revenue			
Grants and contributions	3(a)	2,500	2,500
Acceptance by the Crown Entity of employee benefits and other liabilities	3(b)	8	-
Other revenue	3(c)	-	8
Total Revenue		2,508	2,508
Net Result		(6)	(6)
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		(6)	(6)

The accompanying notes form part of these financial statements.

* The Greyhound Welfare and Integrity Commission was established on 3 July 2017, therefore there are no comparatives for the 2017 financial year.

**GREYHOUND WELFARE AND INTEGRITY COMMISSION
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

	Notes	Consolidated 2018* \$000	Parent 2018* \$000
ASSETS			
Current Assets			
Cash and cash equivalents	4	697	697
Receivables	5	41	41
Total Current Assets		<u>738</u>	<u>738</u>
Non-Current Assets			
Property Plant and Equipment - Plant and Equipment	6	973	973
Total Property Plant and Equipment		973	973
Intangible assets	7	26	26
Total Non-Current Assets		<u>999</u>	<u>999</u>
Total Assets		<u>1,737</u>	<u>1,737</u>
LIABILITIES			
Current Liabilities			
Payables	8	1,615	1,615
Provisions	9	128	128
Total Current Liabilities		<u>1,743</u>	<u>1,743</u>
Total Liabilities		<u>1,743</u>	<u>1,743</u>
Net Assets		<u>(6)</u>	<u>(6)</u>
EQUITY			
Accumulated funds		(6)	(6)
Total Equity		<u>(6)</u>	<u>(6)</u>

The accompanying notes form part of these financial statements.

* The Greyhound Welfare and Integrity Commission was established on 3 July 2017, therefore there are no comparatives for the 2017 financial year.

**GREYHOUND WELFARE AND INTEGRITY COMMISSION
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2018**

Consolidated*	Accumulated Funds \$000	Total Equity \$000
Balance at 3 July 2017	-	-
Net result for the year	(6)	(6)
Total other comprehensive income	-	-
Total comprehensive income for the year	(6)	(6)
Balance at 30 June 2018	(6)	(6)

Parent*	Accumulated Funds \$000	Total Equity \$000
Balance at 3 July 2017	-	-
Net result for the year	(6)	(6)
Total other comprehensive income	-	-
Total comprehensive income for the year	(6)	(6)
Balance at 30 June 2018	(6)	(6)

The accompanying notes form part of these financial statements

* The Greyhound Welfare and Integrity Commission was established on 3 July 2017, therefore there are no comparatives for the 2017 financial year.

**GREYHOUND WELFARE AND INTEGRITY COMMISSION
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2018**

	Notes	Consolidated 2018* \$000	Parent 2018* \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel services		-	(648)
Employee related		(648)	-
Other		(1,153)	(1,153)
Total Payments		(1,801)	(1,801)
Receipts			
Grants and contributions		2,500	2,500
Total Receipts		2,500	2,500
NET CASH FLOWS FROM OPERATING ACTIVITIES	10	699	699
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of plant and equipment		(2)	(2)
Purchases of intangibles		-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(2)	(2)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Opening cash and cash equivalents		-	-
CLOSING CASH AND CASH EQUIVALENTS	4	697	697

The accompanying notes form part of these financial statements.

* The Greyhound Welfare and Integrity Commission was established on 3 July 2017, therefore there are no comparatives for the 2017 financial year.

GREYHOUND WELFARE AND INTEGRITY COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The Greyhound Welfare and Integrity Commission is a NSW Government Department, established pursuant to the *Greyhound Racing Act 2017*. The Greyhound Welfare and Integrity Commission ('the Group') comprises Greyhound Welfare and Integrity Commission ('the Commission') and the entity under its control, the Office of the Greyhound Welfare and Integrity Commission ('the Office'). The Group is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The Group is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The Group was established on 3 July 2017.

In the process of preparing the financial statements for the consolidated group, consisting of the Commission and the Office, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

The objectives of the Commission are as follows:

- to promote and protect the welfare of greyhounds;
- to safeguard the integrity of greyhound racing and betting;
- to maintain public confidence in the greyhound racing industry.

The Commission has the following functions:

- to control, supervise and regulate greyhound racing in the State;
- to initiate, develop and implement policies relating to the welfare of greyhounds;
- to undertake research and investigation into any aspect of the breeding of greyhounds and of greyhound racing generally;
- to consult with animal welfare bodies in developing changes to legislation relating to the welfare of greyhounds;
- to provide the Minister with such information, advice or reports as the Minister may request;
- to inform the Minister about any event or matter that may adversely affect the integrity of greyhound racing;
- such other functions as are conferred or imposed on the Commission by or under this or any other Act.

These financial statements for the period ended 30 June 2018 have been authorised for issue by the Chief Commissioner and Chief Executive Officer on the date the accompanying statement by the Chief Commissioner and Chief Executive Officer was signed.

(b) Basis of preparation

The Group's financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance & Audit Regulation 2015*; and
- Financial Reporting Directions mandated by the Treasurer.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Going Concern

As at 30 June 2018 total liabilities exceeded total assets by \$6,000 resulting in a deficit in Accumulated funds. The financial statements have been prepared on a going concern basis as the Group will receive funding from the NSW Government via Liquor, Gaming and Racing, a division of the Department of Industry, and from the greyhound racing industry via Greyhound Racing NSW. This funding will allow the Group to carry out its functions under the Greyhound Racing Act 2017. Funding arrangements from the industry are specified in the operating licence issued to Greyhound Racing NSW. The Group also received a letter of support from the NSW Department of Industry, assuring the ongoing viability of the Group for the 12 months from the date of signed audit opinion. The anticipated funding included in the 2018-19 budget of the Group is considered adequate to meet operating expenses. On this basis management believe the Group will continue to operate as a going concern.

(d) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(e) Insurance

The Group's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

GREYHOUND WELFARE AND INTEGRITY COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Accounting for the Goods and Services Tax (GST)

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

- the amount of GST incurred by the Group as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables respectively.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Tax Office are classified as operating cash flows.

(g) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Rendering of services

Revenue from rendering of services is recognised when the service is provided or by reference to the stage of completion.

(ii) Grants and contributions

Income from grants (other than contribution by owners) is recognised when the Group obtains control over the contribution. The Group is deemed to have assumed control when the grant is received or receivable.

Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

(h) Property, Plant and Equipment

(i) Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted over the period of credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

(ii) Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

(iii) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(iv) Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Group.

All material identifiable components of assets are depreciated separately over their useful lives.

Land is not a depreciable asset.

The depreciation rates the Group uses are:

Plant and Equipment	10% to 25%
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GREYHOUND WELFARE AND INTEGRITY COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, Plant and Equipment (continued)

(v) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any sociopolitical restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs.

Revaluations shall be made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

Non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value. The Group has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

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

(vi) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal is material. Specially, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash-generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement costs, where depreciated replacement cost is also fair value.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Intangible assets

The Group recognises intangible assets only if it is probable that future economic benefits will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

Following initial recognition intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Group's intangible software assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. The Group's intangible assets are amortised using the straight line method over their estimated useful lives. The rates the Group uses are 20% to 50%. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

(j) Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

(k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in net result.

The Group determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(i) Financial assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

• *Receivables*

Trade receivables that have fixed or determinable payments that are not quoted in an active market are classified as receivables. Receivables are measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of discounting is material.

• *Impairment of financial assets*

All financial assets are subject to an annual review for impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

For certain categories of financial assets, such as trade receivables, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Assets are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

Any reversals of impairment losses are reversed through the net result for the year, where there is objective evidence. However, reversals of impairment losses on an investment in an equity instrument classified as 'available-for-sale' must be made through the revaluation surplus. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

GREYHOUND WELFARE AND INTEGRITY COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Financial Instruments (continued)

(ii) Financial liabilities

Financial liabilities are classified as either 'at fair value through profit or loss' or 'at amortised cost'.

- *Financial liabilities at amortised cost (including trade payables)*

Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs. These are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. Payables represent liabilities for goods and services provided to the Group and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(iii) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Group transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the Group has not transferred substantially all the risks and rewards, if the Group has not retained control.

Where the Group has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Group continuing involvement in the asset. A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(l) Other assets

Other assets are recognised on a historic cost basis.

(m) Personnel services

The Commission does not employ staff but uses the personnel services of the Office. The cost of personnel services in respect of salaries and wages, superannuation, annual leave, long service leave, and for personal leave are recognised when it is probable that settlement will be required.

(n) Employee benefits

(i) Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is expected to be settled wholly in twelve months after the end of the annual reporting period in which the employees render the related service.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

(ii) Long service leave and superannuation

The Group's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The Group accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits and other liabilities'.

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(iii) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

GREYHOUND WELFARE AND INTEGRITY COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Other provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

Any provisions for restructuring are recognised only when the Group has a detailed formal plan and the Group has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

(p) Equity and reserves

(i) Accumulated Funds

The category 'accumulated funds' includes all current and prior period retained funds.

(q) Services provided by Department of Industry

The Department of Industry provides the following services to the Group free of charge:

- financial statement preparation

The cost to provide this service has not been included in these financial statements. It is expected that a fee will be agreed as part of negotiations in a future service level agreement.

(r) Comparative information

The Group was established on 3 July 2017, therefore there are no comparative information for the 2017 financial year.

(s) New Australian Accounting Standards issued and effective for the first time in 2018 financial year

The accounting policies applied in the preparation of these financial statements are consistent with those of the previous financial year unless otherwise stated. The following new and revised Accounting Standards were applicable for the first time for the 2018 financial year. However, these standards do not have any material effect on the accounting policies adopted by the Group.

- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*

(t) New Australian Accounting Standards issued but not effective

NSW Public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have been issued but are not yet effective. The Group has not early adopted any of these new standards or amendments. When applied in future periods, they are not expected to have a material impact on the financial position or performance of the Group:

- AASB 9 *Financial Instruments* (1 July 2018)
- AASB 15 *Revenue from Contracts with Customers* - the mandatory application date has been deferred for not-for-profit entities (1 July 2019)
- AASB 16 *Leases* (1 July 2019)
- AASB 2016-3 *Amendments to Australian Accounting Standards - Clarifications to AASB 15* - the mandatory application date has been deferred for not-for-profit entities (1 July 2019)
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities* (1 July 2019)
- AASB 1058 *Income of Not-for-profit Entities* (1 July 2019)
- AASB 1059 *Service Concession Arrangements – Grantors* (1 July 2019)
- AASB 2017-6 *Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation* (1 July 2019)
- AASB 2017-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 4* (1 July 2019)

GREYHOUND WELFARE AND INTEGRITY COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) New Australian Accounting Standards issued but not effective (continued)

AASB 16 Leases

AASB 16 replaces AASB 117 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset with a representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. For lessors, the Standard provides accounting requirements that a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Commission does not have any significant leases. Therefore low impact on the Board's financial statements is expected when the Standard is implemented.

AASB 15 Revenue

AASB 15 replaces AASB 118 Revenue, and AASB 111 Construction Contractors. The standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration which the entity expects to be entitled in exchange for those goods or services.

The Boards main sources of income are grants from State Governments. Therefore low impact on the Board's financial statements is expected when the Standard is implemented.

(u) Reporting periods - other than twelve months

The Group commenced on 3 July 2017 under the *Greyhound Racing Act 2017*.

GREYHOUND WELFARE AND INTEGRITY COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

2. EXPENSES EXCLUDING LOSSES

	Consolidated 2018 \$000	Parent 2018 \$000
(a) Employee related expenses include the following:		
Salaries and wages (including annual leave)	694	-
Superannuation – defined contribution plans	55	-
Long service leave	9	-
Payroll tax	43	-
	<u>801</u>	<u>-</u>
(b) Personnel services		
Personnel services	-	801
	<u>-</u>	<u>801</u>
(c) Other operating expenses include the following:		
Advertising and promotion	141	141
Audit fee	19	19
Consultancy	211	211
Contractors and other fees	764	764
Occupancy and maintenance	31	31
Printing, consumable and stores	6	6
Stationery and office supplies	1	1
Travel	96	96
Other operating	235	235
Reimbursement of cost of services	209	209
	<u>1,713</u>	<u>1,713</u>

3. REVENUES

	Consolidated 2018 \$000	Parent 2018 \$000
(a) Grants and contributions		
Recurrent grant from Department of Industry	2,500	2,500
	<u>2,500</u>	<u>2,500</u>
(b) Acceptance by the Crown Entity of employee benefits and other liabilities		
Long service leave	8	-
	<u>8</u>	<u>-</u>
(c) Other revenue		
Other	-	8
	<u>-</u>	<u>8</u>

GREYHOUND WELFARE AND INTEGRITY COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated 2018 \$000	Parent 2018 \$000
Cash at bank and on hand	697	697
	<u>697</u>	<u>697</u>

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, and short term deposits.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	697	697
Closing cash and cash equivalents (per statement of cash flows)	<u>697</u>	<u>697</u>

Refer Note 11 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

5. CURRENT ASSETS - RECEIVABLES

	Consolidated 2018 \$000	Parent 2018 \$000
Other debtors	40	40
Net GST	1	1
	<u>41</u>	<u>41</u>

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in Note 11.

6. NON-CURRENT ASSETS – PROPERTY PLANT AND EQUIPMENT

	Consolidated 2018 \$000	Parent 2018 \$000
At 30 June 2018 - fair value		
Gross carrying amount *	973	973
Net carrying amount	<u>973</u>	<u>973</u>

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

Period ended 30 June 2018	Consolidated 2018 \$000	Parent 2018 \$000
Net carrying amount at start of year	-	-
Additions	973	973
Net carrying amount at end of year	<u>973</u>	<u>973</u>

* All items in Property, Plant and Equipment are Plant and equipment

GREYHOUND WELFARE AND INTEGRITY COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

7. INTANGIBLE ASSETS

	Consolidated 2018 \$000	Parent 2018 \$000
At 30 June 2018		
Cost (gross carrying amount) *	26	26
Net carrying amount	26	26

Reconciliation

Period ended 30 June 2018	Consolidated 2018 \$000	Parent 2018 \$000
Net carrying amount at start of year	-	-
Additions	26	26
Net carrying amount at end of year	26	26

* All intangible items are Software

8. CURRENT LIABILITIES - PAYABLES

	Consolidated 2018 \$000	Parent 2018 \$000
Accrued salaries, wages and on-costs	57	-
Accruals	1,477	1,477
Personnel services	-	57
Trade creditors	81	81
	1,615	1,615

Refer Note 11 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

9. CURRENT LIABILITIES - PROVISIONS

	Consolidated 2018 \$000	Parent 2018 \$000
Annual leave	114	-
Long service leave	9	-
Payroll tax	5	-
Personnel services provision	-	128
	128	128

Annual leave

The liability at 30 June 2018 was \$114,000. The value of annual leave expected to be taken within 12 months is \$99,000 and \$15,000 after 12 months.

	Consolidated 2018 \$000	Parent 2018 \$000
Aggregate employee benefits and related on-costs		
Accrued salaries, wages and on-costs (Note 8)	57	-
Provisions – current	128	-
	185	-

GREYHOUND WELFARE AND INTEGRITY COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

10. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

	Consolidated 2018 \$000	Parent 2018 \$000
Net cashflows from operating activities	699	699
Increase / (decrease) in receivables	41	41
Decrease / (increase) in provisions	(128)	(128)
Decrease / (increase) in payables	(1,615)	(1,615)
Net result	(1,003)	(1,003)

11. FINANCIAL INSTRUMENTS

The Group's principal financial instruments are outlined below. These financial instruments arise directly from the Group's operations or are required to finance the Group's operations. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group's main risks arising from financial instruments are outlined below, together with the Group's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Group has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Group, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by management on a continuous basis.

GREYHOUND WELFARE AND INTEGRITY COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

11. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Instrument Categories

Financial Assets	Note	Category	Carrying Amount Consolidated 2018 \$000	Carrying Amount Parent 2018 \$000
Class:				
Cash and cash equivalents	4	N/A	697	697
Receivables ¹	5	Loans and receivables (at amortised cost)	40	40

Financial Liabilities	Note	Category	Carrying Amount Consolidated 2018 \$000	Carrying Amount Parent 2018 \$000
Class:				
Payables ¹	8	Financial liabilities measured at amortised cost	1,615	1,615

Notes

1. Excludes statutory receivables / payables and unearned revenue (i.e. not within scope of AASB 7).

(b) Credit Risk

Credit risk arises when there is the possibility of the Group's debtors defaulting on their contractual obligations, resulting in a financial loss to the Group. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Group, including cash, receivables and deposits. No collateral is held by the Group. The Group has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances.

The Group has no financial assets past due or impaired as at 30 June 2018.

(c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due. The Group continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of effective management of its cash balance.

No assets have been pledged as collateral. The Group's exposure to liquidity risk is deemed insignificant based on current assessment of risk.

11. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial liabilities

Consolidated	Weighted Average Effective Int. Rate	Nominal Amount ¹ \$000	Interest Rate exposure			Maturity Dates		
			Fixed Int. Rate \$000	Variable Int. Rate \$000	Non-interest Bearing \$000	< 1 yr	1 - 5 yrs	> 5 yrs
2018								
<i>Payables</i>	0.0%	1,615	-	-	1,615	1,615	-	-
		1,615	-	-	1,615	1,615	-	-

Parent	Weighted Average Effective Int. Rate	Nominal Amount ¹ \$000	Interest Rate exposure			Maturity Dates		
			Fixed Int. Rate \$000	Variable Int. Rate \$000	Non-interest Bearing \$000	< 1 yr	1 - 5 yrs	> 5 yrs
2018								
<i>Payables</i>	0.0%	1,615	-	-	1,615	1,615	-	-
		1,615	-	-	1,615	1,615	-	-

Notes:

- The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group has no interest bearing assets or liabilities and is not exposed to market risk. The Group has no exposure to foreign currency risk and does not enter into commodity contracts.

Interest rate risk

The Group's cash balances is not exposed to any interest rate risks as its bank account is non-interest bearing.

(e) Fair value measurement

- Fair value compared to carrying amount*

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group does not have any contingent assets or liabilities as at balance date.

GREYHOUND WELFARE AND INTEGRITY COMMISSION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

13. COMMITMENTS

	Consolidated	Parent
	2018	2018
	\$000	\$000
(a) Capital Commitments		
Aggregate capital expenditure for acquisition contracted for at balance date but not provided for:		
Not later than one year	257	257
Later than 1 year, but not later than 5 years	-	-
Later than five years	-	-
Total (including GST)	257	257
(b) Operating lease Commitments		
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	270	270
Later than 1 year, but not later than 5 years	681	681
Later than five years	-	-
Total (including GST)	951	951

14. RELATED PARTY DISCLOSURE

During the period, the Group incurred \$338,256 in respect of the key management personnel services provided by the Office of the Greyhound Welfare and Integrity Commission, a controlled entity of the Commission.

During the period, the Group did not enter into transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

During the period, the Group entered into transactions with other entities that are controlled / jointly controlled / significantly influenced by NSW Government. These transactions (incurred in the normal course of business) in aggregate are a significant portion of the Commission's revenue and expenses, and the nature of these significant transactions are detailed below:

Entity	Nature of Transaction
Audit Office of NSW	Provision of independent audit services of the Group's financial statements
Department of Industry	Provision of administrative, secretarial support and operational assistance
Crown Solicitors Office	Provision of professional legal services and legal advice

15. EVENTS AFTER REPORTING DATE

On 1 July 2018, the Commission's functions under the Greyhound Racing Act 2017 commenced. These functions are outlined in section 12 of the Act and it is on the basis of these functions that the Commission has established its organisational structure. Revenues and operating expenses in the 2018/19 financial year will reflect the operating of the Commission in accordance with its functions under the Act.

End of financial statements.

ADDITIONAL OPERATIONAL MATTERS

Greyhound Racing Regulation requirements

For the purposes of clause 5 of the Greyhound Racing Regulation 2018, the Commission reports:

- No directions were given by the Minister under section 8 of the Act
- No strategic plan prepared under section 14 of the Act existed in the reporting period
- Details on the activities of the Greyhound Racing Industry Welfare Committee are provided at Appendix A.

Consultancies

Consultancies for the period to 30 June 2018 were:

- NOUS Group (advice on the Commission's location, Greyhound regulatory approach and Commission operating model): \$102,000
- Mercer Consulting (role descriptions): \$23,800
- PeopleScape (strategic plan development): \$35,000
- Searchlight (recruitment consultants): \$48,000
- Visual Analysis (iBase system set up): \$10,000
- Digital Record Services (records management): \$26,000
- Futureye (communications strategy): \$35,000
- Workplace Space Planning Solutions (tenant advisory services for Bathurst office): \$52,600
- Workology Strategic Services (project management - Bathurst office): \$46,500

Privacy and personal information protection

The Commission's Code of Ethics and Conduct requires all staff to comply with the requirements of the *Privacy and Personal Information Protection Act 1998* as a condition of employment.

Annual report costs

This report was prepared by staff of the Commission and staff of the Department of Industry. No external contracts or fees were paid as at 31 October 2018.

Other disclosures

Funds granted to non-government community organisations	None
Legal change	The <i>Greyhound Racing Act 2017</i> (Parts 1–3, Div 1 of Part 4, Div 2 of Part 4 (except sec 39), secs 90, 92, 93, 97–99, 101 and 102 and Schs 1–4, 6.1, 6.2 [2] [3] and [6], 7.6, 7.9 and 8 (to the extent that it repeals the <i>Greyhound Racing Prohibition Act 2016</i>)) commenced on 3 July 2017. <i>The Greyhound Racing Amendment (Savings and Transitional) Regulation 2017</i> commenced 3 July 2017
Economic or other factors affecting the achievement of operational objectives	None
Research and development	None
Land disposal	None
Overseas visits undertaken by officers	None
Risk management and insurance activities	The Group's insurance activities are conducted through the NSW Treasury Managed Funds Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experiences
Controlled entities	None
Public access to information	No applications for access to information under the GIPA Act were received during 2017-18. As the Commission was not fully operational in 2017-18, no review of its program for the release of government information under s7(3) of the <i>Government Information (Public Access) Act 2009</i> (GIPA Act) was required.
Digital information security policy attestation	In 2017-18 the Commission's digital information technology services, including those for finance, human resources and records management, were provided by the NSW Department of Industry under a service level agreement. Please refer to the 2017-18 Annual Report for the NSW Department of Industry for the Digital Information Security Annual Attestation Statement. The Commission was not using the OneGov or OzChase systems in 2017-18.
Public interest disclosures	No Public Interest Disclosures were made by Commission public officials in 2017-18.

Appendix A

Statement of activities from the Greyhound Industry Animal Welfare Committee

Animal Welfare Committee

Ms Judy Lind
Chief Executive Officer
NSW Greyhound Welfare and Integrity Commission
BATHURST NSW 2795

Dear Ms Lind

NSW Greyhound Welfare and Integrity Commission (GWIC) Animal Welfare Committee Statement of Activities FY 2017-2018

It is with pleasure that I provide you with the following statement of activities of the Commission's Animal Welfare Committee (AWC) for the period 1 July 2017- 30 June 2018.

The Committee was established in early 2018 to fulfil its statutory responsibilities in supporting the Commission to promote the welfare of greyhounds in NSW, and has completed a busy work program since its inaugural meeting in March 2018.

Animal Welfare Committee – statutory basis, establishment and role

The *Greyhound Racing Act 2017* (the Act) established the Greyhound Industry Animal Welfare Committee to provide advice to the Commission on any matter relating to the welfare of greyhounds, including the formulation of welfare policies and standards.

The Act vests in the Chief Commissioner power to appoint members of the Committee.

In fulfilling its functions, Section 34 of the Act allows the Committee to provide advice to the Commission, either at its own initiative or at the request of the Commission, on any matter relating to the welfare of greyhounds, including the formulation of welfare policies and standards.

The Committee's role includes liaison with key stakeholders including the NSW Department of Primary Industries, NSW Greyhound Breeders and Trainers Association, Greyhound Racing NSW, Australian Veterinary Association, RSPCA NSW, and greyhound racing industry participants.

Achievements in the 2017-18 year

I am pleased to advise the Commission of the following achievements of the Committee in the reporting period:

- Commencement of meetings following the appointment of members by the Chief Commissioner in March 2018, after a call for expressions of interest. (List of members at **Attachment 1**.)
- The committee met eight times between 22 March and 30 June 2018. Attendance of members at meetings is provided in the table at **Attachment 1**.

- Adoption of the Committee's Terms of Reference (**Attachment 2**) at its first meeting in March 2018.
- Development of a recommended forward Committee work program (**Attachment 3**), identifying priorities for the 2018-2019 period, endorsed by the Commission in June 2018.
- Provision of advice, as requested by the Commission, during its establishment phase in the lead up to full commencement of its regulatory responsibilities on 1 July 2018 on greyhound welfare related aspects of:
 - development and proclamation in June 2018 of the transitional Greyhound Racing Regulation 2018;
 - transfer of formal responsibility for the Greyhound Industry Rules of Racing to the Commission;
 - review of Commission policies and Rules of Racing with implications for animal welfare, including the Re-homing Policy;
 - systems and data transition priorities for a seamless commissioning of new registration and licensing business processes; and
 - research priorities to assist the Commission in its future work.

The Commission has responsibility under Section 35 of the Act to prepare for submission to the Minister a Code of Practice relating to the welfare of greyhounds, and is required to seek the advice of the Committee in preparing this Code. The Code requires the concurrence of the Minister for Primary Industries.

The Committee thanks the Commission for the referral of development of this important set of standards for the promotion of greyhound welfare. The Committee placed development of the draft Code as its first and immediate priority and is pleased to advise that, at the end of this reporting period on 30 June 2018, drafting of the Code was well advanced. The Committee anticipates forwarding a complete draft of the Code to the Commission in the first quarter of the 2018-2019 year.

On behalf of the Committee, I would like to acknowledge the work of the Commission's staff in supporting and informing the work of the Committee over this period, including Mr Dominic Herschel, Policy Manager, and Dr Michelle Ledger, Chief Veterinary Officer. In particular I would like to express the Committee's thanks for the work undertaken by its Executive Officer Dr Abigail Groves in managing the secretariat functions of the Committee.

The Committee looks forward to a further busy and productive year in assisting the Commission in its work to protect and promote the welfare of greyhounds in NSW

Yours sincerely



Dr Juliet Corish

Chair, Animal Welfare Committee, on behalf of members Sandro Bechini, Brenton Scott, Andrew Clachers, Kathryn Jurd and Tanya Stephens

ATTACHMENT 1: Committee membership and meeting attendance

Name	Basis of appointment	Meetings eligible	Meetings attended
Dr Samantha Allan (Chair, 22.03.2018 - 5.4.2018) Senior Veterinary Officer NSW Department of Primary Industries	S 33 (2) (c), <i>Greyhound Racing Act 2017</i>	2	2
Dr Juliet Corish (Chair, 5.4.2018 -) Manager, Strategy and Standards NSW Department of Primary Industries	S 33 (2) (c), <i>Greyhound Racing Act 2017</i>	6	6
Mr Sandro Bechini Greyhound industry representative	S 33 (2) (d), <i>Greyhound Racing Act 2017</i>	8	8
Mr Andrew Clachers Chief Operating Officer RSPCA NSW	S 33 (2) (b), <i>Greyhound Racing Act 2017</i>	8	7
Ms Kathryn Jurd Legal Counsel RSPCA NSW (Deputy for Mr Clachers)	S 33 (2) (b), <i>Greyhound Racing Act 2017</i>	1	1
Mr Brenton Scott Executive Officer Greyhound Breeders, Owners and Trainers Association NSW	S 33 (2) (e), <i>Greyhound Racing Act 2017</i>	8	8
Dr Tanya Stephens President Welfare and Ethics Group, Australian Veterinary Association	S 33 (2) (a), <i>Greyhound Racing Act 2017</i>	8	8

Appendix B

Internal audit and risk management attestation for the 2017-18 financial year for the Greyhound Welfare & Integrity Commission

Internal Audit and Risk Management Attestation for the 2017-2018 Financial Year for the Greyhound Welfare and Integrity Commission

I, Alan Brown, am of the opinion that the Greyhound Welfare and Integrity Commission has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

Core Requirements

Risk Management Framework

- 1.1 The agency head is ultimately responsible and accountable for risk management in the agency *in transition*
- 1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO31000:2009 *in transition*

Internal Audit Function

- 2.1 An internal audit function has been established and maintained *in transition*
- 2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing *in transition*
- 2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter' *in transition*

Audit and Risk Committee

- 3.1 An independent Audit and Risk Committee with appropriate expertise has been established *in transition*
- 3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations *in transition*
- 3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter' *in transition*

Departures from Core Requirements

I, Alan Brown, advise that the internal audit and risk management processes for the Greyhound Welfare and Integrity Commission depart from the following core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector:

- The departure from the core requirements is due to the agency implementing measures to achieve compliance with new policy requirements consistent with the permitted transitional arrangements,

Core Requirement	Reason for departure and detailed description of the steps being taken to achieve compliance
Risk Management Framework	As a newly established agency which has been operating from 1 July 2018, the Commission did not have the resources to finalise its risk management framework in 2017-18. The framework will be completed in 2018-19.
Internal Audit Function	As a newly established agency which has been operating from 1 July 2018, the Commission did not have the resources to establish processes for internal audit in 2017-18. The Commission has sought advice of our Cluster lead agency, Department of Industry, in the development of internal audit functions, and will finalise arrangements in 2018-19.
Audit and Risk Committee	As a newly established agency which has been operating from 1 July 2018, the Commission did not have the resources to establish a process for audit and risk advice in 2017-18. The Commission has approached our Cluster lead agency, the Department of Industry, to allow the Commission to be included in the scope of the Department of Industry's Audit and Risk Committee. Use of this existing Committee, with proven experience and a Charter which is consistent with requirements, would be efficient and ensure quality.

These processes, including the practicable alternative measures being implemented, demonstrate that the Greyhound Welfare and Integrity Commission has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the Greyhound Welfare and Integrity Commission.



Alan Brown
Chief Commissioner

(Insert Date)

27/9/18

Agency Contact Officer: Judith Lind, Chief Executive Officer

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Address

Level 1
230 Howick Street
Bathurst NSW 2795

Postal Address

PO Box 718
Bathurst NSW 2795

Customer Service Hotline

1800 951 755
9am- 5pm Monday - Friday

General Enquiries

emailus@gwic.nsw.gov.au

Media Enquiries

media@gwic.nsw.gov.au

Copies of this report may be accessed via the Commission's website www.gwic.nsw.gov.au