

**Submission
No 4**

**EXAMINATION OF SELECTED AUDITOR-GENERAL'S FINANCIAL
AUDIT REPORTS 2020**

Organisation: Greyhound Racing New South Wales

Date Received: 20 July 2021

20 July 2021

Mr Greg Piper
Chair
Public Accounts Committee
Legislative Assembly, Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

By email: PublicAccountsCommittee.PAC@parliament.nsw.gov.au

Dear Mr Piper,

Response from Greyhound Racing New South Wales (GRNSW) on Wentworth Park Sporting Complex Land Manager (WPSCLM) Loan of \$6.5 million


We refer to your letter dated 7 July 2021.

In response to the matters raised in your letter we advise as follows:

1. The outstanding loan of \$6,497,681.00 is treated by GRNSW as a loan receivable from WPSCLM (formerly Wentworth Park Trust) and is recorded as such within GRNSW's financial assets. In that regard, we draw your attention to GRNSW's most recent Annual Report a copy of which can be accessed via this link <http://www.grnsw.com.au/uploads/FINAL%20GRNSW%202019%20Annual%20report.pdf>
2. In assessing the accounting treatment of the loan receivable, GRNSW has sought the assistance of its legal counsel to gather evidence to support the view that the loan is a debt instrument within the relevant laws and regulations that affect GRNSW and the WPSCLM. There is no reason for GRNSW to take a different position as regards the treatment of the loan receivable.
3. Based on the fact that the loan is recorded in various government documents, including the NSW Gazette No. 100 26 June 1998, as being a 'repayable loan', the Board of Directors of GRNSW have exercised their judgment and determined for financial reporting purposes that the loan is contractual in nature it has been treated as a financial asset in accordance with Australian Accounting Standard B9 at amortised cost.
4. Whilst GRNSW has determined, at this stage, not to call on the loan within the next 12 months or until cessation of racing at Wentworth Park, whichever occurs first, it reserves its right to do so.
5. GRNSW have also assessed the expected credit loss (ECL) of the loan receivable and based on the creditworthiness of the counterparty they consider the ECL to be nil.

Please do not hesitate to contact me should you have any questions concerning the above.

Yours sincerely,


Tony Mestrov
Chief Executive Officer
Greyhound Racing NSW