David’s appointment as CEO initially saw him conduct widespread industry consultation with all kindred bodies and public forums at harness venues right across the state. Importantly this process provided an opportunity for people who had never before been asked, in a collaborative approach, to contribute to a new strategic direction and roadmap for the future of harness racing.

The initiatives undertaken thus far, by HRV, are focused on creating a sustainable and prosperous harness racing industry in Victoria and importantly this work has only just begun. To realise this goal, we need to continue to work together with an ‘industry first’ mindset. HRV has now worked with the industry to set out priorities and tasks to meet these challenges, and within budget constraints has established a team with the right capabilities and which has determination to achieve real progress. This document provides a strategic framework for future success, and outlines an ‘industry first’ approach that will ensure our stakeholders are positioned to prosper.

Harness Racing Victoria (HRV) has undergone an important transition period during the past 12 months. There has been more organizational change in this period than in HRV’s recent history, including the appointment of a skills-based Board and new CEO, David Martin, to lead the transformation of the industry.

Following extensive consultation, we have developed a new strategic plan with key priorities outlined that will address our major challenges and drive growth. A key feature of this framework is the integration of HRV functional strategies with those of kindred bodies, which reflects the mindset that ‘we’re all in this together’. The strategy also acknowledges the need to honour our traditions and country origins, balanced with the need to take some bold steps so the industry can achieve its potential. While we are encouraged by the recent increase in participation and growth of HRV’s share of the Victorian market, there is much work ahead to strengthen HRV’s financial position so that we can increase our support and services for owners, breeders, trainers, drivers and country clubs, who all contribute so much to our industry. We have been open and honest with stakeholders about the challenges we face and it has been pleasing to see the response, with an overwhelming desire to be a part of much-needed industry change.

HRV has made a strong commitment to our goal of developing a vibrant harness racing industry that promotes participation, integrity and racing excellence, grows wagering and other revenue streams and maximises returns to its stakeholders. We know the importance of that for the future of our industry, and equally so for each and every person involved in our great sport.
01. Our Current Position

Our Challenge

HRV’s Actual Market Share
JV1 Revenue

Victoria remains the heartland of harness racing in Australia, with a long and proud history. But we face a number of challenges that must be addressed to ensure the longevity, success and sustainability of our industry:

- Long-term decline in market share of JV1 wagering revenue
- Long-term decline in the number of trainers and drivers
- Long-term decline in the size of foal crops, horses raced and race starters
- Significant debt impacting the ability to invest in product development and other growth initiatives

Harness racing in Victoria

48
Harness racing clubs across Victoria

4000
Direct active participants in the Victorian harness racing industry

1819
Largest harness racing foal crop in Australia

3723
Races conducted in 2016/2017

Participants

Foals
Horses Raced
Trainers & Drivers
02. Our Ambition

Our Mission
To develop a vibrant Harness Racing industry that promotes participation, integrity and racing excellence, grows wagering and other revenue streams and maximises returns to its stakeholders.

Our Underlying Philosophies
We will honour our traditions and country origins
We will work with our employees and industry participants who are essential to our future
We must be financially sustainable and grow our industry by providing world class racing to the public
We will take bold steps so the industry can achieve it's full potential

Our Values
Our values define the way we behave and interact with each other and all our stakeholders across in the industry. Collectively these values underpin our strategic framework and our pursuit of growth, and will ensure we deliver on our promises.

Integrity
Ensure actions are not tainted by an actual or perceived conflict of interest

Honesty
Be straightforward, honest and fair in your dealings with people

Accountability
Achieve results through the best use of your skills and experience

Impartially
Treat all people fairly, impartially and honestly without fear or favour

Responsive Service
Provide relevant, quality and timely communication and service to all

Empathy
Maximise the wellbeing of participants
03. Our Strategic Framework

Key Strategic Initiatives 2017-18

From within our strategic framework, we have identified the key initiatives that will be the primary drivers of future success. These initiatives will receive the focus and resources necessary to ensure effective implementation and return on objectives.

1. PROGRAMMING & PRIZEMONEY

Strategies

- An increase in total prizemoney via the number of races at all tiered prize money levels
- Primary focus on the lower prizemoney tiers to:
  - Leverage profitability opportunity (i.e. where wagering revenue is greater than prizemoney) – as industry profitability increases, prizemoney at higher levels of the pyramid will also increase
  - Encourage smaller training operations to remain and others to rejoin
  - Encourage retention of horses with less capability and thereby improve horse welfare

Key Performance Indicators (KPI's)

A. Increase in starter numbers

Programming changes introduced in FY17 have already demonstrated an ability to deliver on this objective:

B. Increase in wagering turnover

These changes have also demonstrated an ability to address an historical decline in turnover on Victorian harness racing events:

2. RACING PRODUCT

Strategies

- Implement changes to existing harness racing product to align to the needs of stakeholders and deliver a more exciting experience to attract and retain new customers. Areas of assessment will include the scheduling of races (both physically and in-broadcast), the type and class of races, and the location of races
- Explore new product development, including new formats observed in overseas markets, or those created from base principles to attract new audiences

KPIs

1. Increase in attendance and viewership of Victorian harness racing content
2. Increase in wagering turnover

3. SPONSORSHIP

Strategies

- Review sponsor arrangements for increased industry benefit
  - Review the value of our sponsorship assets
  - Review and adjust existing sponsorship arrangements
  - Strengthen relationships with current sponsors
  - Develop new properties to attract new sponsors

KPIs

1. Increase in sponsorship revenue
2. Increase in sponsor satisfaction
Functional Strategies

We have identified a comprehensive set of strategic actions required to optimise the core elements of our business. Within this framework, we will prioritise items based on their criticality and potential impact, and apply the requisite level of focus and dedication to each. This will ensure a constant pipeline of activity to deliver growth and change.

**INTEGRITY & HORSE WELFARE**
- Secure additional integrity funding for stable visits and swabbing resources
- Address investigations for race fixing via wagering data analysis
- Continually improve horse welfare programs and standards
- Communicate disciplinary process
- Consider live streaming of barrier draws
- Review Change of Tactics (COT) rule
- Review of rules and penalties in consultation with drivers
- Expand re-homing of horses program

**MARKETING**
- Eliminate brand confusion
- Market to new people outside existing industry
- Change in Marketing focus and cost reduction
- Work with clubs to increase attendance
- Celebrate and promote our champions, both state-wide and regional
- Extract more from our ownership of RSN and media relationships
- Continue to increase ownership and involvement of syndicates
- Develop and augment the Trots Community Card offering new benefits

**FINANCE**
- Implement organisational savings
- Review insurance arrangements to best meet needs of industry
- Ensure equity between clubs for HRV race day funding levels
- Appropriate fee structure for shared services
- Debt reduction plan, including Melton Masterplan

**LEGAL**
- Improve governance and ensure compliance
- HRV and Industry Risk Management Contracts and Compliance Registers
- Services for Integrity department
- Insurance, employment and contract management matters

**RACING & WAGERING**
- Maximise outcomes from TabCorp JV and Sky relationship
- Build corporate bookmaker relationships, turnover and revenue
- Support maintenance and upgrades to tracks and facilities
- Deliver product development to attract and retain new audiences
- Implement changes to race programming (increased races/meeting, more profitable timeslots, Supplementary races, split Vic/Hunter Cups, standing v mobile starts, Pacers & Trotters)
- Implement HRA changes including national handicapping systems, microchipping, whip rule, etc
- Pursue involvement with Inter Dominion from 2018 onwards

**INFORMATION TECHNOLOGY**
- Digitise right through processes of life cycle
- Work with Marketing to accelerate development of HRV website
- Support for clubs and trainer websites
- Maximise Racing Information Services Enterprise (RISE) for industry benefit
- Promote opportunities for digital audience on www.harness.org.au

**PEOPLE**
- Implement organisational change to re-align with revenue
- Employee and industry assistance program
- Create an industry-wide training and mentoring program to increase professionalism and financial returns to participants
- Support clubs with employee matters and assist succession by attracting the next generation of participants
Stakeholder Strategies

We have taken a collaborative approach to developing our strategy and have sought input from all the stakeholders that make our industry great. Through this process we have identified the initiatives and actions that will deliver maximum value and engagement to each of our stakeholder groups. This tailored framework will ensure that our future successes are achieved and celebrated together.

OWNERS (VIA VHRSC)

- Continue to increase ownership and involvement of syndicates
- Facilitate appropriate upgrades of owners facilities at racing clubs
- Assist trainers with tools for communication to and from owners
- Assist VHRSC with sustainable owner membership model

GOVERNMENT/PUBLIC

- Maintain government relationship and support for our industry
- Manage compliance within regulatory requirements
- Work with Office to Racing to streamline VRIF applications
- Maintain or exceed community expectations for horse welfare, responsible gambling and our ongoing contribution to communities
- Engage with Government on initiatives such as Point of Consumption Tax (POCT) and Wagering Licence post 2024

TRAINERS AND DRIVERS (VIA VTDA)

- Celebrate and promote our champion trainers and drivers
- Training and mentoring program
- Mock stewards enquiries for junior drivers
- Explore Trainers Trots discount card (e.g. petrol, feed supply)
- Review of rules and penalties in consultation with drivers
- Seek improvements to driver, sulky and horse insurances
- Maintain regular HRV communications with all trainers and drivers

PUNTERS

- Improve our offering to punters
- Engage punters via online forums
- Introduce minimum bet limits
- Engage and educate new punters
- Provide low-mid and high-end analysis

MELTON & COUNTRY CLUBS (via TROTS CLUBS VICTORIA)

- Individual plans for each club (strategic, financial, people, etc.)
- Strengthen HRV and Club relationships via joint responsibility for achieving common strategies
- Training, development and succession plans
- Identify and capitalise on opportunities for joint marketing and club promotions
- Model rules/governance improvements, and OHS/Risk Management
- Reduce less profitable race meetings and shift to more races per meeting
- Improve equitability of current club funding model

BREEDERS

- Work with breeders to maximise opportunities at pacing and trotters sales
- Reduce costs to improve breeder profitability to stimulate the market
- Explore expansion of Vic Bred series
- Work with industry to achieve a higher conversion from services to horses on track
- Assist to expand profile and opportunities for broader pool of stallions
- Review existing stakes series and consider introducing Sires Stakes model
An Integrated Strategy

Our strategic plan combines the core elements of our business, with the unique needs of all our critically important stakeholders. Overlaying functional strategies with our stakeholder activities has produced a roadmap for success that will bring everyone along on the journey with us.

Each functional area of our business will employ a dedicated strategy for each key stakeholder group. Through this customised approach, our stakeholders will receive the highest level of support and an optimal customer experience. This in turn will underpin growth in participation, engagement and returns, and allow us to reinvest in the continued evolution of our industry to the benefit of all. We’re all in this together.

HRV Functional Strategies

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<th>Major Stakeholder Groups</th>
<th>Marketing</th>
<th>People</th>
<th>Racing &amp; Wagering</th>
<th>Integrity</th>
<th>Finance</th>
<th>Information Technology</th>
<th>Legal</th>
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<td>Owners (via VHRSC)</td>
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