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ANNUAL
REPORT

22

HARNESS
RACING
VICTORIA





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Chairman's Report

On behalf of the Harness Racing Victoria Board, I present this Annual Report on the state of harness racing in Victoria.

FY22, the first year of the TROTS24 strategic plan, importantly supported by the Victorian Government, saw significant investment in delivery of initiatives in line with the Harness Racing in Victoria strategy. As a result of the investment required with the rollout of the strategy, HRV reported an operating loss before revaluations of \$4.1 million. This report provides an update on the investments and initiatives that are under way, and outlines how the industry is tracking more broadly.

Twelve months after unveiling a deliberately ambitious strategic plan with a bold vision “to be globally recognised as the home of harness racing in Australia, creating innovative racing and events that are underpinned by our commitment to the highest standard of welfare and integrity across the industry”, the Board is pleased with progress made to date.

For several years, harness racing jurisdictions across the globe have struggled with challenges such as declines in breeding, participation and wagering turnover. Additionally, there has been more competition than ever before for mainstream media attention in the highly competitive, modern-day sporting and wagering landscape.

In developing TROTS24 – HRV’s strategic framework brought to life by a three-year action plan – we were mindful of the risks of merely maintaining an unacceptable status quo approach to the years ahead. To not prioritise growth would be to consign the industry to decline.

While achieving growth across the industry is challenging, the alternative is not a viable option if our industry is to achieve long-term financial sustainability.

HRV secured \$4.1 million in Victorian Government funding in FY22, which partially contributed to major projects aligned to TROTS24, such as:

- construction of a new Shepparton training centre
- expansion of the Charlton training centre



- investment in race day infrastructure, such as photo finish and timing equipment, a video management system and live GPS sectional software, to strengthen our position in the broadcast space
- investment in HRV's capability, infrastructure and resources to drive the strategic plan

It was particularly pleasing that wagering turnover on Victorian harness racing reached just under \$1.2 billion, increasing 9% on the previous high mark set in FY21. Two key contributors to this were a record \$9 million turned over on Victoria Cup night in October and strong wagering results on Hunter Cup night in February, due to HRV's broadcasts on Racing.com, Sky Racing and TrotsVision.

In FY22, prize money of \$47.4 million was paid, including a \$1.5 million increase to base-stake races. This saw 43% of \$7,000 races from 1 January 2022 receive a lift to either \$8,000, \$9,000 or \$10,000.

Another \$100,000 was committed to Victorian trotting cups to continue to bridge the gap on their pacing country cup equivalents, lifting Victorian country trotting cup stake money from \$500,000 to \$600,000.

FY22 was hopefully the last year severely impacted by COVID-19. It was only due to the work, commitment and passion of our industry participants, staff and clubs, that harness racing was able to continue safely, particularly with Melbourne being in lockdown for 87 days of the financial year.

Density limit restrictions extended well into calendar year 2022. Staff shortages exacerbated already difficult conditions as trading conditions began returning to normal. For these reasons and more, revenues from the Tabcorp joint venture (JV) and at HRV's Tabcorp Park Melton were significantly impacted.

Unlike in FY21, which was largely underpinned by JobKeeper, FY22 government support was not as substantial. It is estimated that the reduction in revenues for both the JV and Tabcorp Park Melton resulted in a \$4.6 million impact on the overall profitability of the HRV Group.

To acknowledge the hard work of our clubs over the past two years, and to bridge shortfalls in revenues resulting from the FY22 Covid lockdowns, HRV agreed to fund the stakes contribution that clubs would traditionally choose to make to "top up" their country cups prize money.

This contribution of \$570,000 ensured prize money attached to these feature races remained intact. It also supported clubs that were not able to contribute as they usually would, because of limited hospitality revenue opportunities.

On a very positive note, our digital and online audience continued to grow in FY22. Highlights included a 62% increase in the number of 18-24-year-old visitors to thetrots.com.au, and overall website audience growth of 16% year on year to 517,513 users. Page views on the website eclipsed 4.4 million (up 6.5%). On social media, HRV platforms registered 90.7 million impressions, 44.4 million video views and 5.2 million engagements.

I would like to acknowledge and thank Dayle Brown for his work overseeing the development of the TROTS24 strategic plan during his time as CEO. Dayle informed the Board this year of his decision to step away from the role after three years of leadership that saw our industry through the COVID-19 crisis and brought the industry closer together through greater collaboration with kindred bodies and industry partners.

The next two years will critically determine outcomes from key drivers of revenue streams for the industry. The awarding of a new wagering licence in 2024 and the fair distributions of revenues between the codes will be of prime importance to harness racing. HRV will be working with the State Government to achieve this.

Additionally, HRV will be working to achieve appropriate financial rewards from the industry's diverse vision rights, previously awarded in 2012 in a single agreement. In particular, digital rights previously included with existing agreements to 2024 will play a key role in growing HRV revenues. Free-to-air telecasting and TrotsVision will in future complement pay-TV coverage of our sport.

The HRV Board extends its most sincere gratitude to the Victorian Government for its ongoing support for, and commitment to, our industry. This ongoing commitment of support will help harness racing in Victoria achieve its long-term strategic vision. It will help us continue to flourish in years to come.

We also thank industry participants and stakeholders for their ongoing diligence and adherence to COVID-19 protocols, which ensured harness racing in Victoria continued during the Covid years.

Dale G Monteith
Chairman, Harness Racing Victoria

Report on Operations

In accordance with *Financial Management Act 1994*, I am pleased to present the Report of Operations for Harness Racing Victoria for the year ended 30 June 2022.



Dale G Monteith
Chairman, Harness Racing Victoria

12 October 2022

Mission

To deliver the most sought-after and accessible harness racing that produces financial sustainability, ensures clubs are the heart of their communities and provides equal opportunities for all participants to compete.

Vision

To be globally recognised as the home of harness racing in Australia, creating innovative racing and events that are underpinned by our commitment to the highest standard of welfare and integrity across the industry.

Values



Respect

We welcome everyone to share our passion, enjoy and participate in the harness racing industry in Victoria by working together, hearing one another and celebrating our history.



Integrity

We lead honestly and ethically to ensure trust in the harness racing industry in Victoria.



Safety and Wellbeing

We develop, protect and care for the people and horses engaged in the harness racing industry in Victoria.



Excellence

We are accountable for driving high performance and innovation, on and off the track, for the growth of a vibrant and sustainable harness racing industry in Victoria.

TROTS24: three-year Strategic Plan



In July 2021, the *TROTS24* three-year strategic plan was launched, which provides a framework for delivering key outcomes for the Victorian harness racing industry and sets out to position HRV globally as the home of harness racing in Australia by 2024.

The table below provides an update on some of the initiatives delivered under the strategic plan to date:

STRATEGIC OUTCOME	INITIATIVES DELIVERED
Ownership & Lifelong Enjoyment	<ul style="list-style-type: none"> • Prize money increase of: <ul style="list-style-type: none"> - \$1.7m increase in stake money paid to owners due to a reduction in \$4,500 races and an increase in \$7,000 races. - \$1.5m increase to base-stake races, which sees 43% of \$7,000 races from 2022 receiving a lift to either \$8,000, \$9,000 or \$10,000. - \$0.1m has been committed to Victorian trotting cups to close the gap on their pacing Country Cup equivalents, lifting country trotting cup stake money from \$0.5m to \$0.6m. • The approval of an Owners' Room for Tabcorp Park Melton, to be constructed in FY23.
Breeding & Training	<ul style="list-style-type: none"> • A new regional training facility at Shepparton and an extension to the Charlton facility. • Introduction of Vicbred Pure breeding bonus incentives that will see progeny of Victorian-based mares who are also sired by an Australasian bred stallion physically standing in Victoria, eligible to receive a \$12,000 First Win Bonus - up from the previous longstanding bonus of \$7,000. • An increase in mares only racing in May, June, July and August.
Strong Club Network	<ul style="list-style-type: none"> • HRV assumed responsibility for Country Cup club prize money contributions for the 2022 racing year, supporting clubs still suffering the effects of COVID-19 restrictions. This represented a \$570,000 benefit to country clubs. • A new club registration agreement has been agreed between HRV and clubs, providing HRV with greater oversight of club operations and placing greater responsibility on club administrators with regards to governance practices.
Operational Excellence	<ul style="list-style-type: none"> • The development of a digital transformation roadmap to upgrade the maturity of HRV's systems and processes over the next three years. Progress has been made on several projects to date, such as digital IDs, paperless swabbing, CRM, payroll and ERP systems.
Most Favoured Racing Program	<ul style="list-style-type: none"> • A shift of several feature race meetings and series to the second half of the year, creating a carnival of racing from late September to early February. • A greater utilisation of data in race programming, which has resulted in an improvement of racing metrics across all programs.
Digital & Media Leadership	<ul style="list-style-type: none"> • Partnership established with Racing.com to telecast the entire AG Hunter Cup race meeting on free-to-air. This marked the first time a full HRV race meeting was broadcast on free-to-air in over a decade. • Partnership established with Brightcove, enabling TrotsVision to become an always-on, on-demand channel. Also enabled was a separate vision feed, allowing HRV to customise content specifically for the TrotsVision audience.

STRATEGIC OUTCOME	INITIATIVES DELIVERED
Wagering	<ul style="list-style-type: none"> • New telemetry and sectional timing was installed at eight racetracks. This enables HRV to track each runner's track position, speed and several other data points in real-time. This can be used to enhance the broadcast and wagering experience and can also be used for animal welfare considerations.
Community Engagement	<ul style="list-style-type: none"> • Enhanced 2022-23 Pony Trots Championship with increased participants and community engagement.
Talent & Diversity	<ul style="list-style-type: none"> • Creation of draft Gender Equity Action Plan (GEAP). • Employed dedicated industry Workforce Development Manager and began consultation with stakeholders regarding development pathways and associated education and learning. • Initiated internal development of data collection survey framework to hear industry voice and understand workforce composition and requirements, and how staff want to be recognised for their contributions and achievements. • Actively participated in the VRI Integrity Training Steering Committee.
Integrity And Animal Welfare	<ul style="list-style-type: none"> • The number of HERO program re-trainers was increased by 200%, reducing the waiting time for a retired, standardbred horse to enter the program. • A mandatory online horse welfare training module was introduced for all industry participants.





Year in Review

Animal Welfare

The HRV Hero program won new fans in FY22 courtesy of the HRV Hero Show, hosted by Andrew Bensley and the program's community engagement and development partner Kima Frenning. The 10-episode season was published across TrotsVision and thetrotts.com.au, and shared on social media platforms, telling the wonderful stories of our dedicated re-trainers and retired Hero horses.

The joy these horses are bringing their new families after their racing career is evident and these inspiring stories can be relived in the HRV Hero section in the TrotsVision platform.

The HRV Hero program was rebranded in FY22 with more of a focus on life "Beyond the Track" for these horses.

A new website was aligned to thetrotts.com.au, providing a much more user-friendly platform for people wanting to purchase our retrained Hero horses.

HRV continues to review the program to ensure there are more options for retired harness racehorses by providing more post-racing initiatives and support, resulting in more horses being successfully rehomed.

The number of Hero program re-trainers was increased by 200% reducing the waiting time for a retired standardbred horse to enter the program.

A mandatory online horse welfare training module was introduced for all industry participants.

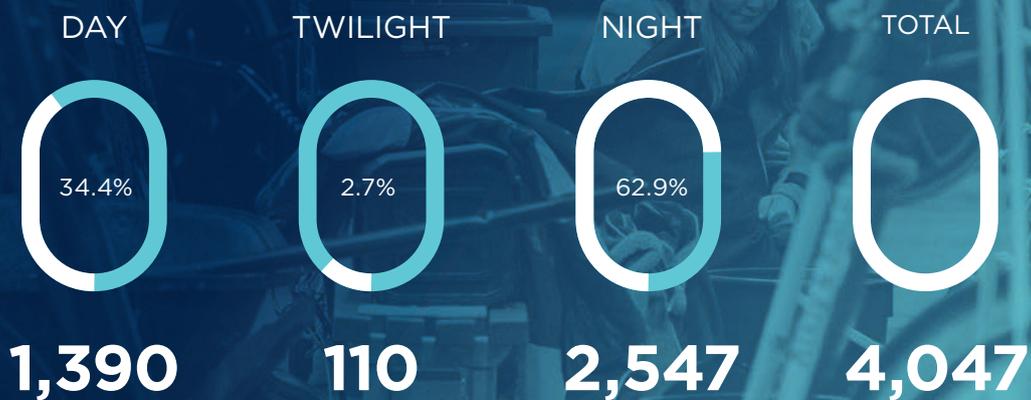
HRV thanks all those who have supported the Hero program through donations and sponsorship in FY22 and is excited about the future of the new-look program.

Racing Operations

Meetings



Races



NUMBER OF RACES BY GAIT



TOTAL STAKE MONEY

 \$47.4M

KEY INDICATORS	FY22	FY21	FY20	FY19	FY18
Meetings (TAB)	436	440	446	439	432
Meetings (non TAB)	-	-	1	1	1
Races	4,047	3,963	3,764	3,857	3,863
Horses raced	3,672	3,639	3,617	3,726	3,819
Nominations	52,321	50,016	48,627	47,713	50,360
Starters	35,567	35,198	31,971	32,324	32,902
Drivers	579	573	605	639	658
Trainers	987	994	1,006	1,046	1,090
Stablehands	1,130	1,159	1,126	1,085	1,154
Sires	46	57	50	73	78
Foals (i)	1,605	1,476	1,698	1,904	1,784
Namings	1,017	1,059	1,125	1,185	1,145
Services	3,142	3,427	2,964	3,644	3,932

(i) Determination of foal is any Vicbred foal, regardless of birth location.

(ii) Some of the Key Indicators for prior year may change due to late notifications received.



FY22 Racing Highlights

DEL-RE NATIONAL A G HUNTER CUP (GROUP 1)

King Of Swing Nz (Rocknroll Hanover USA - Twist And Twirl NZ)

- **Trainer:** Belinda McCarthy
- **Driver:** Luke McCarthy
- **Owner:** B V Richardson, M A Congerton, Go Racing, G L Moore, S D MacGregor, R Patriarca, F Patriarca, S E Simmonds, G J Richardson
- **Breeder:** Breckon Farms Ltd

PRYDE'S EASIFEED VICTORIA CUP (GROUP 1)

Max Delight (Bettors Delight USA - Lady Euthenia)

- **Trainer:** David Aiken
- **Driver:** Chris Alford
- **Owner:** M J (Michael) Maxfield
- **Breeder:** P F (Peter) Lewis

MIMOSA HOMES BREEDERS CROWN SERIES 24 (2YO COLTS & GELDINGS) FINAL (GROUP 1)

Catch A Wave (Captaintreacheraus (US) - Coppagoodone NZ)

- **Trainer:** Andy Gath
- **Driver:** Kate Gath
- **Owner:** R J Matthews, P Matthews
- **Breeder:** Benstud Standardbreds, P M O'Shea, Z D O'Shea

RIDE HIGH BREEDERS CROWN SERIES 24 (2YO FILLIES) FINAL (GROUP 1)

Encipher (Captaintreacheraus (Us) - Our Cavort NZ)

- **Trainer:** Emma Stewart
- **Driver:** Kate Gath
- **Owner:** T R (Tyson) Linke
- **Breeder:** T R (Tyson) Linke

WHAT THE HILL GREAT SOUTHERN STAR FINAL (GROUP 1)

Majestuoso NZ (Majestic Son Ca - Rosemaryz Luck (NZ))

- **Trainer:** Andy Gath
- **Driver:** Kate Gath
- **Owner:** N R (Norm) Jenkin
- **Breeder:** Alabar (NZ) Ltd

LATHER UP VICTORIA DERBY FINAL (GROUP 1)

Act Now (Somebeachsomewhere USA - Mollys Ideal)

- **Trainer:** Emma Stewart
- **Driver:** Jodi Quinlan
- **Owner:** B C Edward, V A Edward
- **Breeder:** B C Edward, V A Edward

IRT AUSTRALIA BREEDERS CROWN SERIES 23 (3YO COLTS & GELDINGS) FINAL (GROUP 1)

Act Now (Somebeachsomewhere USA - Mollys Ideal)

- **Trainer:** Emma Stewart
- **Driver:** Jodi Quinlan
- **Owner:** B C Edward, V A Edward
- **Breeder:** B C Edward, V A Edward

VILLAWOOD PROPERTIES BREEDERS CROWN SERIES 23 (3YO FILLIES) FINAL (GROUP 1)

Ladies In Red (Mach Three Ca - Kabbalah Karen B Ca)

- **Trainer:** Emma Stewart
- **Driver:** David Moran
- **Owner:** Lauriston Bloodstock Pty Ltd
- **Breeder:** Lauriston Bloodstock Pty Ltd

PRYDE'S EASIFEED VICTORIA OAKS FINAL (GROUP 1)

Ladies In Red (Mach Three Ca - Kabbalah Karen B Ca)

- **Trainer:** Emma Stewart
- **Driver:** David Moran
- **Owner:** Lauriston Bloodstock Pty Ltd
- **Breeder:** Lauriston Bloodstock Pty Ltd

APG VIC GOLD BULLION (2YO COLTS & GELDINGS) FINAL (GROUP 1)

Mister Hunter (Huntsville USA - Moremi Miss)

- **Trainer:** Vince Dicocco
- **Driver:** Jack Laugher
- **Owner:** M Del-Re, A Bavage, B Robertson, D Del-Re, D Stanley, D Fabbris, J Del-Re, L Wilkinson, M N R Del-Re, M Tanner, N Dimartino, R Del-Re, R Esposito, R Dimartino, V Dicocco, A Calabria, R Del-Re
- **Breeder:** Blood Diamond Syndicate

**APG VIC GOLD BULLION (2YO FILLIES)
FINAL (GROUP 1)**

Major Delight (Bettors Delight USA - Lady Euthenia)

- **Trainer:** Emma Stewart
- **Driver:** Mark Pitt
- **Owner:** P F (Peter) Lewis
- **Breeder:** P F (Peter) Lewis

**ALWAYS B MIKI VICBRED SUPER SERIES
(2YO FILLIES) FINAL (GROUP 1)**

Amore Vita Nz (Art Major USA - Castellina Lover NZ)

- **Trainer:** Nathan Purdon
- **Driver:** Chris Alford
- **Owner:** S A Dolan, Est of G R Adamson
- **Breeder:** S A Dolan, Estate of Grant Ronald Adamson

**ART MAJOR VICBRED SUPER SERIES
(2YO COLTS & GELDINGS) FINAL (GROUP 1)**

Heza Son Of Agun (Art Major USA -
Itz Nosurprisesthere NZ)

- **Trainer:** Matthew Craven
- **Driver:** Sofia Arvidsson
- **Owner:** A P Coniglio, P J Coniglio
- **Breeder:** A P Coniglio, P J Coniglio

**ROCK N ROLL HEAVEN VICBRED SUPER SERIES
(3YO COLTS & GELDINGS) FINAL (GROUP 1)**

Bondi Lockdown (Somebeachsomewhere USA -
Without Guile)

- **Trainer:** Aaron Dunn
- **Driver:** Aaron Dunn
- **Owner:** A J (Aaron) Dunn
- **Breeder:** C P Reinehr, M J Reinehr

**THE STORM INSIDE VICBRED SUPER SERIES
(3YO FILLIES) FINAL (GROUP 1)**

Ladies In Red (Mach Three Ca - Kabbalah Karen B Ca)

- **Trainer:** Emma Stewart
- **Driver:** David Moran
- **Owner:** Lauriston Bloodstock Pty Ltd
- **Breeder:** Lauriston Bloodstock Pty Ltd

**ULTIMATE SNIPER VICBRED SUPER SERIES
(4YO ENTIRES & GELDINGS) FINAL (GROUP 1)**

Honolua Bay (Somebeachsomewhere USA -
National Gallery NZ)

- **Trainer:** Emma Stewart
- **Driver:** David Moran
- **Owner:** Lauriston Bloodstock Pty Ltd
- **Breeder:** Lauriston Bloodstock Pty Ltd

**VINCENT VICBRED SUPER SERIES (4YO MARES)
FINAL (GROUP 1)**

Maajida (Somebeachsomewhere USA - Arterial Way)

- **Trainer:** Emma Stewart
- **Driver:** Greg Sugars
- **Owner:** Atworthy Park Group
- **Breeder:** G R Johnson, I G Johnson, L J Johnson,
S J Johnson

**APG VIC GOLD BULLION (3YO COLTS & GELDINGS)
FINAL (GROUP 1)**

Catch A Wave (Captaintreacherous (US) -
Coppagoodone NZ)

- **Trainer:** Andy Gath
- **Driver:** Kate Gath
- **Owner:** R J Matthews, P Matthews
- **Breeder:** Benstud Standardbreds, P M O'Shea,
Z D O'Shea

**APG VIC GOLD BULLION (3YO FILLIES) FINAL
(GROUP 1)**

Just Hope (Bettors Delight USA - Queen Of Pop)

- **Trainer:** Russell Jack
- **Driver:** Nathan Jack
- **Owner:** R A Cluse, L R Cormican, T J Cluse
- **Breeder:** Lauriston Bloodstock Pty Ltd

PETstock BALLARAT PACING CUP (GROUP 1)

Spirit Of St Louis NZ (Sweet Lou USA -
Spirit Of Art (NZ))

- **Trainer:** Belinda McCarthy
- **Driver:** Jack Callaghan
- **Owner:** Summit Bloodstock Pty Ltd, B J McCarthy,
J N Jarvis, Aaron Bain Racing Pty Ltd, R T Curnow,
Wear The Fox Hat Syndicate, W A Eade, P G Hastie,
T G Casey, K J Corby, E K Corby, A D Gow, S R Pulley,
G J Anderson, R Chalklin, A S Walsh, I D Stu
- **Breeder:** T G (Trevor) Casey

VHRC CADUCEUS CLASSIC (GROUP 1)

Triple Eight NZ (American Ideal USA - Slangevar (NZ))

- **Trainer:** Jess Tubbs
- **Driver:** Greg Sugars
- **Owner:** S R Plant, S J Nixon, J Watson, S Cook, B J Glasheen
- **Breeder:** Plant Racing Ltd

BENSTUD QUEEN OF THE PACIFIC (GROUP 1)

Amazing Dream Nz (Bettors Delight Usa - Christian Dreamer (Nz))

- **Trainer:** Nathan Purdon
- **Driver:** Anthony Butt
- **Owner:** M J Hanover, G L Banks, R S Gutnick, T J Pontone, J A Lozito Jr
- **Breeder:** V L Devery, D L Devery

ALDEBARAN PARK BREEDERS CROWN SERIES 24 (2YO TROTting COLTS & GELDINGS) FINAL (GROUP 1)

Plymouth Chubb (Majestic Son Ca - Pocket Fantasy)

- **Trainer:** Peter Manning
- **Driver:** Kerryn Manning
- **Owner:** G S Benson, S K Hegyi
- **Breeder:** G S Benson, S K Hegyi

ALDEBARAN PARK BREEDERS CROWN SERIES 24 (2YO TROTting FILLIES) FINAL (GROUP 1)

Just A Bit Touchy (Father Patrick (US) - Gypsy Flair)

- **Trainer:** Emma Stewart
- **Driver:** Kate Gath
- **Owner:** Big Wookie Racing Group, L A McMillan, R D Smart, C R Tonkin, B J Prentice
- **Breeder:** D J Poole, S B Poole

ALDEBARAN EAGLE @ ALDEBARAN PARK VICBRED SUPER SERIES (3YO TROTting COLTS & GELDINGS) FINAL (GROUP 1)

Parisian Artiste (Love You (Fra) - Schleck NZ)

- **Trainer:** Alex Ashwood
- **Driver:** Tayla French
- **Owner:** Aaron Bain Racing Pty Ltd, Summit Bloodstock Pty Ltd, A M Ashwood
- **Breeder:** Yabby Dam Farms Pty Ltd

ALDEBARAN EAGLE @ ALDEBARAN PARK VICBRED SUPER SERIES (3YO TROTting FILLIES) FINAL (GROUP 1)

Fancy (Quaker Jet (Fra) - Speedy Naomi)

- **Trainer:** Blake Fitzpatrick
- **Driver:** Kerryn Manning
- **Owner:** E J (Ethan) Hill
- **Breeder:** Yabby Dam Farms Pty Ltd

SKYVALLEY @ ALDEBARAN PARK VICBRED SUPER SERIES (2YO TROTting COLTS & GELDINGS) FINAL (GROUP 1)

Plymouth Chubb (Majestic Son Ca - Pocket Fantasy)

- **Trainer:** Peter Manning
- **Driver:** Kerryn Manning
- **Owner:** G S Benson, S K Hegyi
- **Breeder:** G S Benson, S K Hegyi

SKYVALLEY @ ALDEBARAN PARK VICBRED SUPER SERIES (2YO TROTting FILLIES) FINAL (GROUP 1)

Ebonys Avenger (Kvintet Avenger Fin - Death Defying)

- **Trainer:** Chris Angove
- **Driver:** James Herbertson
- **Owner:** B C (Brad) Angove
- **Breeder:** B C (Brad) Angove

YIELD BOKO @ ALDEBARAN PARK VICBRED SUPER SERIES (4YO TROTting ENTIRES & GELDINGS) FINAL (GROUP 1)

Rules Dont Apply (Muscle Hill (US) - Abandoned Annie)

- **Trainer:** Anthony Crossland
- **Driver:** Anthony Crossland
- **Owner:** V E Crossland, C A Macleod, A Spencer, N J Crossland, KC Racing Group, D A Henson, B Brownless, A A Clark, The Mighty Burra Syndicate
- **Breeder:** T L Atkins, C Atkins

YIELD BOKO @ ALDEBARAN PARK VICBRED SUPER SERIES (4YO TROTting MARES) FINAL (GROUP 1)

Queen Of Crime (Sportswriter USA - Our Crime Of Passion NZ)

- **Trainer:** Matthew Craven
- **Driver:** Glen Craven
- **Owner:** A P Coniglio, P J Coniglio
- **Breeder:** A P Coniglio, P J Coniglio

VHRC CADUCEUS 3YO CLASSIC (GROUP 1)

Heza Son Of Agun (Art Major Usa - Itz Nosurprisesthere NZ)

- **Trainer:** Matthew Craven
- **Driver:** Sofia Arvidsson
- **Owner:** A P Coniglio, P J Coniglio
- **Breeder:** A P Coniglio, P J Coniglio

ALABAR BLOODSTOCK LADYSHIP CUP (GROUP 1)

Spellbound Nz (Art Major Usa - Return To Gold (NZ))

- **Trainer:** Nathan Purdon
- **Driver:** Stuart McDonald
- **Owner:** Westview Racing No 19 Syndicate, The Witches Of Westview No 2 Syndicate
- **Breeder:** S G Bell, D L Williamson

DNR LOGISTICS 4YO BONANZA (GROUP 1)

Bondi Lockdown (Somebeachsomewhere USA - Without Guile)

- **Trainer:** Aaron Dunn
- **Driver:** Aaron Dunn
- **Owner:** A J (Aaron) Dunn
- **Breeder:** C P Reinehr, M J Reinehr

TAB AUSTRALIAN TROTTING GRAND PRIX (GROUP 1)

Majestuoso Nz (Majestic Son Ca - Rosemaryz Luck (NZ))

- **Trainer:** Andy Gath
- **Driver:** Kate Gath
- **Owner:** N R (Norm) Jenkin
- **Breeder:** Alabar (NZ) Ltd

COBBITTY EQUINE FARM BREEDERS CROWN SERIES 23 (3YO TROTTING FILLIES) FINAL (GROUP 1)

Queen Elida Nz (Love You (Fra) - Queen Kenny (NZ))

- **Trainer:** Brent Lilley
- **Driver:** Chris Alford
- **Owner:** G J McKenzie, G J Mckenzie, B A Mckenzie, B E Mckenzie, T R Barron, C L Barron
- **Breeder:** G J McKenzie, R Dixon

WOODLANDS STUD BREEDERS CROWN SERIES 23 (3YO TROTTING COLTS & GELDINGS) FINAL (GROUP 1)

Aldebaran Zeus (Muscle Hill (US) - Zoia Boko Swe)

- **Trainer:** Brent Lilley
- **Driver:** Chris Alford
- **Owner:** Aldebaran Lodge Pty Ltd, T Cullen, D Thackeray, M J Thackeray
- **Breeder:** Aldebaran Lodge Pty Ltd

CLASSIC CONNECTION @ HARAS DES TROTTEURS VICTORIA TROTTERS DERBY FINAL (GROUP 1)

Kyvalley Hotspur Nz (Muscle Hill (US) - Love Ya Doosie (NZ))

- **Trainer:** Brent Lilley
- **Driver:** Anthony Butt
- **Owner:** KPC Racing
- **Breeder:** Breckon Farms Ltd

CATANACH'S JEWELLERS VICTORIA TROTTERS OAKS (GROUP 1)

Queen Elida NZ (Love You (Fra) - Queen Kenny (NZ))

- **Trainer:** Brent Lilley
- **Driver:** Chris Alford
- **Owner:** G J McKenzie, G J Mckenzie, B A Mckenzie, B E Mckenzie, T R Barron, C L Barron
- **Breeder:** G J McKenzie, R Dixon

TAB AUSTRALASIAN PREMIER TROTTING SALE (3YO TROTTING COLTS & GELDINGS) FINAL (GROUP 1)

Aldebaran Zeus (Muscle Hill (US) - Zoia Boko Swe)

- **Trainer:** Brent Lilley
- **Driver:** Chris Alford
- **Owner:** Aldebaran Lodge Pty Ltd, T Cullen, D Thackeray, M J Thackeray
- **Breeder:** Aldebaran Lodge Pty Ltd

TAB AUSTRALASIAN PREMIER TROTTING SALE (3YO TROTTING FILLIES) FINAL (GROUP 1)

Banglez (Majestic Son Ca - Gypsy Flair)

- **Trainer:** Emma Stewart
- **Driver:** Greg Sugars
- **Owner:** S J Murray, E Crews, R J Letch, K F Shelly, John Anderson Group no. 2, Slim Four Group, H Geraldene, S J Watt, I E Woolridge
- **Breeder:** D J Poole, S B Poole

OPUS GROUP AUSTRALASIAN TROTTING CHAMPIONSHIP (GROUP 1)

Maori Law (Lawman Usa - Sundonna)

- **Trainer:** E Brosnan, R J Brosnan
- **Driver:** Anthony Butt
- **Owner:** F (Fredrick) Crews
- **Breeder:** F (Fredrick) Crews

ALDEBARAN PARK BILL COLLINS TROTTERS SPRINT (GROUP 1)

Pink Galahs (Skyvalley NZ - Sweetasay)

- **Trainer:** Matthew Craven
- **Driver:** Matthew Craven
- **Owner:** C G Lewis, L J Lewis, B R Healy
- **Breeder:** L J (Laura) Lewis

ALDEBARAN PARK REDWOOD CLASSIC (GROUP 1)

Plymouth Chubb (Majestic Son Ca - Pocket Fantasy)

- **Trainer:** Peter Manning
- **Driver:** Kerryn Manning
- **Owner:** G S Benson, S K Hegyi
- **Breeder:** G S Benson, S K Hegyi

ALDEBARAN PARK MAORI MILE (GROUP 1)

Im Ready Jet (Quaker Jet (Fra) - Im Ready Set NZ)

- **Trainer:** Anton Golino
- **Driver:** Jason Lee
- **Owner:** Yabby Dam Farms Pty Ltd
- **Breeder:** Yabby Dam Farms Pty Ltd

TAB V L DULLARD TROTTERS CUP (GROUP 1)

Majestuoso NZ (Majestic Son Ca - Rosemaryz Luck (NZ))

- **Trainer:** Andy Gath
- **Driver:** Kate Gath
- **Owner:** N R (Norm) Jenkin
- **Breeder:** Alabar (NZ) Ltd

ALDEBARAN PARK THE KNIGHT PISTOL (GROUP 1)

Majestuoso NZ (Majestic Son Ca - Rosemaryz Luck (NZ))

- **Trainer:** Andy Gath
- **Driver:** Kate Gath
- **Owner:** N R (Norm) Jenkin
- **Breeder:** Alabar (NZ) Ltd



LYN MCPHERSON MEMORIAL BREED FOR SPEED GOLD SERIES FINAL (GROUP 1)

Aldebaran Crescent (Majestic Son Ca - Maori Road)

- **Trainer:** David Aiken
- **Driver:** James Herbertson
- **Owner:** Campbell Racing Group, Racepacer Sonic, K J Tori, J D Stewart, Aiken Racing Pty Ltd, M E Arnott
- **Breeder:** Aldebaran Lodge Pty Ltd

ALDEBARAN PARK VICBRED PLATINUM HOME GROWN CLASSIC (3YO TROTTING COLTS & GELDINGS) FINAL (GROUP 1)

Hes A Hammer (Andover Hall (Us) - Shes An Image)

- **Trainer:** David Aiken
- **Driver:** Josh Dickie
- **Owner:** D J (Domenic) Martello
- **Breeder:** C A Lang, H L Lang

ALDEBARAN PARK VICBRED PLATINUM HOME GROWN CLASSIC (3YO TROTTING FILLIES) FINAL (GROUP 1)

Mumpaysthebills (Skyvalley NZ - Gavlen Jo Al)

- **Trainer:** D P Barnes, B D Barnes
- **Driver:** Craig Demmler
- **Owner:** B Barnes, D P Barnes, A D Barnes
- **Breeder:** B Barnes, D P Barnes, F J May

TAB SUMTHINGABOUTMAORI TROTTERS FREE FOR ALL (GROUP 1)

Im Ready Jet (Quaker Jet (Fra) - Im Ready Set NZ)

- **Trainer:** Anton Golino
- **Driver:** Jason Lee
- **Owner:** Yabby Dam Farms Pty Ltd
- **Breeder:** Yabby Dam Farms Pty Ltd

ALDEBARAN PARK VICBRED PLATINUM HOME GROWN CLASSIC (2YO TROTTING COLTS & GELDINGS) FINAL (GROUP 1)

The Locomotive (Muscle Mass Usa - La Coocaracha)

- **Trainer:** Wayne Potter
- **Driver:** Nathan Jack
- **Owner:** G B Holland, W R Potter
- **Breeder:** Yabby Dam Farms Pty Ltd

ALDEBARAN PARK VICBRED PLATINUM HOME GROWN CLASSIC (2YO TROTTING FILLIES) FINAL (GROUP 1)

Valerie Lane (Father Patrick (US) - Valsue)

- **Trainer:** Peter Manning
- **Driver:** Kerry Manning
- **Owner:** G J Searle, S Marshall, S I Searle, F J Searle
- **Breeder:** G J Searle, S Marshall, S I Searle, F J Searle





Infrastructure

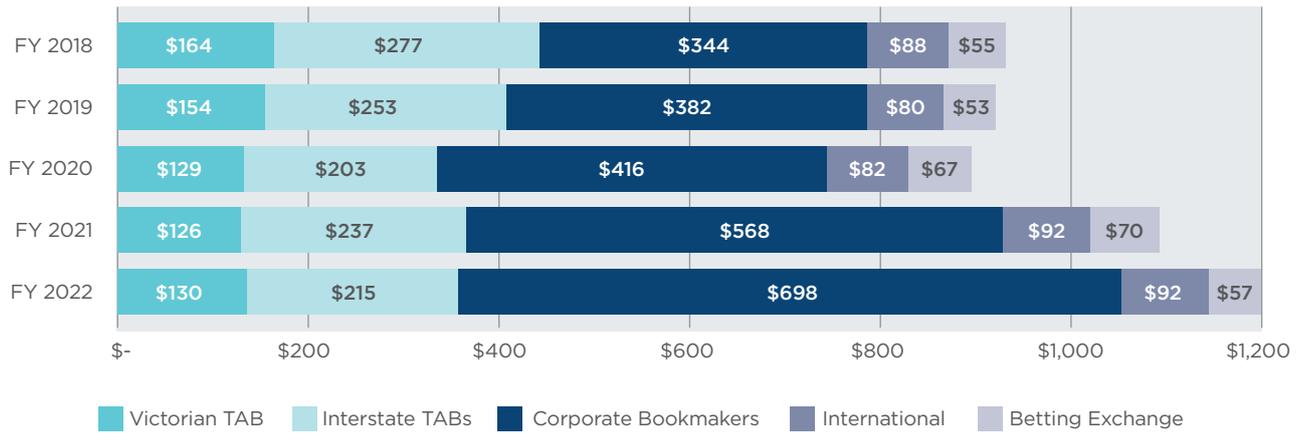
A number of infrastructure projects were started or completed in FY22. They include:

- Construction of Shepparton Harness Racing Club training centre
- Production of two new water trucks
- Production of two mobile barriers
- Construction of Terang Harness Racing Club on-course stabling barn, toilet block and community hub
- Tabcorp Park infield levelling works, drainage and irrigation
- Tabcorp Park LED lighting upgrade
- Bendigo Harness Racing Club infrastructure upgrade

Wagering

Wagering turnover in FY22 continued to exceed the record highs experienced in FY21 with overall turnover almost achieving \$1.2 billion for FY22, a growth rate of 9%.

HRV Turnover



Growth was driven by an additional 90 races being run (2% more) and an increase in average turnover per race of 7%. An Australian record was set for the most wagered-on Australian Harness Race meeting, exceeding \$9 million for the Victoria Cup meeting in October 2021.

These results confirm that the *TROTS24* strategic program is delivering financial returns.

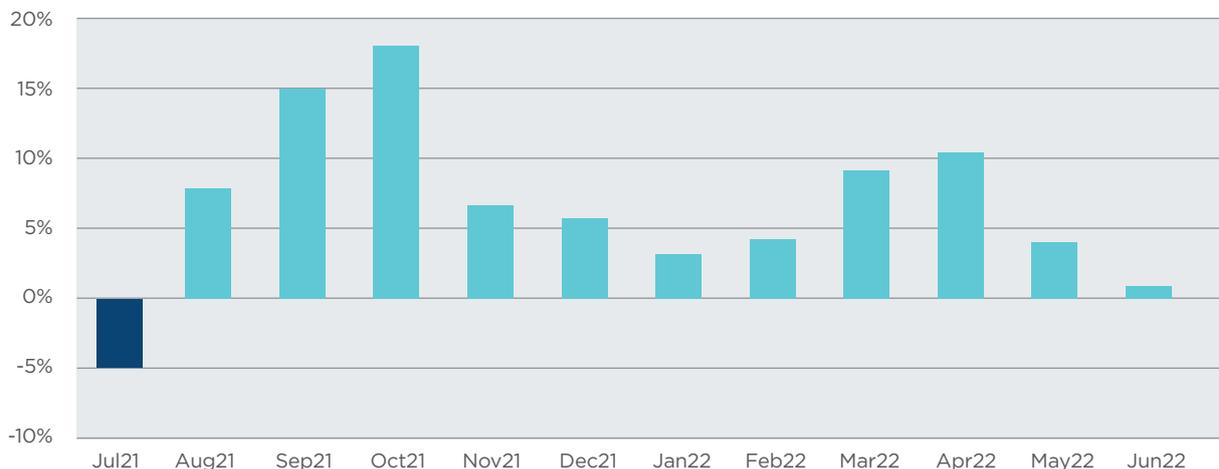
Corporate Bookmakers grew at 23% while Melbourne and Sydney were locked down between July and October 2021, and as other pandemic restrictions were reintroduced.

This growth was at the expense of interstate TABs, which declined by 9% after seeing retail and on-course venues closed for a significant part of the year.

Pleasingly, the Victorian TAB was able to regain some of the turnover decline from prior year, with growth of 3% in FY22.

International turnover remained flat at \$92 million.

Average Turnover Per Race Growth Rates



Victorian Harness Racing Industry Snapshot

Racing Clubs

27

18

Training Clubs



Race Tracks

28

Total Participants,
Owners, Volunteers:



10,162

Direct Spending



\$423.9
MILLION

Total Employed
(FULL TIME EQUIVALENT):

4,469



Economic Impact

TOTAL:

\$613.5
MILLION

METRO:

\$163.0 million
(26.6%)

REGIONAL:

\$450.5 million
(73.4%)



Marketing, Media and Communications

Sponsorships, Community & Marketing

Another challenging and heavily disrupted year was met with positivity, innovation and collaboration as new sponsors came on board, broadcast partnerships bore fruit and entirely fresh offerings were made to partners, owners, clubs, Pony Trots participants and charities.

Harness Racing Victoria marketing operations strategy is built around six strategic pillars, each of which has taken on increased significance during the pandemic period.

Those six pillars are:

- **Sponsorships and partnerships**
- **Media and communications**
- **Brand and events**
- **Community and participation**
- **Ownership**
- **Wagering**

In a period that has included lockdowns and, when event attendance was permitted, restrictions around numbers of people allowed through the gates, our marketing team has continually innovated to ensure participation and enjoyment, whether in person at the track, or through free broadcasts.

Our partnership with Racing.com ensured the entire AG Hunter Cup race meeting was telecast free-to-air. This marked the first time a full HRV race meeting was broadcast on free-to-air in over a decade.

Furthermore, our partnership with Brightcove enabled TrotsVision to become an always-on, on-demand channel. It also facilitated a separate vision feed, allowing HRV to customise content specifically for the TrotsVision audience.

As race meetings returned to full attendance capabilities, HRV was in a powerful position to offer participants, customers, sponsors, partners and other stakeholders more options than ever for coverage of our events and of their brands.

Sponsorships and partnerships

The 2022 financial year represented an 8% revenue increase year on year, across our partnerships and sponsorships area thanks to the fact that we were able to maintain client numbers.

- 8% increase in revenue across partnerships and sponsorships
- 90% renewal rate on existing partnerships
- 10 new partners signed

Our marketing strategy took a heavy focus on retention of sponsors and partners, and we were also able to attract a small number of new sponsors during this difficult financial year.

That was not a simple task, considering the majority of our sponsors' signage appears track side and in racing books, and crowds were often unable to attend.

During the peaks of the pandemic, we pivoted to new, off-track marketing opportunities to push sponsors' messages via digital channels and TrotsVision. We focussed heavily on ensuring our communications were highly engaging, ensuring the highest service levels for our sponsors and viewers.

Currently, there are close to 40 partnerships that HRV services daily, with a renewal rate at approximately 90%. We also acquired a further 10 new partners for FY22 and employed a new Partnerships Manager to start in FY23.

Our sponsorship and partnership focus continues to be on:

- maintaining our existing partner base and growing revenues
- identifying new and innovative initiatives to present to partners and sponsors
- growing our new partnership base in the mid to upper revenue bands

- personalising the experience for partners, including the ways and channels through which they engage with our audience
- maintaining a powerfully customer-centric approach to all initiatives
- introducing our partners to our clubs and to other industry stakeholders

Club-specific marketing consultations

Since lockdowns ended, we have been touring the clubs to discuss specific ways we can assist with state-wide advertising partnerships across all clubs and within particular regions.

This effort will be a key focus for 2023, as we develop through consultation a more efficient and effective process for clubs to attract suitable levels and types of sponsorships.

Our focus will also take in the commercial endeavours of individual clubs, including structured proposals to secure local sponsors, new pricing models, valuable social media training assistance and the sharing of powerful sponsor success stories.

The goal of this program is to effect greater collaboration and commercial assistance across clubs, involving HRV and other industry stakeholders.

Media & Communications

HRV's Media and Communications (M&C) department delivers across three target pillars:

- Digital and media
- Industry and participation
- Corporate and community

The M&C department is responsible for:

- Delivery of all communications and content across website, industry news channels including direct email and SMS, social media platforms and broadcast
- Managing HRV's responses to media
- Operational management of all HRV media partnerships, including radio, print, online and television
- Developing HRV's M&C strategies
- Digital product management and development, including website, TrotsVision platform, form and wagering (form guides) and sectional information

Digital and media

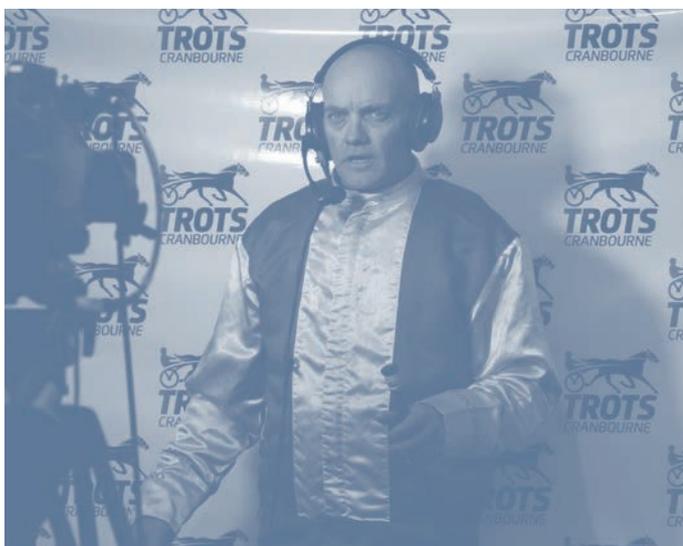
• TrotsVision platform

We engaged Brightcove as our video content management system (CMS) platform, allowing the team control of our digital, over the top (OTT, meaning delivered over the internet) stream. Immediately, the team was able to turn video highlights around for social media, resulting in 44.4 million video views on HRV social media channels for FY22.

We also launched our TrotsVision on-demand library, featuring a range of video content that users can consume as they please.

Future commercial revenue through advertising was a focus when choosing this platform.

The M&C team is working with the Commercial team to develop an advertising strategy for FY23.



- **TrotsVision broadcast**

A focus on increased production quality at TrotsVision during FY22 saw significant improvement across all facets of the broadcast. This included technical (audio and visual) and delivery (editorial and content).

Significant enhancements for FY23 have been approved, with a new-look studio backdrop at Melton, new opening titles, live protest hearings and a new broadcast desk to be delivered in October 2022.

We increased our on-air broadcast stable significantly during FY22, to provide development opportunities for burgeoning broadcast talent ahead of FY23.

Live GPS sectional data was broadcast on TrotsVision at Melton from FY22. This functionality will be extended to seven more tracks in FY23.

- **Barrier draws and digital shows**

High-quality broadcasts for barrier draws, digital preview shows and other activations were delivered by M&C in FY22 for major carnivals such as the Victoria Cup, Vicbred Super Series, Breeders Crown and Summer of Glory.

Working with trusted partners such as Rainmaker/SEN, Creative Technology and others, HRV has lifted the bar in terms of quality on these shows in recent years. We will maintain our commitment to constantly improving quality as we move forward.

- **Thetrots.com.au**

Continued audience growth across the board and in key demographics for our website was a highlight of FY22.

The always-on content strategy for thetrots.com.au continued to see the site become the go-to destination for harness racing fans seeking Victorian news first.

The team increased the previews and reviews for feature and weekend racing.

Significant improvements across online space for Futurities, HRV Hero, Aurora Australis and The Barn were achieved in FY22, with several projects already mapped for FY23.

- **Herald Sun lift-outs**

Six high-quality Herald Sun lift-outs were delivered by M&C in FY22, including Victoria Cup, Breeders Crown, Vicbred Super Series, Ballarat Cup, Great Southern Star and Hunter Cup.

The M&C team is responsible for all content within each lift-out, including layout and subediting.

- **Racing.com Hunter Cup broadcast**

TrotsVision and Racing.com combined for a highly successful free-to-air broadcast of the 2022 A.G. Hunter Cup. The meeting was also broadcast on 7Plus, digitally.

In addition to showcasing a wonderful night's racing to a national audience, the team oversaw the development of feature content inserted into the broadcast, amplifying harness racing's stories to new audiences.

HRV and SEN/Rainmaker combined successfully to deliver this broadcast.

The night provided a powerful promotional opportunity for TrotsVision to reach new audiences.

- **Sky Racing Active Hunter Cup broadcast**

In addition to managing the Racing.com broadcast, HRV's M&C team facilitated and delivered the Sky Racing Active extended Hunter Cup broadcast.

Positioned at a pop-up studio alongside the parade ring, the team worked with Creative Technology to deliver the coverage to Sky Racing, which played the content on the Sky Racing Active app.

- **Mildura Cup week**

A highly successful M&C campaign was delivered for Mildura Cup week, with TrotsVision providing extended coverage for all three nights of the carnival.

Live radio shows throughout the week were conducted from Mildura across SENTrack, while "live late mail" segments from the track were provided to RSN on Cup night.

- **TrotsLife on SENTrack**

HRV continued to deliver daily show TrotsLife, with hosts Jason Bonnington and Toby McKinnon, on SENTrack. The popular Friday Form Panel and Monday Metrospective are key parts of the show, which is podcast across the SEN channels and amplified on HRV's social and digital channels.

- **Social media**

A video-first approach to feature race night coverage on social media, in line with our TrotsVision/Brightcove strategy, drove engagement in HRV social media accounts to 5.2 million for FY22, with 44.4 million video views on social accounts alone.

HRV significantly expanded its Instagram presence in FY22. We are also utilising TikTok for Pony Trots, to increase engagement with new audiences.

Industry and participation

- **HRV Futurities**

During FY22, the M&C team simplified messaging and improved user experience for participants wanting to know more about HRV Futurities. A key feature of HRV's Futurity offering is the newly developed Vicbred Pure program, which is explained on the new page at thetrotts.com.au.

- **Owner interviews**

HRV and the Victorian Harness Racing Club partnered in FY22 to produce owner video interview content for playout on TrotsVision live and within the TrotsVision on-demand platform.

Increasing owner enjoyment and engagement are important objectives for HRV. Further content opportunities in this space are being explored for FY23.

- **Hall of Fame**

The time-honoured Hall of Fame night was run as a virtual event in FY22, with a face-to-face event also held after COVID-19 restrictions had eased.

The virtual Hall of Fame was a popular video activation and all content will live on in perpetuity, to be viewed on-demand at the TrotsVision platform in the Hall of Fame channel.

- **COVID-19**

As part of HRV's ongoing commitment to providing up-to-date advice and news on COVID-19 protocols, the M&C team supplied regular, detailed updates for industry.

These updates were published on the website within a specific COVID-19 news section linked to our COVID-19 industry information page.

The updates were also emailed to industry stakeholder representative bodies and clubs, with participants receiving SMS message notifications on the latest news.

Corporate and Community

- **HRV Hero**

The HRV Hero digital show's first season saw 57 high-quality videos, all telling powerful life-after-racing stories from various angles. The content can be viewed in the HRV Hero channel on TrotsVision on-demand, where it will remain in perpetuity.

Increasing messaging around HRV Hero was a strategic focus for M&C in FY22.

In addition to the digital show, hosted by Andrew Bensley and Kima Frenning, several articles were produced throughout the year as the website received an important refresh.

- **LinkedIn**

More of a focus was placed on HRV's LinkedIn page in FY22 in a bid to ensure a broad range of talented candidates and other networks were informed of job opportunities at HRV. Plans are in place to further develop the HRV LinkedIn page during FY23.

- **Pony Trots**

A refreshed approach to Pony Trots saw plans to introduce a new Championship for FY23 signed off in FY22.

The new Pony Trots page was updated at thetrotts.com.au, providing a detailed calendar of events and easily accessible information for participants.

Pony Trots interviews were conducted and broadcast live on TrotsVision and TrotsVision's on-demand channel. These will continue in FY23.

Audience Snapshot:

Website thetrots.com.au

SESSIONS



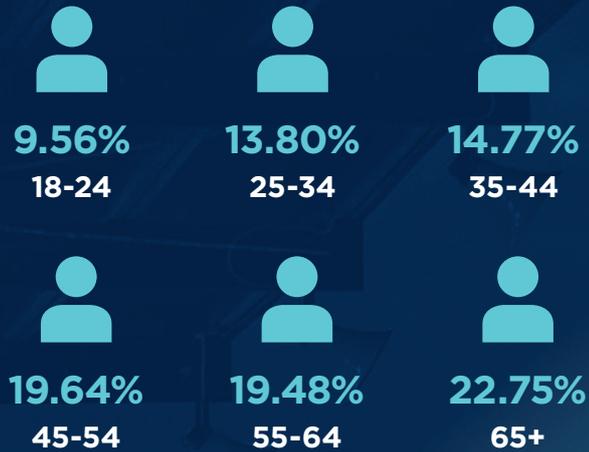
USERS



PAGE VIEWS



AGE OF AUDIENCE



62.46%

growth in 18-24-year-old audience

SOCIAL MEDIA



90.7m
Impressions

44.4m
Video Views

5.21m
Engagements

To increase initiatives on offer to partners and thereby increase our own revenues, we must increase our advertising and promotions mix across both physical and digital assets.

An inventory management system is being explored to:

- automate activities
- align sponsors to relevant assets
- notify racing departments, race callers and clubs about upcoming sponsor activities
- track contract deliverables
- employ strong governance
- provide a single source of truth for clubs, partners and HRV
- measure success
- ensure revenue growth

Assets that will be managed from within this digital system include, but are not limited to:

- race name sponsorship across more than 440 races
- signage, of various dimensions, across 28 tracks
- virtual signage
- race caller reads
- race book advertisements
- dining packages
- digital inventory management and pricing
- social media mentions and feeds

Brand and events

Our October Victoria Cup night, run in Bendigo in FY22 due to curfews in metropolitan Melbourne, continued to grow in stature to become one of the most important race meetings in Victoria.

The Vicbred Super Series in December also saw crowds return without a capacity cap. The event was an overwhelming success, with over 4000 people on course at Melton's Tabcorp Park.

The Summer of Glory meetings were held with full crowds, with many new initiatives introduced for industry participants and the general public.

HRV partnered with Sky Racing and Racing.com to broadcast the A.G. Hunter Cup meeting to a national audience, including on free-to-air television.

A VIP Owners space at Melton created a unique experience and increasing engagement for existing and prospective owners at the Hunter Cup. One lucky winner at the course received a \$5000 APG Sales voucher to spend on a yearling.

A key focus was development of the annual Mildura Cup three-night carnival, with a variety of media activations. A successful second edition of the industry 'Launch Party' again proved very popular.

Trots Country Cups Carnival

2021 saw the return of many of our Country Cups, which were sorely missed during the pandemic. The revamped artwork produced for a continuation of the "Lap it Up" theme was designed and distributed with the aim of creating a consistent branding message and maximum exposure. With crowds back on track, clubs benefited as they were again able to showcase the best that regional Victoria has to offer.

Aurora Australis

The Group 1 Great Southern Star headlined a new feature trotting series, the Aurora Australis - Southern Lights Championship. It was held across six Group 1 race meetings as part of the Summer of Glory carnival. Aurora Australis showcases Australasia's best trotters, trainers and drivers. Importantly, it promotes our world-class trotting racing product to markets around the globe.

Country Cups

In addition to presenting new initiatives and data at the Trots Clubs Victoria conference at Echuca, the marketing team produced a new booklet to assist clubs with the organisation and promotion of Country Cups. This was gratefully received.

Community & Participation

Ownership

Ownership is a focus for the Commercial team, particularly in the community space.

The team is working closely with the VHRC to increase social and on-course events to add value to the ownership experience.

With pandemic restrictions lifting, HRV hosted owners for a New Year's party, before providing owners with a special VIP Owners Paddock hospitality package at the Summer of Glory carnival.

HRV and VHRC are working closely to develop a state-of-the-art owners/industry area at Tabcorp Park Melton. This exciting project for the industry will give owners and VHRC members a designated area on-course to enjoy the trots.

HRV is also working with clubs to establish ownership-based initiatives for regional engagement with trainers and prospective owners.



People & Culture

During this reporting period, the Victorian harness racing industry's employees, participants, volunteers and other stakeholders worked collaboratively to enable the continuation of harness racing throughout the pandemic.

The people in our industry who in the last financial year helped develop, implement and manage significant, new biosecurity protocols, once again proved their enormous resilience and responsibility.

Ensuring our people's wellbeing

We are proud to have successfully supported all of our sector's stakeholders with:

- Continued, expanded or newly implemented hybrid working arrangements
- regular health, safety and wellbeing updates
- various COVIDSafe plans, protocols and information
- confidential assistance and support services and resources across various mediums, through our Industry Assistance Program (IAP), provided by Benestar

During lockdowns we engaged guest speakers for staff, such as former Australian Diamonds and AFLW player Sharni Norder (nee Layton), who shared vital learnings, performance secrets and wellbeing experiences from her career as an athlete.

We also engaged Benestar Clinical Manager Evy Gomo, who demystified all aspects of the IAP, illustrating the presentation with individual case studies from around the world and offering specific factors to consider and action.

HRV Enterprise Agreement approved

During the first quarter of 2022, the Fair Work Commission approved the HRV Employee Agreement (EA). This combined the essential work of all the bargaining parties, in line with our values around respect, integrity, excellence, safety and wellbeing. The implementation of the EA provides transparency around all employment conditions.

Throughout the year, work also began on the renegotiation of the Stewards Panel Agreement.

Strategic realignment

We realigned the organisation to deliver the growth and investment outlined in TROTS24, our three-year strategic plan to integrate and optimise the harness racing industry in Victoria.

The realignment was carried out with a focus on collaboration with stakeholders and partners, on ensuring flawless customer service and on increasingly cross-functional work across teams.

To ensure the success of this transition, we implemented ongoing coaching and development workshop programs at all levels across the business.

Inclusivity: Gender Equity Action Plan

Our draft Gender Equity Action Plan (GEAP) was co-designed with the support of Gender Equity Victoria. The initial plan is internally focused. Learnings that come from this will inform future decisions as we work together to develop and grow an inclusive industry workforce.

Career development pathways

As we work to create formal development pathways, we have employed a dedicated industry Workforce Development Manager. Their work is being informed by on-the-ground consultation with stakeholders regarding pathways and associated education and learning.

We have undertaken a data capture project to gain a greater understanding of our clubs' workforces, and we are continuing to consult with stakeholders. This includes the planning, design and implementation of a data collection survey framework to ensure a single, cohesive industry voice on workforce requirements and recognition.

Pony Trots, a key pathway to many of the career roles in our industry, was reintroduced during a pre-season competition as we emerged from the pandemic. Clearly welcomed, the return was supported by increased participant numbers and community engagement.

Stakeholder consultation and feedback has informed the review of the pre-season and the subsequent development of the 22/23 competition season, which includes participation in the 2022 Inter Dominion Championship.



Legal, Risk & Compliance

Through extensive consultation with all industry bodies in FY22, the Legal, Risk and Compliance department continued to ensure race meetings were conducted in accordance with government directives and in compliance with strict racing and training biosecurity protocols.

The department's focus has been to strengthen the oversight and governance of country club operations.

In consultation with Trots Clubs Victoria (TCV), a new club registration agreement and compliance framework was developed and launched in June 2022. This launch occurred at the TCV Club Managers Networking Conference.

The new agreement with clubs is a significant step forward in developing clubs' internal governance policies, strategies and processes. It gives HRV the ability to provide clubs with operating standards that must be met to maintain annual registration.

In 2022, the focus is to continue the roll-out of these operating standards and to develop a risk management framework for adoption by clubs.

Financial Operations

Five year financial summary

	2022	2021	2020	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Tabcorp revenue	31,761	34,555	36,300	40,982	43,354
Other revenue	63,073	60,763	49,313	48,817	41,635
Total revenue	94,834	95,318	85,613	89,799	84,989
Stake money expense	(47,356)	(46,918)	(41,554)	(41,605)	(39,797)
Other operating expenses	(51,618)	(45,484)	(45,281)	(47,797)	(44,690)
Sale of assets	-	-	788	-	-
Net profit / (loss)	(4,140)	2,916	(434)	397	502
Cash assets	3,042	1,948	514	2,430	2,652
Total assets	155,560	137,047	87,407	90,767	81,881
Current liabilities	(30,794)	(23,282)	(22,247)	(23,666)	(22,962)
Total liabilities	(42,200)	(36,507)	(37,258)	(40,786)	(42,151)
Net Position	113,360	100,540	50,149	49,981	39,730

The HRV group's performance for the 2022 financial year was a loss of \$4.1 million (before revaluations) which can be attributable to the impacts of COVID-19, such as:

- a reduction in the expected Joint Venture distributions from Tabcorp as a result of COVID-19 retail store closure,
- additional funding support provided to country clubs to assist in navigating through extended periods of lost sponsorship and hospitality revenue opportunities, and
- the impact of COVID-19 on the expected profits at Tabcorp Park Melton, which was either closed or trading under severe restrictions for a large part of FY22.

In FY21, HRV was able to offset similar reductions in operating revenues or club funding increases through COVID-19 Emergency Funding. Assistance provided by the Victorian Government enabled country club funding and stake money levels to be maintained.

In FY22, no funding was received to offset the decline in revenues.

The Victorian Government provided \$4.1 million in transformation funding to assist HRV deliver some of the objectives of the TROTS24 Strategic Plan.

The \$4.1 million in funding was allocated to:

- Construction of the new Shepparton Harness Racing Training facility
- Expansion of the Charlton Training Centre
- Upgrades of critical race day infrastructure such as timing equipment and CCTV cameras
- Investment in Brightcove technology to enable TrotsVision to become a 24/7, always-on digital channel
- Sectional timing and telemetry solution for eight racetracks
- Investment in capability to support the delivery of the Trots24 strategy

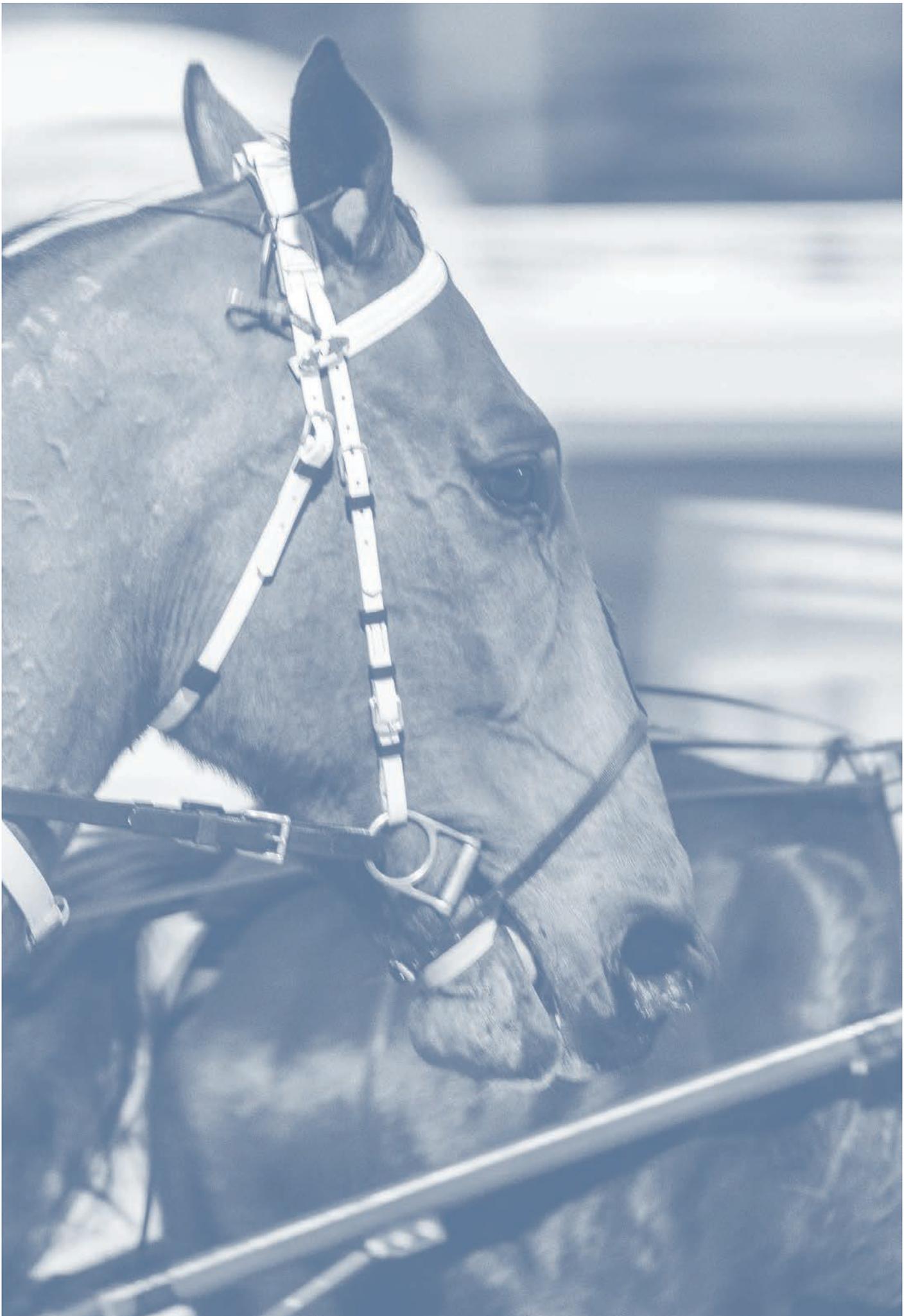
HRV's net asset position of \$113.4 million was again underpinned by an increase in the value of land and buildings. A non-cash management revaluation undertaken this year recognised a \$17.0 million increase in the value of land held by the group, significantly increasing the net asset position.

The net loss this year was result of a decline in revenues, particularly for the Tabcorp JV and at HRV's venue Tabcorp Park; and underpinned by significant investment in the TROTS24 strategic plan.

The key items are highlighted below:

- Tabcorp revenues declined further from their COVID-19 impacted declines in FY21 by an additional 8%, or \$2.7 million, to \$31.8 million due to the extended closure of retail venues in Victoria. Race field fees from corporate bookmakers and interstate TABs were above prior year by 12%, or \$2.9 million. HRV's PoCT revenues also increased by 153%, or \$6.5 million, largely as a result of a change in the Victorian PoCT settings from 8% to 10%, from 1 July 2021.
- Revenue from Tabcorp Park Melton was significantly impacted due to COVID-19 lockdowns and restrictions. However, this was partly offset during the periods when the venue was able to operate. Patrons continue to demonstrate their support during the restricted service times, through online delivery services.
- Stake money (including bonuses) increased by 1%, or \$400,000, to a total of \$47.4 million over the 4053 races during the year, of which \$5.4 million related to Vicbred bonuses. The APG series in 2022 contributed \$600,000 in stake money to the series, down from \$1.4 million in FY21.
- Employment costs increased by \$2.0 million due to the filling of vacant positions from prior years, including some key management personnel, as well as the investment in capability to support the delivery of the TROTS24 strategy.
- Racing expenses increased by \$1.9 million resulting from increased investment in TrotsVision and the development and investment in infrastructure at clubs such as the training centres in Shepparton and Charlton.
- Other expenses increased by \$1.2 million mainly driven by the increase in finance costs of \$300,000, which was the result of a higher loan balance and an increase in interest rates. The remainder of the increase was driven by increase in costs reflective of the general increase in cost of living and consumer price index.
- Gaming and hospitality expenses increased by \$1.0 million, which reflects improved trading conditions and increase in revenues from FY21.
- Cash assets as at 30 June 2022 was \$3.0 million, with all excess cash applied to the Line of Credit within the Treasury Corporation Victoria (TCV) Short Term Line of Credit Facility, assisting HRV to reduce its interest expense.
- Total assets have increased this year to \$155.6 million, with the revaluation of the land at Melton increasing by \$17.0 million, recognising the potential for HRV to capitalise on the increasing commercial value of this land in future years.
- Total liabilities of \$42.2 million comprise of \$25.5 million in loans with TCV, and the remainder relating to operating payables and provisions.

Further details of the financial performance and position are outlined in the Financial Statements and accompanying notes sections of this report.



Board of Directors

The Harness Racing Victoria Board of Directors consists of:

1. **Dale G Monteith – Chair**
2. **Dr Catherine Ainsworth – Deputy Chair**
3. **Peter Watkinson**
4. **Jane Brook**
5. **Adam Kilgour**
6. **Judy Rothacker**
7. **Prof. Jack Anderson** (resigned 29 July 2022)

Board meeting and committee attendance register

All directors attended 10 of the eleven board meetings with one apology at one meeting. Five extraordinary meetings held during the year with one apology at one meeting. The Audit and Risk Committee met six times during the year and were all attended by the Committee members.

Consultation

In accordance with the *Racing Act 1958*, HRV has consulted widely with harness racing industry participants to achieve some important outcomes.

The Harness Racing Advisory Council (HRAC) advises the HRV Board on matters concerning harness racing and facilitates consultation between the Board and harness racing participants. Minutes are taken and provided for the Board to review.

HRAC members contributed to a significant number of agreed actions being implemented, showing the value of the HRAC process.

The HRAC consists of independent members, HRV Board members and representatives from the following organisations. They work together with an industry-first focus, with minutes recorded and provided to all attendees for formal approval.

- Adam Kilgour, Chair/HRV Board
- Peter Watkinson, alternate HRV Board member
- Tim Scala, CEO, Trots Club Victoria
- Kath McIntosh, Harness Breeders Victoria
- Carol Bass, Victorian Harness Racing Sports Club (representing Owners)
- Lance Justice, Victorian Harness Racing Trainers and Drivers Association
- Anne-Maree Conroy, Victorian Square Trotters Association
- Maxine Brain
- Terry Suhan
- Clinton Welsh
- Anthony Butt

With forums attended by a mixture of HRV Board and Management representatives, attendees are able to discuss the HRV strategy and any other matter they wish to raise.

The members of the HRAC were important stakeholders and provided input for the TROTS24 strategic plan.

Financial Statements

Statement of Expectations

The period covering HRV's Ministerial Statement of Expectations from 1 January 2018 to 30 June 2019 has come to an end, with HRV implementing a number of initiatives that have led to improved administrative timelines, greater frequency of communications and a healthier interaction between HRV and industry participants.

Before the onset of the COVID-19 crisis, HRV was well advanced in working with the Office of Racing to renew HRV's Ministerial Statement of Expectations.

HRV's Ministerial Statement of Expectations will now be updated to ensure the relevant outcomes from the Trots24 strategic plan are included in the final version of the Statement of Expectations.

In the interim, HRV will continue to operate in accordance with the previous Statement of Expectations.

Declaration in the Financial Statements

The attached financial statements for Harness Racing Victoria have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the consolidated Comprehensive Operating Statement, consolidated Balance Sheet, consolidated Statement of Changes in Equity, consolidated Cash Flow Statement and accompanying notes, presents fairly the consolidated financial transactions during the year ended 30 June 2022 and the consolidated financial position of the entity at 30 June 2022.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 12 October 2022.



Luke Spano
Chief Operating Officer

12 October 2022



Dale G Monteith
Chair

12 October 2022

Independent Auditors Report

To the Board of Harness Racing Victoria

Opinion

I have audited the consolidated financial report of Harness Racing Victoria (the authority) and its controlled entities (together the consolidated entity), which comprises the:

- consolidated balance sheet as at 30 June 2022
- consolidated comprehensive operating statement for the year then ended
- consolidated statement of changes in equity for the year then ended
- consolidated cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- declaration in the financial statements.

In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the authority as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the authority and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Board's responsibilities for the financial report

The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the authority and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

**Auditor's
responsibilities for
the audit of the
financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority and the consolidated entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority and the consolidated entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the authority and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the authority and the consolidated entity. I remain solely responsible for my audit opinion.

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



Simone Bohan
as delegate for the Auditor-General of Victoria

MELBOURNE
18 October 2022

Financial Statements

Consolidated Comprehensive Operating Statement

For the Financial Year Ended 30 June 2022

	Notes	Consolidated Entity		Parent Entity	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
CONTINUING OPERATIONS					
Revenue and income from transactions					
Tabcorp income		31,761	34,555	31,761	34,555
Other revenue		63,073	60,763	53,374	52,709
Total revenue and income from transactions	2	94,834	95,318	85,135	87,264
Expenses from transactions					
Stakemoney expense		(47,356)	(46,918)	(47,356)	(46,918)
Employee benefits		(17,684)	(15,677)	(14,132)	(11,969)
Depreciation and amortisation expense	4.1.2	(2,886)	(2,726)	(2,456)	(2,292)
Finance costs		(363)	(50)	(363)	(48)
Other operating expenses		(30,685)	(27,002)	(24,801)	(22,167)
Total expenses from transactions	3	(98,974)	(92,373)	(89,108)	(83,394)
Net result from transactions (net operating balance)		(4,140)	2,945	(3,973)	3,870
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT					
Loss allowance		31	23	31	25
Loss arising from revaluation of long service leave liability		(23)	(52)	(22)	(17)
Total other economic flows included in net result		8	(29)	9	8
Net result		(4,132)	2,916	(3,964)	3,878
OTHER ECONOMIC FLOWS - MOVEMENT IN EQUITY					
Changes in revaluation reserve	8.1	16,952	47,475	16,952	47,475
Total other economic flows - movement in equity		16,952	47,475	16,952	47,475
Comprehensive result		12,820	50,391	12,988	51,353

The accompanying notes form part of these consolidated financial statements.

Consolidated Balance Sheet

As at 30 June 2022

	Notes	Consolidated Entity		Parent Entity	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS					
Cash and cash equivalents	6.3	3,042	1,948	1,722	769
Receivables	5.1	8,098	7,241	7,666	7,009
Inventories	5.3	105	82	-	-
Other assets		1,780	1,862	1,718	1,650
Total current assets		13,025	11,133	11,106	9,428
NON-CURRENT ASSETS					
Property, plant and equipment	4.1	140,092	123,289	139,494	122,716
Right of use assets	4.1.1	174	322	174	322
Non-current receivables		-	-	8,688	7,773
Investments		2,080	2,080	2,080	2,080
Intangible assets	4.3	25	223	-	-
Other non-current assets		164	-	-	-
Total non-current assets		142,535	125,914	150,436	132,891
TOTAL ASSETS		155,560	137,047	161,542	142,319
CURRENT LIABILITIES					
Payables	5.2	7,256	6,586	9,182	8,257
Provisions	5.6	3,327	2,861	2,975	2,285
Borrowings	6.1	15,289	6,711	15,289	6,711
Right of use liabilities	6.2	71	249	71	249
Unearned revenue	5.4	3,323	5,132	3,295	5,101
Other liabilities	5.5	1,528	1,743	1,551	1,736
Total current liabilities		30,794	23,282	32,363	24,339
NON-CURRENT LIABILITIES					
Borrowings	6.1	10,231	11,692	10,231	11,692
Right of use liabilities	6.2	43	74	43	74
Provisions	5.6	526	618	512	574
Other liabilities	5.5	606	841	606	841
Total non-current liabilities		11,406	13,225	11,392	13,181
TOTAL LIABILITIES		42,200	36,507	43,755	37,520
NET ASSETS		113,360	100,540	117,787	104,799
EQUITY					
Contributed capital		9,174	9,174	9,174	9,174
Reserves	8.1	104,777	87,825	104,777	87,825
Accumulated (deficit)/surplus		(591)	3,541	3,836	7,800
TOTAL EQUITY		113,360	100,540	117,787	104,799

The accompanying notes form part of these consolidated financial statements.

Consolidated Cashflow Statement

For the Financial Year Ended 30 June 2022

	Notes	Consolidated Entity		Parent Entity	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Receipts					
Receipts from operations		100,183	96,581	88,794	86,283
Total Receipts		100,183	96,581	88,794	86,283
Payments					
Payments to suppliers, employees & industry		(99,352)	(94,169)	(89,193)	(85,536)
Goods and services tax paid to the ATO		(3,660)	(4,283)	(3,033)	(3,905)
Interest paid		(363)	(50)	(363)	(52)
Total Payments		(103,375)	(98,502)	(92,589)	(89,493)
Net cash (used) / from operating activities		(3,192)	(1,921)	(3,795)	(3,210)
Cash flows from investing activities					
Purchases of property, plant and equipment		(2,539)	(1,209)	(2,080)	(999)
Net cash used in investing activities		(2,539)	(1,209)	(2,080)	(999)
Cash flows from financing activities					
Repayment of lease liabilities (principal)		(292)	(129)	(289)	(137)
Borrowings of interest-bearing liabilities		7,117	4,693	7,117	4,693
Net cash from financing activities		6,825	4,564	6,828	4,556
Net increase in cash and cash equivalents held		1,094	1,434	953	347
Cash and cash equivalents at the beginning of the financial year		1,948	514	769	422
Cash and cash equivalents at the end of the financial year	6.3	3,042	1,948	1,722	769

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2022

Consolidated Entity	Reserves	Accumulated surplus	Contributed capital	Total
	\$'000	\$'000	\$'000	\$'000
Notes	8.1			
Balance at 1 July 2020	40,350	625	9,174	50,149
Net result for the year	-	2,916	-	2,916
Other comprehensive income for the year	47,475	-	-	47,475
Balance at 30 June 2021	87,825	3,541	9,174	100,540
Net result for the year	-	(4,132)	-	(4,132)
Other comprehensive income for the year	16,952	-	-	16,952
Balance at 30 June 2022	104,777	(591)	9,174	113,360

Parent Entity	Reserves	Accumulated surplus	Contributed capital	Total
	\$'000	\$'000	\$'000	\$'000
Notes	8.1			
Balance at 30 June 2020	40,350	3,922	9,174	53,446
Net result for the year	-	3,878	-	3,878
Other comprehensive income for the year	47,475	-	-	47,475
Balance at 30 June 2021	87,825	7,800	9,174	104,799
Net result for the year	-	(3,964)	-	(3,964)
Other comprehensive income for the year	16,952	-	-	16,952
Balance at 30 June 2022	104,777	3,836	9,174	117,787

The accompanying notes form part of these consolidated financial statements.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2022

1. About this report

The following explains the significant accounting policies that have been adopted in the preparation of these consolidated financial statements by HRV (“the Parent entity”) as an individual entity and the consolidated entity of the Parent and its Subsidiaries (referred to as “the Group” or “Consolidated entity”).

The Parent entity is a statutory body established pursuant to section 39(1) of the *Racing Act 1958*. It is a statutory authority for which the Minister for Racing is responsible. It controls HRV Management Ltd and Melton Entertainment Trust. HRV Management Ltd acts as the corporate trustee of the Melton Entertainment Trust, the sole beneficiary of which is the Parent entity.

Its principal address and registered office is:

Harness Racing Victoria
400 Epsom Road
Flemington VIC 3031

Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accruals basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Group.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are

disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying applicable Australian Accounting Standards (“AAS”) that have significant effects on the financial statements and estimates are disclosed in the notes and include the following:

- Fair value of land, buildings, plant and equipment (refer to Note 4.1, 4.2 and 7.3);
- Fair value of financial assets measured at fair value (refer to Note 4.4 and 7.3);
- Defined benefit superannuation expense (refer to Note 3.1.1); and
- Employee provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.1.2)

The consolidated financial statements comprise the financial statements of the Parent entity and its subsidiaries (refer to the Financial Statements notes above) as at 30 June 2022. Where control of an entity is obtained during the financial period, its results are included in the comprehensive operating statement from the date on which control is demonstrated. Where control ceases during a financial period, the entity’s results are included for that part of the period in which control existed. Where entities adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements. In preparing consolidated financial statements for the Group, all material transactions and balances between consolidated entities are eliminated.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

Compliance information

These general-purpose financial statements have been prepared on an accruals basis in accordance with the *Financial Management Act 1994* ("FMA"), and applicable AAS, which include Interpretations, issued by the Australian Accounting Standards Board ("AASB"). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Going concern information

These consolidated financial statements are prepared on a going concern basis. Whilst the net current liability position as at 30 June 2022 of \$17.769m (2021: \$12.149m) for HRV (the consolidated entity) and \$21.257m (2021: \$14.911m) for the authority (parent entity), the Board believe the going concern basis is appropriate based on the following factors:

- HRV (the consolidated entity) has a total of \$40.2m unsecured loan facility available from Treasury Corporation Victoria ('TCV'), including a short-term variable line of credit facility of \$30m. As at 30 June 2022, only \$25.520m (2021: \$18.403m) was drawn down and recorded as a liability, with \$14.680m available as unused funding facility.
- The Treasurer has provided an irrevocable and unconditional guarantee of up to \$40.2m that guarantees TCV the due and punctual payment of obligations as set out in the loan agreement if HRV are unable to meet its loan repayment obligations. This guarantee remains in full force and effect until all monies due and payable or contingently due or liable to be paid have been paid or satisfied in full.

- In August 2022 the Minister for Racing provided HRV with a "Letter of support" that
 - o The Government is committed to providing funding support to ensure HRVs ongoing financial sustainability
 - o Provide the Board confidence that it can prepare the HRV Annual Financial Report for FY22 on a going concern basis
 - o That the Department of Jobs Precincts and Regions (DJPR) will work with Department of Treasury and Finance and HRV to consider and assess any additional funding requirements for FY23
 - o Reaffirm that the \$6m solvency support (approved as part of the \$24m support package) remains available for HRV in FY23 if the need through HRV's cashflows demonstrate
- During 2021-22, the consolidated entity recorded a net operating loss of \$4.132m (2021: profit of \$2.916m) and generated positive cash inflows of \$1.1m (2021: cash inflows of \$1.4m) largely because of financing activities. The Group has continued course to invest in the strategy despite the fact that the pandemic impeded on the Groups ability to maximise operating results.

2. Funding delivery of our services

The Parent entity's objectives are to administer, develop and promote harness racing in Victoria. The Parent entity is self-funded and utilises the revenues it derives to fund expenses incurred.

The Group is predominantly funded by TABCORP distributions as part of an agreement entered into

between the Racing Codes in 2012; Racefields fees from wagering service providers, a share of the Point of Consumption Tax collected from a wagering activity on Victorian residents and grant income from the VRIF contributions to infrastructure. These funds are used to achieve the above stated objectives.

2.1 Summary of revenue and income that funds the delivery of our services

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
TABCORP Revenue	31,761	34,555	31,761	34,555
Racefield Fees Revenue	26,094	23,234	26,094	23,234
Grant Income	10,632	19,322	10,531	17,700
Other Racing Income	14,776	9,725	14,776	9,725
Gaming and Hospitality Income	9,586	6,785	-	-
Other Income	1,985	1,697	1,973	2,050
Total income from transactions	94,834	95,318	85,135	87,264

Revenue and income that fund delivery of the Group's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

The Group recognises income in accordance with AASB 15 *Revenue from Contracts with Customers*, and AASB 1058 *Income from not-for-profit entities*.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. Revenue is recognised when, or as, the performance obligations for the provision of services to the customer are satisfied. Income from the rendering of services is recognised at a point in time when the performance obligation is satisfied, for example when the service is completed. Consideration received in advance of recognising the associated revenue from the customer is recorded as deferred revenue (Note 5.4).

2.2 Income from transactions

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
TABCORP Revenue	\$'000	\$'000	\$'000	\$'000
Racing Program Fee	7,263	8,994	7,263	8,994
Racing Products Fee	8,813	9,036	8,813	9,036
Vic Racing Industry Benefit (VRIB)	5,233	4,962	5,233	4,962
Vic Racing Joint Venture Profit	3,578	4,578	3,578	4,578
International Income	1,434	1,394	1,434	1,394
Other TABCORP revenue	5,440	5,591	5,440	5,591
Total TABCORP revenue	31,761	34,555	31,761	34,555

The Group has a clear contractual obligation to provide racing content with Vic Racing Pty Ltd and Racing Products Pty Ltd, and therefore has determined TABCORP income to be classified as revenue from contracts with customers in accordance with AASB 15.

The Group receives its portion of the income earned on a monthly basis and recognises it in the period that those performance obligations are met.

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
Racefield Fees Revenue	\$'000	\$'000	\$'000	\$'000
Racefield Fees revenue	26,094	23,234	26,094	23,234
Total Racefield Fee revenue	26,094	23,234	26,094	23,234

The Group charges Interstate TABs and Corporate Bookmakers for the use of Racefields, and has determined Racefields income to be classified as revenue

from contracts with customers in accordance with AASB 15. These fees are recognised in the period that the performance obligations are met.

Grant Income	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Infrastructure VRIF Contribution	2,747	458	2,747	458
Other VRIF Contribution	409	282	409	282
COVID Support Grant	-	14,000	-	14,000
Jobkeeper income	-	1,595	-	-
Other Grant income	7,476	2,987	7,375	2,960
Total Grant income	10,632	19,322	10,531	17,700

Grants from third parties (other than contribution by owners) are recognised as income in the reporting period in which they are received or become receivable. Where sufficiently specific performance obligations are not met, the income is deferred.

Victorian Racing Industry Fund (VRIF) contributions are received for programs and works approved by the Government. The Group is required to enter into a contractual agreement and recognises these contributions in the period the performance obligations under the agreement is completed.

Other Racing Income	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Point of consumption tax (POCT)	10,875	4,333	10,875	4,333
Registration & licensing fees	1,154	1,368	1,154	1,368
Country club contributions to stakemoney	178	303	178	303
Race-day fees	371	337	371	337
Fines & appeals	186	237	186	237
Industry programs	2	-	2	-
Registered bookmakers' fees	3	2	3	2
Futurities income:				
- Vicbred	613	678	613	678
- Breeders Crown	879	981	879	981
- Race series subsidies	515	1,486	515	1,486
Total Other Racing income	14,776	9,725	14,776	9,725

Point of Consumption Tax (POCT) was introduced from 1 January 2019 and applies at a rate of 8 per cent of the net wagering revenue derived from all wagering and betting activity by customers located in Victoria. From the 1 July 2021, the rate increased from 8 per cent to 10 per cent of net wagering revenue.

Industry contributions received relating to a particular futurity series are carried forward in the consolidated Balance Sheet until the year that each final series is conducted when they are brought to account in the consolidated Comprehensive Operating Statement as revenue. Fees and contributions received prior to 30 June 2022, for futurity series to be conducted in 2022-23 are brought to account as a current liability. Fees and contributions received for series to be run after 30 June 2023 have been recorded as a non-current liability.

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Gaming and Hospitality Income				
Gaming commission	5,989	4,116	-	-
Food & beverage	2,681	1,781	-	-
Accommodation	663	736	-	-
Other venue revenue	253	152	-	-
Total Gaming and Hospitality income	9,586	6,785	-	-

Gaming machine commission income is calculated as turnover less returns to players. The income is recognised when the right to receive the income has been established, generally on a daily basis.

Food, beverage sales are recognised at the point in time when the customer purchases the food or beverages.

Accommodation rental income is recognised on each night of guests stay.

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Other Income				
Sponsorship, advertising & events	1,531	1,416	1,531	1,416
Property	-	-	-	374
Management & service fee	27	30	27	30
Other revenue	427	251	415	230
Total Other income	1,985	1,697	1,973	2,050

Interest income is recognised on a time proportionate basis that takes into account the effective yield of the financial asset.

Profits/(losses) on the sale of property, plant and equipment are recognised when the Group relinquishes control of the asset.

Property (rental) income is recognised over the period of the related rental.

Amounts received but not earned at year end are recognised as unearned revenue in the consolidated Balance Sheet.

3. Cost of delivering our services

This note provides an account of the expenses incurred by the Group in delivering services and outputs. In note 2, the funds that enable the provision of services were disclosed and in this note, the cost associated with provision of services are recorded.

3.1 Expenses incurred in delivery of services

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Stakemoney payments	47,356	46,918	47,356	46,918
Employee benefits	17,707	15,729	14,154	11,986
Racing expenses	16,954	15,008	16,954	15,008
Administration expenses	9,624	8,469	7,373	6,248
Gaming and hospitality expenses	3,632	2,618	-	-
Transformation expense	806	934	806	934
Total expenses incurred in delivery of services	96,079	89,676	86,643	81,094

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Stakemoney Payments	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Feature race stakes	11,558	10,953	11,558	10,953
Metropolitan stakes	6,687	7,427	6,687	7,427
Country stakes	23,535	22,703	23,535	22,703
Compensation payments	27	9	27	9
Vicbred win bonuses	4,266	4,380	4,266	4,380
Vicbred breeder bonuses	1,108	1,316	1,108	1,316
Trophies	175	130	175	130
Total Stakemoney payments	47,356	46,918	47,356	46,918

Stakemoney expense is recognised in the reporting period in which the race is conducted. These payments are provided to participants as rewards to incentivise involvement in the industry.

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
Racing Expenses	\$'000	\$'000	\$'000	\$'000
Country club funding	5,585	5,718	5,585	5,718
Vision & audio	4,180	3,460	4,180	3,460
Development fund (refer Note 6.4)	3,092	2,084	3,092	2,084
Fields & form comments	970	884	970	884
Swabs	813	831	813	831
Timing & photo finish	15	7	15	7
Registration	587	581	587	581
Integrity & licensing	620	283	620	283
Race day operations	781	704	781	704
Horse welfare program	277	422	277	422
Other racing expense	34	34	34	34
Total Racing expenses	16,954	15,008	16,954	15,008

Racing expenses consists of the costs to administer, develop and promote harness racing. Development fund grants and other payments to third parties (other than

contribution to owners) are recognised as an expense in the reporting period in which they are paid or become payable.

3.1.1 Employee benefits in comprehensive operating statement

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
Employee benefits in comprehensive operating statement	\$'000	\$'000	\$'000	\$'000
Salaries, wages and long service leave	16,357	14,502	13,091	11,071
Post employee benefits				
Defined contribution superannuation expense	1,285	1,119	999	842
Defined benefits superannuation expense	42	56	42	56
Total Employee expenses	17,684	15,677	14,132	11,969

Employee benefit expenses include all costs related to employment including wages and salaries, superannuation, fringe benefits tax, leave entitlements, redundancy payments and work cover premiums. These are recognised when incurred, except for contributions in respect of defined benefits plans.

The amount recognised in the consolidated Comprehensive Operating Statement in relation to employer contributions for members of defined benefit superannuation plans is simply the employer contributions that are paid or payable to these plans during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan and is based upon actuarial advice.

The Department of Treasury and Finance (DTF) in their Annual Financial Statements recognises on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Group is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3.1.2 Employee benefits in Balance Sheet

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current Provisions				
Employee benefits				
Annual leave				
Unconditional and expected to wholly settle within 12 months	734	653	605	545
Unconditional and expected to wholly settle after 12 months	674	341	634	312
Long service leave				
Unconditional and expected to wholly settle within 12 months	1,211	980	1,109	898
Provisions related to employee benefit on-costs				
Unconditional and expected to wholly settle within 12 months	338	276	297	244
Unconditional and expected to wholly settle after 12 months	116	56	110	52
Total current employee benefits provision	3,073	2,306	2,755	2,051
Non-current				
Employee benefits	447	528	435	491
Provisions related to employee benefit on-costs	79	90	77	83
Total non-current employee benefits provision	526	618	512	574
Total employee benefits provisions	3,599	2,924	3,267	2,625

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting

date and recorded as an expense during the period the services are delivered.

	Consolidated Entity	Parent Entity
	2022	2021
Reconciliation of movement in provision	\$'000	\$'000
Opening balance	2,924	2,625
Additional provisions recognised	973	891
Reductions arising from payments/other sacrifices of future economic benefits	(321)	(271)
Unwind of discount and effect of changes in the discount rate	23	22
Closing balance	3,599	3,267
Current	3,073	2,755
Non-current	526	512
	3,599	3,267

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, annual leave and accumulating long service leave are recognised in the provision for employee benefits, classified as current liabilities. Those liabilities which are expected to be wholly settled within 12 months of the reporting period are measured at their undiscounted values.

Those liabilities that are not expected to be wholly settled within 12 months are also recognised in the provision for employee benefits as current liabilities, but are measured at present value of the amounts expected to be paid when the liabilities are wholly settled using the remuneration rate expected to apply at the time of settlement.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the consolidated Statement of Comprehensive Income as it is taken.

Employee benefits on-costs such as payroll tax, workers compensation and superannuation are recognised and included with provisions for employee benefits.

Long service leave

Liability for long service leave ("LSL") is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in as a current liability, even where the Group does not expect to wholly settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- Undiscounted value-component that the Group expects to wholly settle within 12 months; and
- Present value-component that the Group does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. The non-current LSL liability is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

the reporting date and recorded as an expense during the period the services are delivered.

3.1.3 Superannuation contributions

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and

defined contribution superannuation plans that are paid or payable during the reporting period.

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
Employer contributions made during the financial year	\$'000	\$'000	\$'000	\$'000
State superannuation fund	42	50	42	50
Victorian superannuation fund	360	315	352	306
Host plus superannuation fund	270	200	73	49
Australian Super	176	134	129	97
Various other funds as nominated by the employee	629	476	541	396
Total contributions	1,477	1,175	1,137	898

Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the consolidated Comprehensive Operating Statement of the Group. The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Group are as follows:

(a) Funds

- Permanent employees before 1 January 1995 - State Superannuation Fund (New Scheme) - Defined Benefit Scheme.
- Permanent employees after 1 January 1995 - VicSuper Pty Ltd or choice of funds - Defined Contribution Scheme.

(b) Contributions

State superannuation fund contributions are based on the schemes' policies and are dependent upon the election of the staff member. Employer contributions (including defined benefits) range from 9.1% to 10%. The Victorian Superannuation Fund contributions are based on the Commonwealth Government Superannuation Guarantee and Board directives.

3.2 Administration, gaming and hospitality expenses

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
Administration Expenses	\$'000	\$'000	\$'000	\$'000
Property costs	2,518	2,255	1,050	1,013
Marketing & sponsorship expenses	2,521	2,033	2,033	1,729
Insurance	1,301	1,656	1,395	1,315
Computer costs	909	816	818	743
Consulting / legal fees	617	509	610	501
Staff travel and motor vehicle expense	560	453	513	450
Printing and stationary costs	40	125	5	94
Audit fees	166	112	132	69
Communication costs	77	82	50	36
Bank fees	53	51	25	25
Finance costs	358	50	358	48
Donations	30	37	30	36
Other expenses	500	313	380	214
Loss allowance	(31)	(23)	(31)	(25)
Interest on lease liabilities	5	-	5	-
Total Administration expenses	9,624	8,469	7,373	6,248

Other administrative expenses are recognised as they are incurred and reported in the financial year to which they relate.

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
Gaming and Hospitality Expenses	\$'000	\$'000	\$'000	\$'000
Gaming costs	2,547	1,840	-	-
Cost of goods sold	847	584	-	-
Venue costs	238	194	-	-
Total Gaming and Hospitality expenses	3,632	2,618	-	-

Gaming and hospitality expenses are recognised as they are incurred and reported in the financial year to which they relate.

When inventories are sold, the carrying amount of those inventories shall be recognised as an expense in the period in which the related income is recognised. The amount of any write down of inventories to net realisable

value and all losses of inventories shall be recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

4. Key assets available to support output delivery

The Group controls property, plant, equipment and intangibles and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the Group to be utilised for delivery of those outputs.

4.1 Property, plant and equipment

Consolidated Entity	Gross carrying value		Accumulated depreciation		Net carrying amount	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets at Fair Value						
Freehold land	94,195	80,100	-	-	94,195	80,100
Buildings	40,659	38,943	-	-	40,659	38,943
Melton track	1,817	1,817	(225)	-	1,592	1,817
Total	136,671	120,860	(225)	-	136,446	120,860
Assets at Cost						
Leasehold improvements	1,604	1,538	(1,247)	(1,231)	357	307
Plant and equipment	13,059	11,760	(10,597)	(9,638)	2,462	2,122
Work in progress	827	-	-	-	827	-
Total	15,490	13,298	(11,844)	(10,869)	3,646	2,429
Total Property, Plant and Equipment	152,161	134,158	(12,069)	(10,869)	140,092	123,289

Parent Entity	Gross carrying value		Accumulated depreciation		Net carrying amount	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets at Fair Value						
Freehold land	94,195	80,100	-	-	94,195	80,100
Buildings	40,659	38,943	-	-	40,659	38,943
Melton track	1,817	1,817	(225)	-	1,592	1,817
Total	136,671	120,860	(225)	-	136,446	120,860
Assets at Cost						
Leasehold improvements	1,251	1,251	(1,224)	(1,231)	27	24
Plant and equipment	11,046	9,882	(8,801)	(9,638)	2,245	1,832
Work in progress	776	-	-	-	776	-
Total	13,073	11,133	(10,025)	(10,869)	3,048	1,856
Total Property, Plant and Equipment	149,744	131,993	(10,250)	(10,869)	139,494	122,716

The following tables are subsets of buildings, and plant and equipment by right-of-use assets and service concession assets.

Land and buildings are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The fair value of plant and equipment is normally determined by reference to the asset's depreciated replacement cost. Subsequent costs are included in the

asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated Comprehensive Operating Statement during the reporting period in which they are incurred.

4.1.1 Right-of-use assets

Gross carrying amount and accumulated depreciation	Gross carrying value		Accumulated depreciation		Net carrying amount	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Motor vehicles	396	322	(222)	-	174	322
Total	396	322	(222)	-	174	322

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

4.1.2 Depreciation and amortisation

Aggregate depreciation and amortisation allocated during the year was as follows:	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Buildings at fair value	1,257	1,251	1,257	1,251
Leasehold improvements at fair value	16	328	-	272
Plant and equipment at fair value	1,190	791	974	611
Melton complex at fair value	225	158	225	158
Gaming entitlements amortisation	198	198	-	-
Total	2,886	2,726	2,456	2,292

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. Depreciation is generally calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

	Useful life (years)
Buildings	40
Roads	40
Track	25
Plant & equipment	3 to 10
Motor vehicles	5 to 14
Computer hardware	3
Computer software	3 to 5
Furniture & fittings	5 to 40
Leasehold improvements	7
Office improvements	7

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the Group obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

4.1.3 Reconciliation of movement

	PPE WIP	Freehold Land	Building	Leasehold Improvement	Plant and Equipment	Melton Track	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022							
Opening balance	-	80,100	38,943	307	2,122	1,817	123,289
Additions	827	-	116	66	1,530	-	2,539
Revaluations	-	14,095	2,857	-	-	-	16,952
Disposals	-	-	-	-	(4)	-	(4)
Depreciation	-	-	(1,257)	(16)	(1,190)	(225)	(2,688)
Accumulated Depreciation disposal	-	-	-	-	4	-	4
Closing balance	827	94,195	40,659	357	2,462	1,592	140,092
2021							
Opening balance	-	32,384	39,758	24	2,436	2,649	77,251
Additions	-	-	176	611	478	-	1,265
Revaluations	-	47,716	260	-	-	(674)	47,302
Disposals	-	-	-	-	(1,043)	-	(1,043)
Depreciation	-	-	(1,251)	(328)	(791)	(158)	(2,528)
Accumulated Depreciation disposal	-	-	-	-	1,042	-	1,042
Closing balance	-	80,100	38,943	307	2,122	1,817	123,289

At 30 June 2022, HRV were not required to obtain a full valuation for the parcels of land being 28 - 52 Ferris Rd Melton and Lot 1 and 2 at 2 -134 Abey Road Melton (as the last formal valuation was undertaken as at 30 June 2021). Management was required to conduct fair value assessments to assess whether the asset's carrying value still materially reflects its fair value. Fair value assessments for land and buildings for HRV were accordingly made using separate annual indices for land and buildings supplied by Valuer-General Victoria.

The following indices were applied for the revaluation of Land and Buildings using the Valuer-General's commercial rates:

Land - 20%;

Buildings and Track - 4.1%.

The revaluation amounts for the different classes of assets have been detailed under Note 8.1 Reserves. The following table highlights classes of Assets, the fair value measure, technique and assessment and inputs.

4.2 Property

Value of freehold land	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Freehold land - 28 - 52 Ferris Rd Melton	9,627	9,620	9,627	9,620
Freehold land - 92 -134 Abey Rd Melton (Lot 1)	49,089	40,910	49,089	40,910
Freehold land - 92 -134 Abey Rd Melton (Lot 2)	35,479	29,570	35,479	29,570
Total	94,195	80,100	94,195	80,100

Property is initially recognised at cost. Subsequent to initial recognition at cost, properties are revalued to fair value with changes in the fair value recognised as other economic flows in the comprehensive operating

statement in the period that they arise. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties.

4.3 Intangible assets

Gross carrying amount	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Gaming machine entitlements	1,983	1,983	-	-
Accumulated amortisation	(1,958)	(1,760)	-	-
Total opening balance	25	223	-	-
Accumulated depreciation, amortisation and impairment				
Opening balance	223	421	-	-
Amortisation	(198)	(198)	-	-
Closing balance	25	223	-	-

Intangible assets with finite useful lives are amortised as an expense on a systematic (typically straight line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. 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 annual reporting period.

Goodwill and intangible assets not yet available for use or with indefinite useful lives are tested annually for impairment (as described below) and whenever there is an indication that the asset may be impaired.

4.4 Investments and other financial assets

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
Non-Current Investments	\$'000	\$'000	\$'000	\$'000
Investment in RISE - at fair value	663	663	663	663
Shares in radio 3UZ Pty Ltd - at fair value	2	2	2	2
Units in radio 3UZ unit trust - at fair value	1,415	1,415	1,415	1,415
	2,080	2,080	2,080	2,080

Investment in subsidiaries

The Group's investment in Racing Information Services Enterprise Pty Ltd ('RISE') consists of 29% shareholding ownership. RISE owns and operates the proprietary racing software for the harness racing industry across all states and territories in Australia. The investment in RISE has been recognised at fair value as required by AASB 9 Financial Instruments.

In February 2020, the Parent entity sold 71% of its ownership in RISE to harness racing jurisdictions in Australia, moving RISE to a multi-state ownership model. In accordance with AASB 10, the retained interest in RISE is measured at fair value and recognised as a financial asset.

The Group's 29% investment was independently valued at 30 June 2022. The fair value was based on net assets including intellectual property, and consistent with the sale methodology in 2020.

Units in Radio 3 UZ unit trust

The Group's investment in Radio 3UZ unit trust consists of an 18% unit holding in this trust, which fully owns all of the issued shares in 3UZ Pty Ltd. 3UZ Pty Ltd, operates commercial radio station Radio Sport National, formerly Sport 927, and a network of regional relay stations. The investment in Radio 3UZ unit trust has been recognised at fair value as required by AASB 9 *Financial Instruments*.

As Radio 3UZ unit trust is an unlisted trust and its units are not readily traded in an open market, an independent valuation has been obtained as at 30 June 2022. The independent valuation provided an indicative valuation for the Radio 3UZ unit trust of between \$9m and \$10m.

The assumptions applied on the valuation are consistent with prior year and are based on the consolidated financial statements provided by 3UZ. The valuation was based on the assumption that:

- There were no material cashflow changes in 2022 compared with 2021 reporting period;
- The non-binding purchase proposal in 2021 provided fair indication of market value of radio licence;
- The revalued property at April 2020 has not materially changed at reporting date; and
- The COVID-19 impact on net revenue at the lowest distribution multiplier of 1.5 there remains adequately cover.

The investment has been brought to account based on 18% of the valuation mid-point of \$9.515m.

Reconciliation of movements in investments	RISE	3UZ	Total
2022	\$'000	\$'000	\$'000
Opening Balance	663	1,417	2,080
Net gains / (losses) from fair value adjustments	-	-	-
Closing Balance	663	1,417	2,080
2021			
Opening Balance	490	1,417	1,907
Net gains / (losses) from fair value adjustments	173	-	173
Closing Balance	663	1,417	2,080

At 30 June 2022, an independent valuation was received across the Group's investments, by professional valuers with suitable qualifications and experience in financial investment valuations.

5. Other assets and liabilities

This note sets out those assets and liabilities that arose from the Group's controlled operations.

5.1 Receivables

Receivables	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
Contractual	\$'000	\$'000	\$'000	\$'000
Trade receivables	1,225	2,204	1,067	2,101
Loss allowances	(9)	(40)	(4)	(35)
Accrued income	3,828	2,904	3,735	2,931
Tabcorp distribution receivable	2,868	2,012	2,868	2,012
Commission / distribution receivable	186	161	-	-
Intercompany receivables	-	-	8,688	7,773
Total receivables	8,098	7,241	16,354	14,782

Represented by:

Current receivables	8,098	7,241	7,666	7,009
Non-current receivables	-	-	8,688	7,773

Receivables are subject to impairment loss assessment in accordance with AASB 9's expected credit loss model. The impairment loss allowance is increased / decreased accordingly with the impairment expense recognised in the net result as an 'other economic flow included in net result'.

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. HRV holds the contractual receivables with the objective to collect the contractual cash flows and therefore

subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. HRV applies AASB 9 for measurement of the statutory receivables and as a result statutory receivables are recognised at fair value plus any directly attributable transaction cost.

Reconciliation of movements in loss provisions

	Total
2022	\$'000
Opening Balance	(40)
Additional provisions recognised	-
Increase / (decrease) in allowance recognised in profit or loss	31
Reversals of provision for receivables written off during the year as uncollectible	-
Closing Balance	(9)
Current	(9)
2021	
Opening Balance	(63)
Additional provisions recognised	-
Increase / (decrease) in allowance recognised in profit or loss	23
Reversals of provision for receivables written off during the year as uncollectible	-
Closing Balance	(40)
Current	(40)

The average credit period on sale of goods and services is 30 days. Generally, interest is not charged on outstanding receivables. A provision has been made for estimated irrecoverable amounts from the sale of goods and services. The increase in provision was recognised in the operating result for the current financial year in accordance with AASB 9 Financial Instruments.

5.2 Payables

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Contractual				
Trade creditors	1,368	1,486	1,169	1,331
Intercompany payables	-	-	3,051	2,419
Development fund accruals	2,617	1,636	2,617	1,636
Sundry creditors and accruals	3,095	3,247	2,072	2,664
Statutory				
Goods and services tax (GST) payable	176	217	273	207
Total payables	7,256	6,586	9,182	8,257

Represented by:

Current payables	7,256	6,586	9,182	8,257
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Payables consist of:

- **contractual payables**, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid; and
- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on trade creditors or sundry creditors.

	Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2022						
Payables	7,256	7,256	7,055	163	38	-
Total	7,256	7,256	7,055	163	38	-
2021						
Payables	6,586	6,586	1,697	-	4,889	-
Total	6,586	6,586	1,697	-	4,889	-

(a) Maturity analysis is presented using the contractual undiscounted cash flows.

5.3 Inventories

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Food at cost	33	15	-	-
Beverage at cost	72	67	-	-
Total inventories	105	82	-	-

Inventories held for consumption are measured at the lower of cost and net realisable value.

5.4 Unearned revenue

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Venue naming rights	-	352	-	352
Other revenue invoiced in advance	3,323	4,780	3,295	4,749
Total current unearned revenue	3,323	5,132	3,295	5,101

Deferred revenue is made up of amounts received for sponsorships, accommodation bookings and government grants, where performance obligations have not yet been met, as per AASB 15.

5.5 Other liabilities

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current other liabilities				
Vicbred income invoiced in advance	661	606	661	606
Breeders Crown income invoiced in advance	462	516	462	516
Other current liabilities	405	621	428	614
Total other current liabilities	1,528	1,743	1,551	1,736
Non-current other liabilities				
Vicbred income invoiced in advance	54	144	54	144
Breeders Crown income invoiced in advance	317	633	317	633
Other non-current liabilities	235	64	235	64
Total other non-current liabilities	606	841	606	841
Total other liabilities	2,134	2,584	2,157	2,577

Other non-financial assets include prepayments, which represent payments in advance of receipt of goods or services or the payments made for services covering a term extending beyond that financial accounting period.

Industry contributions received relating to a particular futurity series are carried forward in the consolidated Balance Sheet until the year that each series is

conducted when they are brought to account in the consolidated Comprehensive Operating Statement as revenue. Fees and contributions received prior to 30 June 2022, for futurity series to be conducted in 2022-23 are brought to account as a current liability. Fees and contributions received for series to be run after 30 June 2023 have been recorded as a non-current liability.

5.6 Provisions

	Consolidated Entity		Parent Entity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current other assets				
State-wide sulky fund	70	84	70	84
Provision for insurance claim	-	290	-	-
Provision for aggregate insurance	150	150	150	150
Bonus points liability	34	31	-	-
Total other current provisions	254	555	220	234
Current employee benefits provision (Note 3.1.2)	3,073	2,306	2,755	2,051
Total current employee benefits provision	3,073	2,306	2,755	2,051
Total current provisions	3,327	2,861	2,975	2,285
Non-current employee benefits provision (Note 3.1.2)	526	618	512	574
Total non-current employee benefits provision	526	618	512	574
Total provisions	3,853	3,479	3,487	2,859

Other provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time, value of money and risks specific to the provision.

Reconciliation of movements in other provisions

	State-wide sulky fund	Bonus points liability	Insurance claim	Aggregate insurance	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Opening Balance	84	31	290	150	555
Additional provisions recognised	35	3	-	3	41
Reductions arising from payments other sacrifices of future economic benefits	(49)	-	(290)	(3)	(342)
Unwind of discount and effect of Changes in the discount rate	-	-	-	-	-
Closing Balance	70	34	0	150	254
Current	70	34	0	150	254
2021					
Opening Balance	85	30	-	130	245
Additional provisions recognised	36	1	290	102	429
Reductions arising from payments other sacrifices of future economic benefits	(37)	-	-	(82)	(119)
Unwind of discount and effect of Changes in the discount rate	-	-	-	-	-
Closing Balance	84	31	290	150	555
Current	84	31	290	150	555

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it

is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

6. How do we finance our operations

This note provide information on the sources of finance utilised by the Group during its operations, along with interest expenses (cost of borrowings) and other information related to financing activities of the Group.

This note includes disclosures of balances that are financial instruments.

6.1 Borrowings

	Consolidated Entity		Parent Entity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Unsecured - TCV loan facility	15,289	6,711	15,289	6,711
Total current borrowings	15,289	6,711	15,289	6,711
Unsecured - TCV loan facility	10,231	11,692	10,231	11,692
Total non-current borrowings	10,231	11,692	10,231	11,692
Total borrowings	25,520	18,403	25,520	18,403

Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost unless the Group elects to irrevocably designate them at fair value through profit or loss at initial recognition.

Defaults and breaches

During the current and prior year, there were no defaults and breaches of any of the loans.

	Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates			
			Less than 1 month \$'000	1 - 3 months \$'000	3 months - 1 year \$'000	1 - 5 years \$'000
2022						
Unsecured - TCV loan facility	25,520	25,520	-	-	15,289	10,231
Total	25,520	25,520	-	-	15,289	10,231
2021						
Unsecured - TCV loan facility	18,403	18,403	-	-	6,711	11,692
Total	18,403	18,403	-	-	6,711	11,692

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

The carrying amounts disclosed exclude statutory amounts (e.g. GST payables).

Interest expense

Interest expense is recognised as expenses in the period in which they are incurred and include:

- Interest on bank overdrafts and short-term and long-term borrowings;
- Amortisation of discounts or premiums relating to borrowings; and
- The increase in financial liabilities and non employee provisions due to the unwinding of discounts to reflect the passage of time.

6.2 Leases

Leasing activities

The Group leases include property and motor vehicles. The lease contracts are typically for fixed periods of 1-5 years with an option to renew the lease after that date. The leases of IT equipment with contract terms of 1-3 years are either short-term and/or leases of low value items. The leases of motor vehicles are typically for fixed

periods of 1-2 years with an option to renew the lease after that date. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Right-of-use assets

The right-of-use assets are presented above in note 4.1.1

	Consolidated Entity		Parent Entity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Right-of-use liabilities				
No longer than one year	71	249	71	249
Longer than one year	43	74	43	74
Total right-of-use liabilities	114	323	114	323

A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the consolidated comprehensive

operating statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in a change in a lease term. The adjustment amount is factored into depreciation of the right-of-use asset prospectively.

The Group as a lessor

Leases in which the Group retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

6.3 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For consolidated Cash Flow Statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as interest bearing liabilities on the consolidated Balance Sheet.

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents				
Deposits at call	2,726	1,697	1,721	768
Cash on hand	316	251	1	1
Closing cash and cash equivalents balance	3,042	1,948	1,722	769

Due to the Group's investment policy and funding arrangements, the Group does not hold a large cash reserve in its bank accounts.

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Reconciliation of net result for the year to the net cash from operating activities				
Net result for the year	(4,132)	2,916	(3,964)	3,878
Non-cash movements				
Depreciation/amortisation of non-current assets	2,886	2,726	2,456	2,292
Loss allowance	(31)	(23)	(31)	(25)
Long service leave	23	52	22	17
Movements in assets and liabilities				
(Increase) in receivables	(826)	(1,551)	(1,541)	(3,059)
Decrease/ (Increase) in other current assets	56	(462)	(68)	(501)
Increase/ (Decrease) in accounts payables and other liabilities	482	(6,158)	694	(6,114)
(Decrease) in unearned income	(1,809)	-	(1,806)	-
(Decrease) in other current liabilities	(215)	-	(185)	-
Increase in provisions	374	579	628	302
Net cash (used in) operating activities	(3,192)	(1,921)	(3,795)	(3,210)

Facilities	Consolidated Entity		Parent Entity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
HRV has access to the following finance facilities				
Unsecured term facility	43,801	43,801	43,801	43,801
Business card limit	99	99	49	39
Total facilities available	43,900	43,900	43,850	43,840
Amount of facility unused	14,680	32,109	14,680	32,169

On 29 April 2020, the Treasurer on behalf of the State of Victoria under the *Borrowings and Investment Powers Act 1987* has provided an irrevocable and unconditional guarantee for up to \$43.9m in favour of Treasury Corporation Victoria (TCV) that guarantees TCV the due and punctual payment of obligations as set out in the loan

agreement in the event that HRV are unable to meet its obligations under the Unsecured TCV Loan Facility. The guarantee shall be a continuing guarantee and indemnity shall remain in full force and effect until all monies due and payable or contingently due or liable to be paid have been paid or satisfied in full.

6.4 Development fund

HRV formed a development fund for the purpose of providing the industry with a source of income to fund capital projects. Income allocated to the fund and associated expenses are included in the consolidated Comprehensive Operating Statement. Development fund liabilities are brought to account as expenses and a liability is recognised in the year that the funding is approved by the Group and the Group has an obligation to make payment to external parties.

During the year ended 30 June 2022 expenditure on the following projects was incurred. No comparative for 2021 is shown due to the nature of the program. Each year the projects receiving funding change therefore making any comparative not applicable.

		2022 \$'000
Bacchus Marsh	Redevelopment	8
Bendigo	Harness Facility upgrade	172
Charlton	Undercover stabling	108
Cranbourne	Emergency Generator	37
Cranbourne	Stabling Works	62
Geelong	Internal Works	101
Maryborough	Harness Racing Club upgrade	1
Shepparton	Harness Racing Club upgrade	1,125
Terang	Stabling and Community Hub	730
	Track Maintenance	168
	Consultants	38
	Maximum Demand	81
	Re-lamping	71
	Water Truck	390
Total development fund expenses		3,092

6.5 Commitments for expenditure

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources. Commitments are

disclosed at their nominal value and inclusive of the goods and services tax (GST) payable as well as the net present values.

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
MAX gaming solutions service agreement				
Not longer than one year	759	692	-	-
Longer than one year and not longer than 5 years	5,420	803	-	-
Total capital expenditure commitments (inclusive GST)	6,179	1,495	-	-
Less GST recoverable from the Australian Taxation Office	(562)	(136)	-	-
Total capital expenditure commitments (exclusive GST)	5,617	1,359	-	-

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Gaming machine entitlements				
Not longer than one year	417	-	-	-
Longer than one year and not longer than 6 years	3,121	-	-	-
Total capital expenditure commitments	3,538	-	-	-

On commencement of the gaming arrangements in 2012, the infrastructure, services and functions currently supplied by MAX become the responsibility of the gaming venues. Gaming machine entitlements liability has been brought to account based on the present value of future payments which are required under the

purchase arrangements. The new agreement for the Gaming licence will commence from August 2022 for a term of seven years. Two instalments have been made and penalties apply if contract terminated and there's no GST applicable on the new gaming machine entitlements.

7. Risks, contingencies and valuation judgements

The Group is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This note sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Group related mainly to fair value determination.

7.1 Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Group's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Categories of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Group to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Group recognises the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

Financial assets at fair value through other comprehensive income

Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading and the Group has irrevocably elected at initial recognition to recognise in this category. These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income. Upon disposal of these equity instruments, any related balance in the fair value reserve is reclassified to comprehensive income. However, upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to retained earnings.

The Group recognises its investment in Radio 3UZ Unit trust and RISE in this category noting however that as the shares are not listed, The Group determines the fair value by way of an independent valuation of the shares and brought to account the increase in the share value to the valuation reserve and also through other economic flows- other comprehensive income.

Categories of financial liabilities

Financial liabilities at amortised cost

Financial liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all payables (excluding statutory payables) and borrowings (including finance lease liabilities).

Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated Balance Sheet when, and only when, the Group has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either: has transferred substantially all the risks and rewards of the asset; or has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Group has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Group's continuing involvement in the asset.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments

Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the Group's business model for managing its financial assets has changed such that its previous model would no longer apply.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

Financial instruments: Categorisation	Cash and deposits	Financial assets measured at fair value through other comprehensive income (FVOCI)	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
2022	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Cash and deposits	3,042	-	-	-	3,042
Receivables	-	-	8,098	-	8,098
Investments	-	2,080	-	-	2,080
Total contractual financial assets	3,042	2,080	8,098	-	13,220
Contractual financial liabilities					
Payables	-	-	-	7,080	7,080
Interest bearing liabilities	-	-	-	25,520	25,520
Total contractual financial liabilities	-	-	-	32,600	32,600
2021					
Contractual financial assets					
Cash and deposits	1,948	-	-	-	1,948
Receivables	-	-	7,241	-	7,241
Investments	-	2,080	-	-	2,080
Total contractual financial assets	1,948	2,080	7,241	-	11,269
Contractual financial liabilities					
Payables	-	-	-	6,369	6,369
Interest bearing liabilities	-	-	-	18,403	18,403
Total contractual financial liabilities	-	-	-	24,772	24,772

- The amount of receivables disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable).
- The amount of payables disclosed here exclude statutory amounts (e.g. GST payables).
- Investments in subsidiaries are recorded cost, less impairment.

Financial risk management objectives and policies

As a whole, the Group's financial risk management program seeks to manage risks and associate volatility of its performance. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in note 4 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Group's financial risks within the government policy parameters. The Group's main financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group manages these financial risks in accordance with its financial risk management policy.

The Group uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer of the Group. Risk management is carried out by management and reported on an exception basis to the Governing Board. The Governing Board consists of the Board and the Audit and Risk Committee. The Governing Board reviews and agrees policies for managing each of these risks in consultation with management and undertakes regular monitoring of the performance of the Group's financial assets and liabilities.

Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Group's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Group. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Group's contractual financial assets is minimal because the main debtor is Tabcorp, being the Victorian Racing Industry's Joint Venture partner. For debtors other than Tabcorp, it is the Group's policy to only deal with entities assessed as being credit worthy and to obtain sufficient collateral or credit enhancements where appropriate. In addition, the Group does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. As with the policy for debtors, the Group's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Group will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

Credit risk is managed at the Group level. Credit risk arises from the contractual financial assets of the Group, which comprise cash and cash equivalents, and trade and other receivables. The Group's exposure to credit risk arises from the potential default of counter party on their contractual obligations resulting in financial loss to the Group. Credit risk is measured at fair value and monitored on a regular basis.

Except as otherwise detailed in the following tables, the carrying amount of contractual financial assets recorded in the consolidated Financial Statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Credit quality of financial assets	Financial institutions	Credit rating of financial institution	Other	Total
2022	\$'000		\$'000	\$'000
Contractual financial assets				
Cash and deposits	3,042	AA-	-	3,042
Receivables	-	-	8,098	8,098
Investments	-	-	2,080	2,080
Total contractual financial assets	3,042	-	10,178	13,220
2021				
Contractual financial assets				
Cash and deposits	1,697	A+	251	1,948
Receivables	-	-	7,241	7,241
Investments	-	-	2,080	2,080
Total contractual financial assets	1,697	-	9,572	11,269

At balance date, HRV Group held cash with ANZ Banking Group. Standard and Poor's Credit Rating is the Short-Term Cash Rating for the Financial Institution as at 18 March 2022.

Currently the Group does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

Impairment of financial assets

The Group records the allowance for expected credit loss for the relevant financial instruments, applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Group's contractual and statutory receivables.

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial assets, except those measured at fair value through the consolidated Comprehensive Operating Statement, are subject to annual review for impairment.

Contractual receivables at amortised cost

The Group applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Contractual receivables have been grouped on the basis of shared credit risk characteristics and days past due and select the expected credit loss rate based on the Group's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a loss allowance is recognised when there is objective evidence that the debts may not be collected and loss allowances are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Loss allowances considered as written off by mutual consent.

Liquidity risk

Liquidity risk arises when the Group is unable to meet its financial obligations as and when they fall due. The Group operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, makes payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of cash reserves.

Market risk

The Group's exposures to market risk are primarily through interest rate risk with only an insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed below.

Foreign currency risk

The Group is exposed to insignificant foreign currency risk through a bank account held in New Zealand dollars used to have New Zealand based participants pay for fees to enter into Victorian based events. The balance of the bank account at any point in time is immaterial and therefore results in minimal exposure. Given the minimal exposure to foreign currency risk the Group does not actively manage its risk in this area.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Group does not hold any interest-bearing financial instruments that are measured at fair value, therefore has nil exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to cash flow interest rate risk arises primarily through the Group's interest-bearing liabilities. Minimisation of this risk is achieved by entering into a combination of fixed rate and capped variable interest-bearing financial instruments.

Interest rate exposure	Weighted average effective interest rate	Interest Rate exposure			
		Carrying Amount	Variable interest rate	Non-interest bearing	Nominal Amount
2022	%	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits	0.1%	3,042	2,716	326	3,042
Trade debtors		1,216	-	1,216	1,216
Tabcorp distribution		2,868	-	2,868	2,868
Accrued income		3,828	-	3,828	3,828
Other receivables		186	-	186	186
Investments - RISE		664	-	664	664
Investments - 3UZ		1,413	-	1,413	1,413
Total financial assets		13,217	2,716	10,501	13,217
Financial liabilities					
Trade creditors		1,368	-	1,368	1,368
Other payables		5,712	-	5,712	5,712
Unsecured TCV loan	1.91%	25,520	25,520	-	25,520
Total financial liabilities		32,600	25,520	7,080	32,600

Interest rate exposure	Weighted average effective interest rate	Interest Rate exposure			
		Carrying Amount	Variable interest rate	Non-interest bearing	Nominal Amount
2021	%	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits	0.1%	1,948	1,697	251	1,948
Trade debtors		2,164	-	2,164	2,164
Tabcorp distribution		2,012	-	2,012	2,012
Accrued income		2,904	-	2,904	2,904
Other receivables		161	-	161	161
Investments - RISE		663	-	663	663
Investments - 3UZ		1,417	-	1,417	1,417
Total financial assets		11,269	1,697	9,572	11,269
Financial liabilities					
Trade creditors		1,486	-	1,486	1,486
Other payables		4,883	-	4,883	4,883
Unsecured TCV loan	1.4%	18,403	18,403	-	18,403
Total financial liabilities		24,772	18,403	6,369	24,772

Equity price risk

The Group is exposed to a low-level equity price risk through its investment in 3UZ unit trust, which is an unlisted entity. Given that the investment's classification as a strategic asset central to the business operation, it is not traded and has been recognised at cost due to the factors outlined in Note 7.3.

Sensitivity disclosure analysis

The below table discloses the Group's net operating result and equity for each category of financial instrument held by the Group at year end if the following movements were to occur:

- A parallel shift of +2 per cent and -2 per cent in market interest rates (AUD) from year-end rates;
- Proportional exchange rate movement of -5 per cent (depreciation of AUD) and +5 per cent (appreciation of AUD) against the NZD.

	Carrying Amount	Foreign exchange risk				Interest rate risk			
		-5%		5%		-2%		2%	
		Net result	Equity	Net result	Equity	Net result	Equity	Net result	Equity
2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial asset									
Cash and cash Equivalents	3,042	8	8	(8)	(8)	61	61	(61)	(61)
Receivables	8,098	-	-	-	-	-	-	-	-
Investments	2,080	-	-	-	-	-	-	-	-
Contractual financial liabilities									
Payables	7,080	-	-	-	-	-	-	-	-
Interest bearing liabilities	25,520	-	-	-	-	255	255	(255)	(255)
Total impact		8	8	(8)	(8)	316	316	(316)	(316)

	Carrying Amount	Foreign exchange risk				Interest rate risk			
		-5%		5%		-1%		1%	
		Net result	Equity	Net result	Equity	Net result	Equity	Net result	Equity
2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial asset									
Cash and cash Equivalents	1,948	9	9	(9)	(9)	19	19	(19)	(19)
Receivables	7,241	-	-	-	-	-	-	-	-
Investments	2,080	-	-	-	-	-	-	-	-
Contractual financial liabilities									
Payables	6,369	-	-	-	-	-	-	-	-
Interest bearing liabilities	18,403	-	-	-	-	184	184	(184)	(184)
Total impact		9	9	(9)	(9)	203	203	(203)	(203)

Cash and cash equivalents includes AUD\$167,457 in cash held in a New Zealand bank account NZD\$185,527 @NZD/AUD 0.9026 at 30 June 2022).

7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

HRV provided the Melton Entertainment Trust (HRV is the sole beneficiary), a letter of comfort stipulating that HRV will support the Trust in meeting its obligations to 30 September 2023. As at balance date HRV believes that the performance of the Trust will be sufficient for it to meet its external obligations in its own right.

7.3 Fair value determination

This note sets out information on how the Group determined fair value for financial reporting purposes. 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 the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result;
- available-for-sale financial assets;
- land, buildings, infrastructure, plant and equipment; and
- properties.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes. The Group determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;

- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer General Victoria (VGV) is the Group's independent valuation agency. The Group in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

How this note is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and – in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This note is divided between disclosures in connection with fair value determination for financial instruments and non-financial physical assets.

Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows: [AASB 13.93(a)(b)]

- Level 1 – the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Group currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2021-22 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payable
Investments	Interest bearing liabilities
Receivables	

Fair value estimates recognised in respect of financial instruments in the balance sheet are all estimated and categorised as Level 1, except for the investments as listed in the table below.

No financial assets and financial liabilities are readily traded on organised markets in standardised form. The fair value of assets and the fair value are summarised in the table below.

Financial assets	2022			2021		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Investment – RISE	-	-	663	-	-	663
Investment – Radio 3UZ Unit Trust	-	-	1,417	-	-	1,417
Total	-	-	2,080	-	-	2,080

There have been no transfers between levels during the period.

The Group recognises the investment in RISE and Radio 3UZ as level 3 financial assets as neither have listed shares. An independent valuation of the shares were

utilised to determine the fair value with an increase to the valuation reserve and also through other economic flows under consolidated Comprehensive Income.

	Valuation technique	Significant unobservable inputs	Assumption range %	Sensitivity of fair value measurement to changes in significant unobservable inputs
Unlisted security				
RISE	Net realisable assets	Reduction in cashflows for subsequent years average decrease	-	1 per cent increase or decrease in the realisable assets in subsequent years would result in an increase or decrease in fair value by \$7
Radio 3UZ Pty Ltd	Discounted cashflow	Reduction in cashflows for subsequent years average decrease	30 - 40%	10 per cent increase or decrease in the cashflows in subsequent years would result in an increase or decrease in fair value by \$141

Reconciliation of fair value movements	2022	2021
	\$'000	\$'000
Investment in RISE		
Opening balance	490	490
Total gain or loss recognised	173	173
Closing balance	663	663

Investment in Radio 3UZ Pty Ltd	2022	2021
	\$'000	\$'000
Opening balance	1,417	1,417
Total gain or loss recognised	-	-
Closing balance	1,417	1,417

Fair value measurement hierarchy	Carrying Amount	Foreign exchange risk		
		Fair value measurement at end of reporting period		
At fair value		Level 1	Level 2	Level 3
2022	\$'000	\$'000	\$'000	\$'000
Specialised land	94,195	-	94,195	-
Specialised buildings	42,671	-	-	42,671
Specialised leasehold improvements	357	-	-	357
Specialised plant and equipment	2,462	-	-	2,462
Specialised Melton track	1,924	-	-	1,924
Right of use motor vehicles	174	-	-	174
2021				
Specialised land	80,100	-	80,100	-
Specialised buildings	38,943	-	-	38,943
Specialised leasehold improvements	307	-	-	307
Specialised plant and equipment	2,123	-	-	2,123
Specialised Melton track	1,817	-	-	1,817
Right of use motor vehicles	322	-	-	322

Asset class	Valuation technique	Significant unobservable inputs	Assumption range	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised buildings	Current replacement cost	Direct cost per square metre and Useful life	\$2,400 per square metre 40 years	A significant increase or decrease in estimated direct cost per square metre, or useful life of the asset would result in a significant higher or lower valuation.
Specialised leasehold improvements	Current replacement cost	Direct cost per square metre and useful life	\$1,000 per square meter 40 years	A significant increase or decrease in estimated direct cost per square metre, or useful lie, of the asset would result in a significant higher or lower valuation.
Plant, Equipment	Current replacement cost	Cost per unit and useful life	Weighted average \$100 - \$500,000 per unit (\$3,000 per unit) 3 to 10 years	A significant increase or decrease in estimated cost per unit of the asset would result in a significant higher or lower valuation.
Melton track	Current replacement cost	Cost per metre	\$1,800 per metre 25 years	A significant increase or decrease in estimated cost per metre of the asset would result in a significant higher or lower valuation.
Right of use building	Value of lease	Cost per unit	\$64,000 per unit	A significant increase or decrease in estimated cost per unit of the asset would result in a significant higher or lower valuation
Right of use vehicle	Value of lease	Cost per unit	Weighted average \$20,000 - \$30,000 per unit	A significant increase or decrease in estimated cost per unit of the asset would result in a significant higher or lower valuation

Non-financial physical assets classified as held for sale

HRV entered into a Section 173 agreement with the Melton Shire Council on the 26 May 2009 with regard to freehold land held by HRV at 92-134 Abey Road, Melton South (Lot 2). This agreement requires HRV to achieve substantial commencement of construction that must be consistent with the Toolern development plan within 5 years of the date of the agreement (May 2014) and achieve practical completion within 6 years (May 2015). Failing to comply with these obligations may result in the land being retransferred back to the Melton Shire Council.

In November 2012, HRV and Melton Shire Council agreed to extend the time to develop the land with a new substantial commencement date by June 2017 and practical completion date by June 2018. A further extension was agreed to in July 2017 extending the time to 30 June 2021 and 30 June 2022 respectively. In May 2021, HRV made a further application to the Council to extend the timeframes to 30 June 2024 and 30 June 2027.

8. Other disclosures

This note includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

8.1 Reserves

	Consolidated Entity		Parent Entity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Revaluation reserve				
Balance at beginning of financial year	87,825	40,350	87,825	40,350
Changes on valuation of investments	-	173	-	173
Changes on valuation of freehold land and Melton track	14,094	47,042	14,094	47,042
Changes on valuation of building	2,858	260	2,858	260
Balance at end of financial year	104,777	87,825	104,777	87,825

The revaluation reserve arises on the revaluation of non-current assets.

8.2 Entities consolidated

The following entities have been consolidated into the Group's financial statements pursuant to a determination made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994*:

- HRV Management Ltd (company limited by guarantee) ("HML")
- Melton Entertainment Trust ("MET")

Details of related party transactions with entities within the Group and outstanding balances as at period end are set out below. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties, unless otherwise stated.

	Consolidated Entity		Parent Entity	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Transactions with MET				
Rental income	-	-	-	374
Balances:				
Other financial assets	-	-	8,688	7,773
Other current liabilities	-	-	122	2,419

8.3 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994* (FMA), the following disclosures are made regarding responsible persons for the reporting period.

Responsible Minister

The Minister for Racing is the Hon. Martin Pakula, MP (resigned 27 June 2022) and Hon. Anthony Carbines (appointed 27 June 2022).

Governing Board:

Dale G Monteith – Chair
 Dr Catherine Ainsworth – Deputy Chair
 Peter Watkinson
 Jane Brook
 Adam Kilgour
 Judy Rothacker
 Prof. Jack Anderson (resigned 29 July 2022)

Accountable Officer:

Dayle Brown – Chief Executive Officer (resigned 15 September 2022)

Remuneration received or receivable by the Accountable Officer in connection with the management of the Group and HRV during the reporting period was in the range: \$340,000 - \$349,999 (\$340,000 - \$349,999 in 2020-21).

8.4 Remuneration of key management personnel

Consolidated remuneration by \$10,000 band For responsible persons	Consolidated Entity	
	2022 \$'000	2021 \$'000
\$20,000 to \$29,999	6	6
\$60,000 to \$69,999	1	1
\$220,000 to \$229,999	-	-
\$340,000 to \$349,999	1	1
Total number	8	8
Total remuneration \$ ('000)	592	550

Consolidated remuneration	Consolidated Entity	
	2022 \$'000	2021 \$'000
Short-term benefits	2,238	1,822
Post-employment benefits	205	161
Termination benefits	42	-
Other long-term benefits	158	102
Total remuneration of executives	2,643	2,085
Total number of executives	12	8
Total annualised equivalent	10	8

The number of executive officers, other than ministers, and their total remuneration during the reporting period. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

8.5 Related parties

The Group is a wholly owned and controlled entity of the State of Victoria.

Related parties of the Group include:

- All key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- All cabinet ministers and their close family members; and
- All departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on arm's length basis.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties, unless otherwise stated;

On 15 August 2012, the Victorian Racing Industry commenced an unincorporated joint venture with Tabcorp Holdings Limited. The unincorporated joint venture conducts the businesses of wagering, gaming and approved betting competitions in Victoria through VIC Racing Pty Ltd, HRV together Racing Victoria Ltd and Greyhound Racing Victoria hold an equity interest in the joint venture. Vic Racing Pty Ltd is entitled to 50% of the joint venture and must contribute 50% of any joint venture losses. Through Racing Products Victoria Pty Ltd, the codes supply racing information to the joint venture pursuant to the Racing Program Agreement and Racing Information Agreement, in return for fees. Income derived from these sources is included as part of "Tabcorp Income" in the Operating Statement and Note 2.2 to the financial statements.

Luke Spano (Chief Operating Officer) is a Director of Vic Racing Pty. Ltd and Racing Products Victoria Pty Ltd. These companies are industry bodies and are not personal or family related.

Significant transactions with government-related entities

During the year, the Group had the following government-related entity transactions:

- Loan facility held with TCV for \$25.6m as at reporting date
- Grant revenue received from Department of Jobs, Precincts and Regions (DJPR) for \$10.6m (2021: \$19.3m)

8.6 Remuneration of auditors

	Consolidated Entity		Parent Entity	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Victorian Auditor-General's Office – audit of the financial report	83	80	53	41
Internal audit	37	28	37	28
Other audit services	-	4	-	-
Total remuneration of auditors	120	112	90	69

8.7 Subsequent events

No material subsequent events have occurred since balance date.

8.8 Other accounting policies

Foreign currency balances/transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period. Non-monetary assets carried at fair value that are denominated in foreign currencies are translated to the functional currency at the rates prevailing at the date when the fair value was determined.

Foreign currency translation differences are recognised in other economic flows in the consolidated comprehensive operating statement and accumulated in a separate component of equity, in the period in which they arise.

8.9 Change in accounting policies

There were no changes in accounting policies for this reporting period.

8.10 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards and AASB interpretations have been issued that apply to future reporting periods but are considered not to have any material impact on the Group's reporting.

- AASB 17 *Insurance Contracts*.
- AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current.
- AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.
- AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Account Estimates.
- AASB 2021-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.
- AASB 2021-7: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.

Appendix A Disclosure Index

The annual report of HRV is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of HRV's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
Ministerial Directions & Financial Reporting Directions		
Report of operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	91
FRD 22H	Purpose, functions, powers and duties	91
FRD 8D	Departmental objectives, indicators and outputs	6
FRD 22H	Key initiatives and projects	10-31
FRD 22H	Nature and range of services provided	42-85
Management and structure		
FRD 22H	Organisational structure	91
Financial and other information		
FRD 8D	Performance against output performance measures	10-31
FRD 8D	Budget portfolio outcomes	35
FRD 10A	Disclosure index	86-87
FRD 12B	Disclosure of major contracts	95
FRD 15E	Executive officer disclosures	83-84
FRD 22H	Employment and conduct principles	93
FRD 22H	Occupational health and safety policy	92
FRD 22H	Summary of the financial results for the year	31
FRD 22H	Significant changes in financial position during the year	31
FRD 22H	Major changes or factors affecting performance	31
FRD 22H	Subsequent events	85
FRD 22H	Application and operation of Freedom of Information Act 1982	95
FRD 22H	Details of consultancies over \$10 000	95
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	96
FRD 22H	Statement on National Competition Policy	96
FRD 22H	Application and operation of the Public Interest Disclosures Act 2012	96
FRD 22H	Application and operation of the Carers Recognition Act 2012	97
FRD 22H	Disclosure of ICT expenditure	96
FRD 22H	Statement of availability of other information	97
FRD 24D	Reporting of office-based environmental impacts	97
FRD 25D	Local Jobs First	95
FRD 29C	Workforce Data disclosures	93
SD 5.2	Specific requirements under Standing Direction 5.2	35

Legislation	Requirement	Page reference
Ministerial Directions & Financial Reporting Directions		
Report of operations		
Compliance attestation and declaration		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	97
SD 5.2.3	Declaration in report of operations	6
Financial Statements		
Declaration		
SD 5.2.2	Declaration in financial statements	35
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	38-98
SD 5.2.1(a)	Compliance with Ministerial Directions	38-98
SD 5.2.1(b)	Compliance with Model Financial Report	38-98
Other disclosures as required by FRDs in notes to the financial statements (a)		
FRD B	Departmental Disclosure of Administered Assets and Liabilities by Activity	83-84
FRD 11A	Disclosure of Ex gratia Expenses	58
FRD 13	Disclosure of Parliamentary Appropriations	40 & 67
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	83-84
FRD 103H	Non-Financial Physical Assets	68
FRD 110A	Cash Flow Statements	40
FRD 112D	Defined Benefit Superannuation Obligations	49

Note: (a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.

Legislation

Freedom of Information Act 1982

Building Act 1993

Public Interest Disclosure Act 2012

Carers Recognition Act 2012

Disability Act 2006

Local Jobs First Act 2003

Financial Management Act 1994

Appendix B

Glossary of Technical Terms

The following is a summary of the major technical terms used in this report.

Amortisation is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, lease liabilities, service concession arrangements and other interest-bearing arrangements. Borrowings also include non interest-bearing advances from government that are acquired for policy purposes.

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Financial asset is any asset that is:

- cash
- an equity instrument of another entity
- a contractual right:
 - to receive cash or another financial asset from another entity
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity
- a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

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 liability is any liability that is:

- a contractual obligation:
 - to deliver cash or another financial asset to another entity
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity
- a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements in the Annual report comprises:

- a balance sheet as at the end of the period
- a comprehensive operating statement for the period
- a statement of changes in equity for the period
- a cash flow statement for the period
- notes, comprising a summary of significant accounting policies and other explanatory information
- comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*
- a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession financial liabilities and amortisation of discounts or premiums in relation to borrowings.

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Net operating balance or net result from transactions is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also to 'net result'.

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

Payables includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which does not include the start-up costs associated with capital projects).

Receivables include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and services refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under leases and on produced assets such as buildings and entertainment but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Group.

Taxation income represents income received from the State's taxpayers and includes:

- payroll tax, land tax and duties levied principally on conveyances and land transfers
- gambling taxes levied mainly on private lotteries, electronic gaming machines, casino operations and racing
- insurance duty relating to compulsory third-party, life and non-life policies
- insurance company contributions to fire brigades
- motor vehicle taxes, including registration fees and duty on registrations and transfers
- levies (including the environmental levy) on statutory corporations in other sectors of government
- other taxes, including landfill levies, licence and concession fees.

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Government.

Statutory Information

Purpose and functions

HRV is a statutory corporation for which the Minister for Racing is responsible. Established pursuant to the Racing Act 1958, it officially commenced operations as the Trotting Control Board on 1 January 1947. Harness Racing Victoria's function is to administer, develop and promote the sport of harness racing in Victoria.

Our mission is "To deliver the most sought-after and accessible harness racing that produces financial sustainability, ensures clubs are the heart of their communities and provides equal opportunities for all participants to compete".

Subsequent events

No material subsequent events have occurred since balance date.

Organisational structure and corporate governance arrangements

HRV is led by a seven-member Board which reports to the Minister for Racing and an Executive Management Team.

Minister for Racing - The Hon. Anthony Carbines, MP (resigned 27 June 2022) and Hon. Anthony Carbines (appointed 27 June 2022)

Members of Harness Racing Victoria Board

Dale G Monteith - Chairman

Dr Catherine Ainsworth - Deputy Chair

Peter Watkinson

Jane Brook

Adam Kilgour

Judy Rothacker

Prof. Jack Anderson (resigned 29 July 2022)

Members of Harness Racing Victoria Executive Management Team

Dayle Brown - Chief Executive Officer (resigned 15.09.22)

Luke Spano - Chief Operating Officer

Stephen Bell - General Manager, Racing & Wagering

Fiona Mellor - Chief Commercial Officer

Cody Winnell - General Manager Media and Communications

Natalie Wright Boyd - General Manager People and Culture

Anita Rozen - Director, Transformation Lead

Gayle Harvey - General Manager - Tabcorp Park Melton

Audit and Risk Committee

The Audit and Risk Committee consists of the following members:

David Logan (Chairman)

John Wilkinson (Independent Committee Member)

Dr Catherine Ainsworth (HRV Board Member)

The main responsibilities of the Audit and Risk Committee are to:

1. Oversee and advise the HRV Board on matters of accountability and internal control affecting the operations of HRV Group and registered Country Clubs.
2. Assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to:
 - o The entity's reporting of financial information
 - o Application of accounting policies
 - o Internal controls
 - o Risk management
 - o Business policies and practices and compliance with applicable laws, regulations, standards and best practice guidelines
3. Review results of the annual external audit and maintain effective communication with external auditors to ensure adequate resolution
4. Provide a structured reporting line for internal audit
5. Improve the quality of internal and external financial reporting for HRV and the industry as a whole
6. Monitor the financial position and financial performance of Country Clubs; and
7. Assist the Board in reviewing the effectiveness of HRV's internal control environment covering:
 - o Effectiveness and efficiency of operations
 - o Reliability of financial reporting
 - o Compliance with applicable laws and regulations.

Occupational health and safety

HRV is committed to ensuring the continuation of a proactive approach in the prevention of injury and illness at its workplaces and in carrying out its function as the controlling body of Harness Racing in Victoria.

Incident management

	Parent	TCP	Consolidated
Incidents			
Number of incidents	19	24	44
Fatalities	0	0	0
Incidents Investigated	100%	100%	100%
Incidents reported to Regulator (Worksafe)	3	10	13
Improvement notices issued by Worksafe	0	0	0
Improvement notices issued by HSR	0	0	0
Workcover			
Claims raised	0	0	0
Consultation			
OHS Committee meeting	4	n/a	4

Employment and conduct principles

HRV complies with the application of the Public Sector Employment and Conduct Principles. The Board has established processes that ensure employment decisions are made on merit, employees are treated fairly and reasonably, equal employment opportunities are provided, and employees have a reasonable avenue of redress against unfair or unreasonable treatment.

Comparative workforce data

The following table discloses the head count of all active HRV employees, employed in the last full pay period in June of the current reporting period (2022), and in the last full pay period of the previous reporting period (2021). The table also discloses the full-time equivalent (FTE) based on total working hours for the full pay period in 2022 and 2021.

	June 2022						June 2021							
	Ongoing			Casual			Ongoing			Casual				
	All employees (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	All employees (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Gender														
Women	125	63	45	11	55	69	8	120	58	39	8	44	73	14
Men	143	90	79	2	79	62	11	140	81	69	1	69	70	12
Age														
15-24	30	7	3	-	3	27	4	25	7	3	-	3	22	4
25-34	57	33	33	1	31	23	2	61	36	31	1	31	29	5
35-44	50	33	35	4	31	11	2	49	34	29	4	31	16	3
45-54	55	25	28	2	21	25	4	46	24	20	1	21	25	3
55-64	47	27	21	6	24	20	3	52	31	22	3	24	27	7
65+	29	8	4	-	3	25	5	27	7	3	-	3	24	4
Position type														
Executives	13	9	13	0	9	0	-	9	9	9	-	9	-	-
Management/ Professional	24	17	18	5	17	1	-	22	17	19	3	17	-	-
Administrative	43	41	37	4	40	2	1	44	41	35	5	40	4	1
Hospitality	86	28	24	4	18	58	10	81	28	17	1	18	63	10
Raceday	102	44	32	0	29	70	15	104	44	28	-	29	76	15
Total employees	268	139	124	13	113	131	26	260	139	108	9	113	143	26

The following table discloses the annualised total salary for senior employees of the Group, categorised by classification. The salary amount is reported as the full-time annualised salary.

Total remuneration, by \$20,000 band, for Executives and other senior non-executive staff

Income band	2022	2021
\$0 to \$20,000	-	-
\$20,001 to \$40,000	-	-
\$40,001 to \$60,000	-	-
\$60,001 to \$80,000	-	-
\$80,001 to \$100,000	-	-
\$100,001 to \$120,000	-	-
\$120,001 to \$140,000	-	-
\$140,001 to \$160,000	-	-
\$160,001 to \$180,000	3	-
\$180,001 to \$200,000	2	2
\$200,001 to \$220,000	2	4
\$220,001 to \$240,000	-	2
\$240,001 to \$260,000	1	-
\$260,001 to \$280,000	2	-
\$280,001 to \$300,000	-	-
\$300,001 to \$320,000	-	-
\$320,001 to \$340,000	-	-
\$340,001 to \$360,000	-	-
\$360,001 to \$380,000	1	-
Total number	12	8
Total remuneration \$ ('000)	2,344	1,596

Workforce inclusion policy

HRV is working towards creating an inclusive working environment where equal opportunity and diversity are valued, and that reflects the communities we serve Consistent with the Gender Equality Act 2020. The workforce in 2021-22 is 47% women and values staff of all gender identities at all levels of the organisation.

Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria.

There were no contracts started in 2021-22 to which VIPPP applied.

There were no contracts completed in 2021-22 to which VIPPP applied.

Consultancies

During the year, HRV had nine consultancies that cost in excess of \$10,000 excluding GST. The total expenditure incurred during 2021-22 in relation to these consultancies is \$673,890 (excluding GST). Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Total approved project fee	Expenditure 2021/22 (excluding gst)	Future expenditure (excluding gst)
		\$	\$	\$
Benestar	People & Culture Consultant	27,997	27,997	-
WorkLogic	People & Culture Consultant	13,541	13,541	-
Mercer Consulting	People & Culture Consultant	43,200	43,200	-
Johnson Winter & Slattery	People & Culture Consultant	26,062	26,062	-
IR Result	People & Culture Consultant	66,364	66,364	-
Tonkin & Taylor	Ferris Road Monitoring	51,460	51,460	-
Capability Network	Organisation Strategy	80,000	80,000	-
Gemba Group	Organisation Strategy	347,260	347,260	-

Disclosure of major contracts

No disclosure of major contracts is required by HRV as during the year HRV did not enter into any contracts with a value greater than \$10.0 million.

Freedom of information

Requests for access to documents under the *Freedom of Information Act 1982* are directed to the Board's Freedom of Information Officer, Glynn Mayne. During 2021-22, there was one request received by HRV.

Compliance with Building Act 1993

HRV does not own or control any government buildings and is exempt from notifying its compliance with the building and maintenance provisions of the Building Act 1993.

Competitive neutrality policy

The principle of competitive neutrality aims to ensure that Government businesses do not enjoy any net competitive advantage simply by virtue of their public sector ownership. HRV is not a tax funded general Government service and does not adopt any pricing principles utilising a net competitive advantage. Approximately 34% of the HRV Group's Income is derived from Tabcorp Holdings Limited pursuant to a Joint Venture Agreement. Remaining revenue streams are derived from 'arms-length' business operations and government grants.

Compliance with Public Interest Disclosures Act 2012

HRV is committed to the aims and objectives of the *Public Interest Disclosures Act 2012* (the Act). It does not tolerate improper conduct by its employees or officers, nor the taking of reprisals against those who come forward to disclose such conduct.

HRV recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health or safety or the environment.

Policies and procedures have been established and communicated in order to provide an effective system for reporting disclosures of improper conduct or detrimental action by HRV or its employees.

	Number	Type
The number and types of disclosures made to the public body during the year	Nil	
The number of disclosures referred to the Ombudsman for determination as to whether they are public interest disclosures	Nil	
The number and types of disclosed matters referred to the public body by the Ombudsman for investigation	Nil	
The number and types of disclosures referred by the public body to the Ombudsman for investigation	Nil	
The number and types of investigations taken over from the public body by the Ombudsman	Nil	
The number of requests made by a discloser to the Ombudsman to take over an investigation by the public body	Nil	
The number and types of disclosed matters that the public body had declined to investigate	Nil	
The number and type of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation	Nil	
Any recommendations made by the Ombudsman that relate to the public body	Nil	

Compliance with the Carers Recognition Act 2012

HRV has taken all practical measures to comply with its obligations under the Act. These include:

- promoting the principles of the Act to people in care relationships who receive our services and to the wider community.
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act.
- considering the care relationships principles set out in the Act when setting policies and providing services.
- implementing priority actions in *Recognising and supporting Victoria's carers: Victorian carer strategy 2018-22*.

Compliance with the Disability Act 2006

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community.

Absolutely everyone: *State disability plan for 2017-2020* is the Victorian Government's framework for enabling people with disability to participate and contribute to the social, economic and civic life of their community. Over time the government will consider ways to align disability action plans to the state plan.

Environmental Impacts

HRV remains committed to reducing the energy and greenhouse gas emissions across the Club network. The tracks across the network continue to be upgraded to energy efficient lamps.

HRV in conjunction with VRIF continues to support Clubs in the upgrading of water trucks. The purpose-built units complete with proficient spray systems and booms have been responsible for a significant decrease in water usage and fuel savings. Clubs also continue to maximise water storage opportunities to assist in reducing the cost of the water supplies.

Office-based paper usage reduction initiatives continue to be identified and adopted, with an encouragement for participants to utilise online methods such as Harness Web. With majority of office-based staff now working from home regularly, there is a reduction in the office-printing and increase use of video meetings, thereby also reducing carbon emissions from travel.

Additional information available on request

In compliance with the requirements of the Ministerial Directions of the Assistant Treasurer, details in respect of the items listed below have been retained by HRV and are available to the relevant Ministers, Members of Parliament and the public on request, subject to the provisions of the *Freedom of Information Act 1982*.

- a. A statement that declarations of pecuniary interests as completed by all relevant officers.
- b. Details of publications produced by HRV and where they can be obtained.
- c. Details of changes in prices, fees, charges, rates and levies charged by HRV for its services.
- d. Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
- e. Details of assessments and measures undertaken to improve the occupational health and safety of employees, not otherwise detailed in the Report of Operations.

Attestation for financial management compliance statement

Harness Racing Victoria Financial Management Compliance Attestation Statement

I, Dale G Monteith, on behalf the Board, certify that Harness Racing Victoria has complied with the applicable Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994* and Instructions.



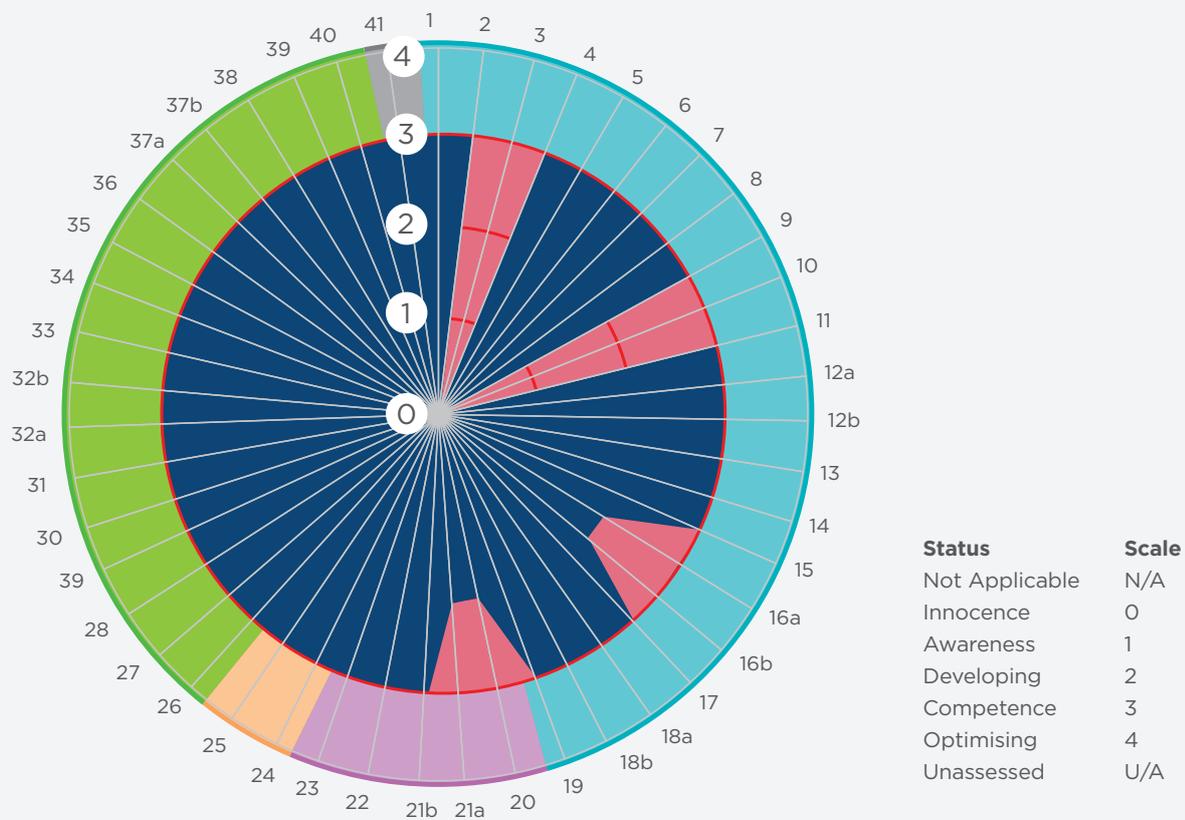
Dale G Monteith
Chairman
Harness Racing Victoria

12 October 2022

Asset Management Accountability Framework (AMAF) Maturity Assessment

The following note summarises HRV's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements.

The HRV's target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.



Leadership and accountability (requirements 1-19)

HRV has met or exceeded its target maturity level under most requirements within this category. HRV did not comply with some requirements in the areas of allocating asset management responsibility and other requirement. There is no material non-compliance reported in this category. A plan for improvement is in place to improve HRV's maturity rating in these areas.

Planning (requirements 20-23) and acquisition (requirements 24 and 25)

HRV has met or exceeded its target maturity level in this category.

Operation (requirements 26-40)

HRV has met or exceeded its target maturity level under most requirements within this category. HRV did not comply with some requirements in the areas of monitoring and preventative action and information management. Monitoring and preventative action is an area of material non-compliance. HRV is developing a plan for improvement to establish processes to proactively identify potential asset performance failures and identify options for preventive action.

Disposal (requirement 41)

HRV has met its target maturity level in this category.



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RACING
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