

2023-2024

# ANNUAL REPORT

HARNESS RACING VICTORIA



HARNESS  
RACING  
VICTORIA

Cover image: Chris Lang guides Sundons Gift into his new home at Living Legends (Picture Stuart McCormick)  
Page 2 image: 2023 Victoria Cup night preparations (Picture Isabella Fletcher)



# CONTENTS

04 Chair's Report	06 CEO's Report	10 Wagering
11 Industry snapshot	16 Integrity	32 Financial Operations

CHAIR'S REPORT	04	INTEGRITY	16
CEO'S REPORT	06	DEVELOPMENT	18
HRV BOARD	08	CLUBS AND INFRASTRUCTURE	20
WAGERING	10	COMMUNITY	22
INDUSTRY SNAPSHOT	11	RACING REVIEW	24
PARTICIPANT RETURNS	12	AWARDS	28
RACING AND BREEDING	13	GROUP 1 WINNERS	30
HORSE WELFARE	14	FINANCIAL OPERATIONS	32

# CHAIR'S REPORT



Despite significant financial headwinds that continued through 2023/24, the harness racing industry in Victoria once again proved its resilience, showcasing a world-class harness racing product.

History was not just made, it was rewritten at many turns, both on our own tracks and abroad.

We will long rejoice pacer Act Now's win in an extraordinary edition of the Pryde's EasiFeed Victoria Cup, when he came from the clouds to pip a brilliant Leap To Fame.

The Queenslander, Leap To Fame, would return to enhance his reputation down south with victory in the SENTrack A G Hunter Cup, a worthy winner of the race considered by many to be Australia's heavyweight championship.

We saw the best of Victorian trotting on that same night, when Callmethebreeze won a titanic battle with

Just Believe in the Yabby Dam Farms Great Southern Star final. It was a rare fighting defeat that only added to the legend of Jess Tubbs and Greg Sugars' trotter, who was so often in a class of his own.

There were also plenty of proud Victorian moments beyond our borders, including when Victorian mare Encipher won the first \$2million TAB Eureka slot race, and when the aforementioned Just Believe came back bigger and better from his European heroics to dominate in New Zealand.

Our people also reaffirmed harness racing's promise, in particular on New Year's Eve when Ryan Sanderson came out on top in Victoria's first Young Guns Series.

It was 12 months to remember on the track, where for many participants winning a maiden at Maryborough or Mildura was as satisfying as taking on Australia's best for Group 1 glory.

The 436 race meetings in Victoria were made possible by the hard work and dedication of our participants. Your love for the sport and competitive spirit are truly commendable. I extend my heartfelt thanks to each of you for making these events a success week in and week out.

I would also like to take a moment to appreciate the dedication and hard work of the team at Harness Racing Victoria (HRV). Despite being consistently asked to do more with less, the HRV staff rose to challenges with enthusiasm to get the job done. Thank you, HRV staff, for your unwavering commitment.

The coming years will require more ingenuity, efficiency, and dedication.

All Victorian racing codes are facing revenue and regulatory challenges. A combination of increased gaming and wagering taxes, less generous funding models, and restrictions on wagering service providers have seen industry-wide revenues reduce by an average of 30 per cent over the last two years.

As the smallest code, harness racing has been impacted faster and harder than others. HRV has

led the way on how we respond to a new normal to make our sport sustainable. Others are watching and following our lead.

HRV's Board and executive spent the first half of FY24 planning to make the organisation more efficient. Then, we challenged ourselves and the industry to do things better while incorporating \$10 million in cuts.

In the second half of the year, we implemented further changes to our organisation and racing program, all with a laser focus on making the sport sustainable in the future.

HRV has, with our participants, lent more heavily than ever before to data-led research to make decisions that improve our racing and revenue. These decisions have been made with the future of the whole Victorian industry in mind.

In the coming year, there will be more changes to when and where we race to improve the experience for trainers, drivers, owners, breeders, fans and punters, as we endeavour to produce the best racing product with the most returns.

As we make these once-in-a-generation changes to the sport, we are determined to continually improve integrity capability and horse welfare, maintaining our social license to operate. There is no room for

compromise on integrity, which would only dent punters' confidence and threaten the sport.

As always, HRV's integrity and welfare teams have approached their roles with intuition, energy, and problem-solving zeal.

Finally, I would like to acknowledge HRV's outgoing Chair, Dale Monteith, who led the organisation for eight years, including through significant upheaval during COVID-19. Dale is one of Australia's most respected and prominent racing administrators, and HRV was blessed to have his wisdom and guidance. Dale remains an enthusiastic participant, and I'm sure he will not be lost to the sport.

As we know well, harness racing gets into your bones; it has a passion-filled grip, which drives participants to succeed, punters, owners, breeders, and fans to engage, and a unique spirit worth fighting for.



Adam Kilgour  
Chair, Harness Racing Victoria

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## 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 2023.



Adam Kilgour  
Chair, Harness Racing Victoria  
August 31, 2024

# CEO'S REPORT



It's 18 months since I was honoured to be appointed Chief Executive Officer of Harness Racing Victoria.

That involvement is a sprint compared to the time many have spent in this great industry, but much has passed across my desk since January 2023, having unpicked challenges and lent into opportunities with passionate HRV staff members, participants, and stakeholders.

It has been a period of significant review and consolidation. Harness racing in Victoria is a critical industry, contributing more than half a billion dollars to the state's economy, creating thousands of jobs, and building communities across Victoria.

Those contributions are under pressure from headwinds, complex challenges manifesting in stagnant revenue and rising costs.

Much of the past 18 months has been spent identifying the depth of these challenges and analysing the best pathways to ensure harness racing in Victoria's viability.

What have we learned?

First and foremost, the industry has a revenue problem. Costs far outstrip income and have done for years.

Most of the cost pressure comes from natural inflation, worsened by the recent rises that have impacted day-to-day living. The price of putting on 'the show' has increased at all levels, including integrity and animal welfare, occupational health and safety, operational expenses, staffing, broadcasting, equipment, and, above all, prizemoney.

As can be seen on page 12 of this annual report, which focuses on participant returns, stake money, bonuses and trophies increased almost 20 per cent from FY20 (\$41.4 million) to FY23 (\$50.6 million). In the same period, other operating costs (all costs except stake money) increased 7.9 per cent.

By contrast, total revenue increased only 5.6 per cent, and then eroded in FY24, with revenues back at FY19 levels.

These movements are in keeping with HRV's priority – to maximise participants' returns – but, unfortunately, revenue hasn't kept pace, creating unsustainable losses.

Wagering income equates for about 75 per cent of total revenue, with other income including Government grants, sponsorship, media rights, futurities and non-racing Melton income.

HRV's wagering turnover (the total amount wagered on the sport) in FY24 equated to about \$900 million, with the industry receiving about 2.85 cents for each dollar wagered in race field fees (about \$25.656 million). Licence revenues in the form of the joint venture (\$28 million) and the point of consumption tax are other significant wagering-related revenue.

The wagering market is stressed, including the TAB's falling market share, which is drastically reducing the Victorian Racing Industry's revenues. There was a respite during the pandemic when racing codes enjoyed an extraordinary spike, but that was short-lived.

More pointedly, revenue has remained stagnant while costs have risen.

Since 2017, the state government has generously supported harness racing in Victoria with approximately \$55 million. This funding has been used to offset revenue declines, including the Tabcorp Joint

Venture, COVID support packages, and investments made as part of the Trots 24 strategy.

In early 2023, the Government directed all government agencies, including Harness Racing Victoria, to “live within their means,” advising that no further operational or solvency funding would be provided outside of annual State Budget processes.

For HRV, immediate compliance would have resulted in a \$30 million expenditure reduction, which risked putting the industry in a tailspin from which it would unlikely recover.

HRV announced in August 2023 \$10 million in cost synergies and revenue generation opportunities for FY24 and worked collaboratively with the Office of Racing and Racing Minister's Office to develop an industry restructuring plan.

The plan included an exchange of the vacant land to the west of the racetrack at Melton (about 75.1 hectares, including the 19ha former landfill site) for:

- Additional solvency funding for harness racing in Victoria until appropriate cost reductions take effect and
- Repayment of HRV's debt to the value of \$41.9m

Harness racing in Victoria faces the challenge of finding a pathway to long-term sustainability, a well-understood process.

As part of this, an Ernst & Young Report, co-funded by the State Government, consulted with participants and stakeholders to assess the sport's health and alternatives.

Much of their work can be seen in May's announcement of a new racing calendar model, which has been implemented under the direction of HRV's recently appointed Chief Commercial Officer Glenn Lee, his racing team, and a collaborative country club network.

The model prioritises racing more often where horse populations are most significant to limit costs for participants and the industry, and it prioritises racing more where punters are most engaged. HRV also announced more than \$10 million in operational and prizemoney reductions in August 2023 and a further \$6.6 million in operational savings in May 2024.

In short, HRV has been focused on reducing costs while maintaining or increasing revenue. These actions are the primary drivers of harness racing in Victoria's financial sustainability.

To achieve this, change is required at all levels of the industry, which requires dramatic shifts and has HRV tackling FY25 with a very different approach.

We have a dedicated Board to drive this change behind recently elected Chair Adam Kilgour, whose expertise will be invaluable in guiding harness racing through changing times. Mr Kilgour succeeds our chair of eight years, Dale Monteith, a giant of Victorian racing administration who gave his all to the sport, and I thank him for his service.

The HRV team has also significantly changed shape. The executive team has shrunk from seven to four, with Fiona Mellor (Chief Commercial Officer), Stephen Bell (General Manager of Racing), and Natalie Wright-Boyd (General Manager of People & Culture) ending their tenures. Each has left an indelible mark on the sport.

I'm fortunate to have a small but stoic executive of Chief Operations Officer Luke Spano, Chief Commercial Officer Glenn Lee and GM of Integrity Rhys Harrison, who are supported by HRV staff to drive this transition.

With more than \$12 million in operational savings already announced and implemented, the sport will need to do more with less, but I remain optimistic with the support of a committed Government, a passionate industry and dedicated staff harness racing will trek a pathway to sustainability in Victoria.



Matt Isaacs  
CEO HRV

# BOARD PROFILES



## Dale Monteith Outgoing Chair - July-March

**Experience:** CEO of the Victoria Racing Club (2000–2013) and CEO at the Melbourne Racing Club (1991–2000); Member of the Victorian Racing Industry/Tabcorp Joint Venture Management Committee (1995–2010); Trustee for the Melbourne Cricket Ground Trust.



## Adam Kilgour Chair - April-June

**Experience:** Currently Managing Director Diplomacy Pty Ltd, a corporate affairs advisory firm and Non Executive Director of Groote Holdings. Managing Director Photon Group ASX listed global marketing services company (2006 – 2010); Executive Chairman CPR (1993-2010); Adviser to Victorian and Commonwealth Government Cabinet Ministers (1989-1993); Founding Non Executive Director The Climate Institute (2005-2017); Independent Director and Chair, NSW Racehorse Trainers Association (2011-2017); Chairman Stirling Henry Global Migration (2008-2016).



## Dr Catherine Ainsworth Deputy Chair

**Experience:** Veterinarian with extensive Executive and Director experience. Was CEO of Pony Club Australia (2015 - 2023) and held senior positions in the Victorian Government including Director, Stakeholder Relationships with the former Department of Environment and Primary Industries (2008 - 2014) and Director State Veterinary Laboratory (1999 - 2008). Currently Deputy Chair of the Royal Agricultural Society of Victoria, Director of Racing Analytical Services Ltd and member of the Victorian Animal Welfare Advisory Council.



## Jane Brook

**Experience:** Communications and media specialist working with some of the biggest Australian and global consumer brands. Currently, Head of Agency Development at the Assembled Group with previous executive experience at marketing consultancy agencies, WMC360, Graffiti Group and Twenty3 Sport. 12 years on the Board of Food and Wine Victoria. A keen equestrian.



## Judy Rothacker

**Experience:** Executive experience in education and the International Marketing of Australian Education; Council member AIIA (Australian Institute of International Affairs) 2008; Chair REC (Racing Education Centre) 2021, Vice Chair 2022; Committee member REC; Curriculum and Maintenance Risk Management (2022); President Angelique Club; Chair of the Hall of Fame Committee (2023); involved in the harness racing industry as an owner and breeder.



## Dennis Bice

**Experience:** Seasoned business professional with 40 years' experience in finance with Bendigo Bank, where he held an executive retail position, being responsible for the national retail network. Operations with AFL Central Vic, CEO of Be.Bendigo. Presently CEO of Bendigo Stadium, engaging community and managing elite sport, hospitality, gaming, and events. Thirteen years on Bendigo Harness Racing Club committee, including six as president; nine years on the country clubs executive and also has run Yorkshire Park racing and breeding since 2005.

## BOARD ATTENDANCE

Board Attendance for 1st July 2023 - 30 June 2024

HRV Board Members 23/24	Number of Meetings Eligible	Number of Meetings Attended
Dale Monteith (Chair, July-March)	8	8
Adam Kilgour (Chair, April-June)	11	11
Dr Catherine Ainsworth (Vice Chair)	11	11
Jane Brook	11	11
Judy Rothacker	11	11
Dennis Bice	3	3

Attendance for 1st July 2023 - 30 June 2024

Audit & Risk Committee 23/24	Number of Meetings Eligible	Number of Meetings Attended
David Logan (Chair)	4	4
John Wilkinson (Independent Committee Member)	4	4
Dr Catherine Ainsworth (HRV representative)	4	4

# WAGERING

**Total FY24 turnover was ~\$905M, down -14.9% vs FY23. This decline was primarily driven by a 7.4% reduction in races run and an 8.4% decrease in domestic average bet size, resulting in an 8.1% decrease in average turnover per race.**

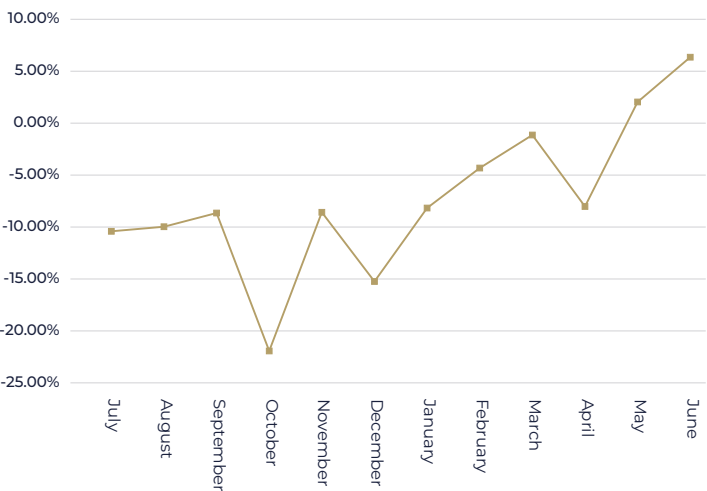
Challenging macroeconomic conditions have again impacted the broader wagering industry. Wagering service providers have felt the effects of repeated cash rate rises and inflationary pressures, which has reduced the disposable income of many households and therefore returns to racing industries have declined.

Despite these challenges, the year can best be summarised as a tale of two halves:

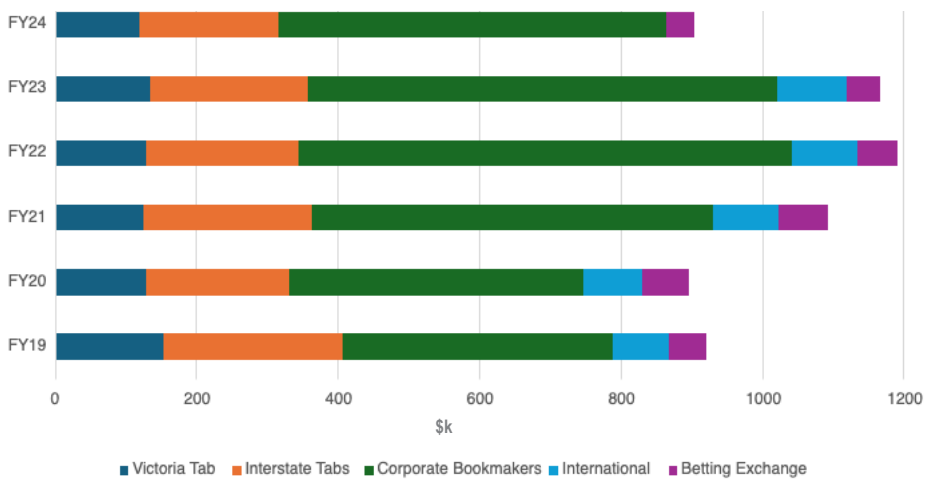
**H1:** The first half of the year faced significant macroeconomic headwinds. These challenges, coupled with the comparison to historically high figures, led to a sharp decline in turnover of 12.5% per race.

**H2:** The second half marked an improvement. With a renewed focus on prize money ROI, optimisation of race fields and innovation in race scheduling, the period recovered to only a 2.6% decline per race. Notably, there was growth in average race turnover in Q4.

## FY24 AVERAGE TURNOVER PER RACE GROWTH RATES



## HRV TURNOVER



# INDUSTRY SNAPSHOT



RACING CLUBS  
**27**



TRAINING CLUBS  
**18**



RACE TRACKS  
**28**



**10,162**

PARTICIPANTS, OWNERS, VOLUNTEERS



**\$423.9M**  
DIRECT SPENDING



**4,469**  
TOTAL EMPLOYMENT  
(Full time equivalent)

ECONOMIC IMPACT:

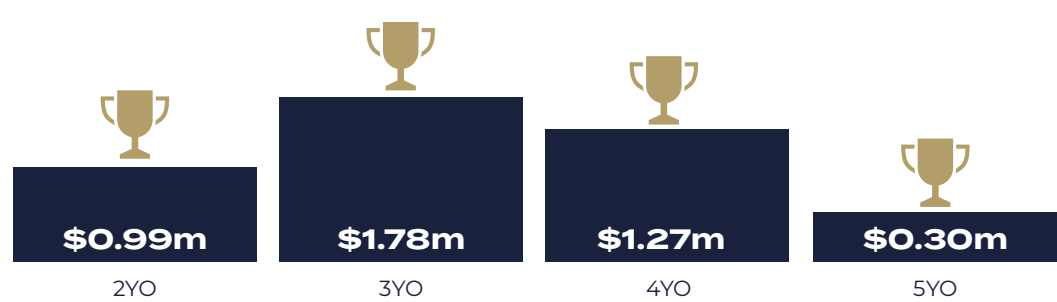
**\$613.5M**  
TOTAL



REGIONAL  
**\$450.5M**  
(73.4%)  
METRO  
**\$163.0M**  
(26.6%)

# PARTICIPANT RETURNS

Vicbred First Win Bonuses **Total: \$4.34m**



Vicbred Breeders Bonuses **536 Payments \$0.88m**

	23/24	22/23	21/22	20/21	19/20
Stakemoney	\$40,484,601	\$45,065,242	\$41,807,585	\$41,094,518	\$36,763,919
Bonus payments	\$5,294,805	\$5,459,295	\$5,373,525	\$5,696,250	\$4,563,942
Trophies and rugs	\$140,432	\$163,537	\$174,932	\$130,405	\$92,889
Participant returns	\$45,919,838	\$50,688,074	\$47,356,042	\$46,921,173	\$41,420,750



Breeding



Ownership



Trials



Animal welfare

Cost 23/24	\$388,468	\$190,313	\$207,707	\$379,282
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Numbers 23/24

646  
(horses notified)

1635  
(ownership transactions)

8068  
(horses trialed)

135  
(horses assisted or traced)

# RACING AND BREEDING

Key Indicators	2024	2023	2022	2021	2020	2019	2018
Meetings (TAB)	436	444	436	440	446	439	432
Meetings (non TAB)	-	-	-	-	1	1	1
Races	3,953	4,267	4,047	3,963	3,764	3,857	3,863
Horses raced	3,652	3,734	3,672	3,639	3,617	3,726	3,819
Nominations	59,416	56,261	52,321	50,016	48,627	47,713	50,360
Starters	36,096	37,492	35,567	35,198	31,971	32,324	32,902
Drivers	529	566	579	573	605	639	658
Trainers	939	959	987	994	1,006	1,046	1,090
Stablehands	917	968	1,130	1,159	1,126	1,085	1,154
Sires	51	49	47	60	50	73	78
Foals	1,339	1,609	1,691	1,550	1,698	1,904	1,784
Namings	1,044	1,083	1,017	1,059	1,125	1,185	1,145
Services	2,482	2,503	3,181	3,461	2,964	3,644	3,932



# WELFARE REPORT

## COMMITMENT TO EQUINE WELFARE

In FY 2023-24, HRV remained dedicated to advancing equine welfare, continuously evolving and adapting in response to emerging challenges and opportunities within the industry. Equine Welfare remains a foundational pillar for HRV.

Throughout the year, Stewards carried out 551 inspections at stable properties across Victoria, which equates to 60% of all stables being inspected. These inspections were pivotal in ensuring the overall health and wellbeing of horses, enforcing compliance with welfare standards and conducting thorough searches for unregistered or illegal products, as well as items that posed concerns from an equine welfare perspective.

In addition to stable inspections, HRV Stewards and Regulatory Veterinarians conducted horse inspections and examinations at race meetings, both pre-race and post-race. During the reporting period, HRV performed 2650 on-track veterinary inspections of horses.

Unfortunately, in 2023, the industry faced the sombre reality of having to euthanise two horses during racing events. This stark reminder underscores the ongoing importance of rigorous welfare protocols and continuous efforts to safeguard the health and safety of horses.

## HRV HERO PROGRAM

The Hero program has continued to achieve remarkable success, reflecting our unwavering dedication to the welfare of retired horses. Over the past year, we proudly rehomed 71 horses, providing them with the opportunity for a fulfilling life beyond the racetrack. Each rehoming represents a testament to our commitment to these magnificent athletes, ensuring they are cared for and cherished in their new environments.

In an effort to further enhance the effectiveness of

the Hero program, we implemented a series of cost-saving initiatives. These measures included optimising agistment arrangements, reducing veterinary costs through strategic partnerships, and streamlining our marketing and sponsorship efforts. By managing our resources, we have not only maintained the high standards of care for our horses but also ensured the long-term sustainability of the program.

Moreover, we expanded the scope of our rehoming initiatives by incorporating the Direct Off the Track (DOTT) and affiliate programs. These additions have significantly increased the potential avenues for rehoming, allowing us to reach a broader network of potential adopters. The DOTT and affiliate programs have been instrumental in providing new opportunities for our retired racehorses, demonstrating the innovative and adaptive nature of the Hero program.

The Hero program continues to make profound, positive changes in the lives of our racing heroes, ensuring they experience happiness and well-being after their racing careers conclude. Our ongoing efforts to rehome and care for these horses underscore our commitment to their welfare and our dedication to making a lasting impact on the industry. As we look ahead, we remain steadfast in our mission to provide these remarkable animals with the happy, fulfilling lives they deserve.





## PHOENIX PRINCE

"SAM"

After an impressive career on the track, earning his owners over \$300k for 43 on track efforts, PHOENIX PRINCE or Sam, as he is affectionately known, reached his mark and his owners made the decision to retire him.

After advertising via Hero's Direct Off The Track (DOTT) channels and receiving no suitable enquires, Sam underwent a pre-screening veterinary inspection to enter into the Hero program and passed.

Making the journey to Hero Recognised Retainer Shory Park Horses, he underwent thorough retraining and has since found a suitable home with a young rider who cares for him daily and rides him through their property and on nearby trails.



## MEYDAN

"KIWI"

Meydan, known to his new owner as Kiwi, had 21 on track starts for six wins, earning his owner just over \$30k.

Kiwi's owner reached out to Hero Program Affiliate Retainer Patchwork Park Equine Services, seeking a rehoming opportunity for Kiwi and self-funding his retraining and care to support him while he underwent the retraining process.

Kiwi took to life under saddle with ease, with his retrainer describing him as a pleasure to work with. He has since found a home with an older adult rider doing low-level dressage and Adult Riding Club.



## UNNAMED

"CLAUDE"

Claude's story is short and simple, as an unnamed and unraced three-year-old gelding he found himself needing a home after his trainer found he just didn't have the zest for racing.

His trainer reached out to the Hero program and was advised of the Direct Off The Track (DOTT) initiative and it was decided to try to rehome him this way while he waited for a spot with a retrainer to open up.

Shortly after advertising, Claude received a number of enquiries for his trainer to choose from.

He was given the opportunity with a young adult rider and is currently showing a lot of promise for dressage and eventing with his new owner.

# INTEGRITY REPORT



In the past year, HRV has continued to prioritise integrity as the cornerstone of its operations, ensuring fair competition and fostering trust among stakeholders. This year's annual report highlights the measures and initiatives undertaken to uphold ethical standards, enforce the Australian Harness Racing Rules and regulations, and promote transparency.

By reinforcing HRV's commitment, we aim to protect the welfare of our participants, preserve harness racing's reputation, and maintain the confidence of our fans and partners.

As we reflect on the achievements and challenges of the past year, HRV remains dedicated to advancing our integrity programs and sustaining the highest standards of conduct in harness racing.

Raceday and out-of-competition testing of horses remained a focal point across Victoria. This year HRV's Integrity Department maintained a strong collaboration with Racing Analytical Laboratory Services (RASL) to enhance HRV's equine testing protocols and investigate emerging products and substances.

HRV's testing program during the financial year resulted in, on average, 18% of all starters undergoing testing. As a result of HRV's testing program, 12 positive samples were detected, accounting for 0.18% of the total number of starters. The positive detections demonstrate that HRV's testing program is a deterrent and with our ongoing commitment to maintaining stringent testing protocols and ensuring the highest standards of integrity within the harness racing industry, we will continue to protect the integrity of the industry.

This progress reflects the effectiveness of our enhanced collaboration with Racing Analytical Laboratory Services (RASL) and our unwavering dedication to preserving the fairness and credibility of our sport.

The results highlight the effectiveness of HRV's enhanced testing strategies and continued commitment to maintaining the highest standards of integrity and equine welfare in the sport.

	TCO2	Urine	Blood Other	Hair	Other	Total	Starters	% to Starters
<b>July</b>	251	200	25	0	0	476	2836	16.78
<b>August</b>	288	222	49	0	0	559	3464	16.14
<b>September</b>	346	232	175	0	1	754	3399	22.18
<b>October</b>	293	217	37	0	0	547	3117	17.55
<b>November</b>	348	218	87	0	0	653	3222	20.27
<b>December</b>	327	235	47	0	0	608	3352	18.14
<b>January</b>	320	192	54	0	0	566	2740	20.66
<b>February</b>	269	156	29	0	0	454	2261	20.08
<b>March</b>	284	190	43	0	0	517	2916	17.73
<b>April</b>	296	195	37	0	0	528	2803	18.84
<b>May</b>	277	208	32	0	0	517	3065	16.87
<b>June</b>	292	175	27	1	0	495	2913	16.99
<b>Total</b>	<b>3591</b>	<b>2440</b>	<b>642</b>	<b>1</b>	<b>1</b>	<b>6674</b>	<b>36088</b>	<b>18.49</b>

# CELEBRATIONS & DEVELOPMENT

HRV continued to be committed to providing career pathways and opportunities for our young participants to foster a long career in harness racing.

The Young Driver Development Program continued to provide specialist training to drivers under 25 years of age with sessions covering:

- Media and communications
- Race analysis and form
- Fatigue management and sleep solutions
- Practical skill development

Our partnership with some key figures in France saw young driver Ryan Sanderson become the first young driver from Australia to compete in the Rencontres Internationales (International Race) at Vincennes while working with French champion trainer/driver Jean Michel Bazire. This opportunity will continue for the next 3 years with another driver competing at the end of November.

**New Year's Eve saw the first Young Gun series for the top 8 drivers under 25 years of age with 2 wild card entries, run at Melton Entertainment Park. Each driver competed across the night for points, with Ryan Sanderson taking out the series.**

HRV programmed a number \$10,000 races for concession drivers to create increased opportunities for a number of young drivers.



**Harness Racing Victoria's events team celebrated owners and VIPs on its landmark race nights in FY24 through functions in Melton Entertainment Park's Legends Room.**

Among those hostings was the A G Hunter Cup and Great Southern Star in February, which has become the industry's premier night.

Some 275 guests attended the themed room to watch Leap To Fame and Callmethebreeze win Victoria's richest prizes, with 97 per cent of survey respondents post event sharing they "enjoyed" the function, its great access to the racing and the "magnificent" racing.

A similar experience was enjoyed in the Legends Room at last September Vicbred Super Series, October's Victoria Cup and November's Breeders Crown nights, with the latter also attended by more than 250 guests who enjoyed its royal theming.

Melton Entertainment Park was also home to the Gordon Rothacker Medal, which had previously been staged at the Crown's Palladium Room.

In FY24 the function was instead held at Melton's The Club Lounge on June 29, where 31 awards were announced in a dual cocktail function and TrotsVision event. The change of format enabled a significant saving on previous stagings.





## PONY TROTS

Eleven new members joined pony trots in the 2023/24 season, and over 40 races were held across the state. Pony trots members took part as Pacing for Pink sponsored drivers, with 21 drivers being sponsored.

Major race winners were:

- Pony Trots Victoria Cup: Winx driven by Ajay Baker
- Pony Trots Hunter Cup: Cotton Candy driven by Addison Duryea
- Country Cup Champion Pony: Elliot
- Metropolitan Series Champion Pony: Winx

Victoria sent four representatives to Queensland to compete in the Mini Trots Inter Dominion at Albion Park. The representatives were Addison Duryea, Tyler Hausler, Lacey Hausler and Darcie Fisher.



# CLUBS AND INFRASTRUCTURE

**Harness Racing Victoria worked closely with its country clubs and their representative body, Trots Clubs Victoria, throughout FY24, a year of significant change, challenges and achievements.**

Much of the latter half of the term was dedicated to preparing for the focus on operational efficiencies and a new racing calendar model, to be implemented from July 1 2024.

The model consolidates regular time slots at venues with the greatest horse populations, facilities and wagering performance, while continuing racing at all 28 country clubs.

New features of the proposed calendar include:

- Consistent night racing at Shepparton (Tuesday), Bendigo (Wednesday), Ballarat and Kilmore (share Thursdays), Melton/Geelong/regional cups (share Fridays), Melton/major cups (share Saturdays) and Cranbourne and regional cups (Sunday).
- Regular racing on Wednesday afternoons at Maryborough or Charlton.
- Regular Friday afternoon racing at Mildura to enable earlier travel for participants and horses, and provide a strong lead into night meetings at Melton/Geelong/regional cups.
- An increase in race meetings in locations where a larger percentage of participants and horses are located.

## MAJOR INFRASTRUCTURE WORKS

Harness Racing Victoria, the country clubs and the State Government aligned for a significant infrastructure program in FY24.

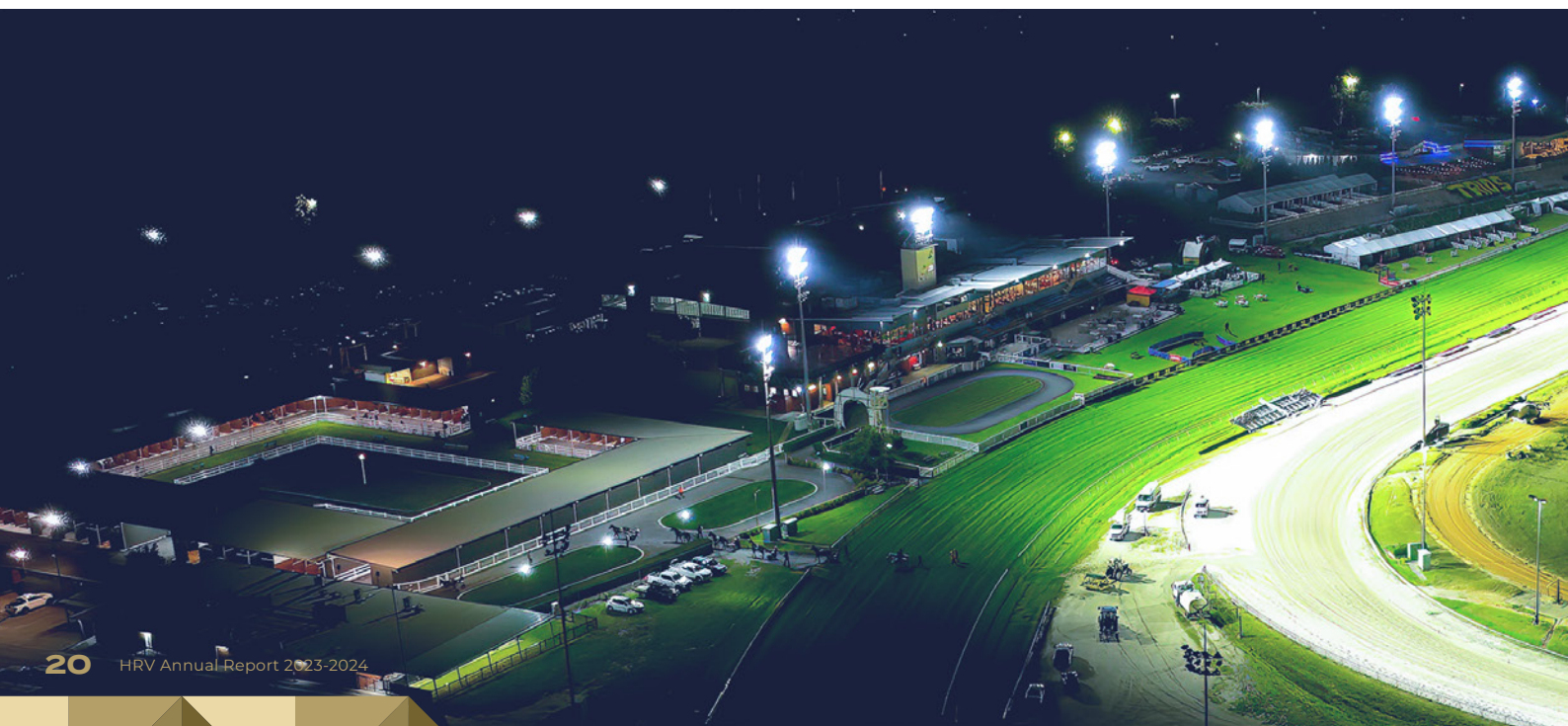
Among the projects was Kilmore Racing Club's state-of-the-art stable facility, which was some 10 years in the making.

Through the support of HRV, Racing Victoria, Country Racing Victoria and the Victorian Government, the \$5.7 million project replaced the existing precinct with 110 new horse stalls for both harness and thoroughbred usage.

At the opening, Kilmore CEO Ben Murphy said "importantly we wanted to ensure the standardbred was catered to and we have longer tie-up stalls (and) wider breezeways to factor in we've got sulkies and bigger equipment".

Features of the new facilities include an indoor pre-parade ring, a trainers and strappers' room with kitchen facilities plus new drivers and stewards' rooms.

The Kilmore track, along with Cranbourne and Geelong, also enjoyed a significant upgrade of LED lighting, a \$2 million project to sure up harness racing at the three venues on Melbourne's fringes.



Terang Harness Racing Club also opened its new facilities in FY24, the \$2 million transformation a testament to the region's outstanding harness racing community and their extraordinary fundraising.

The new facilities cater for 100 under cover stall and new wash bays and swab stalls and also benefitted from support from the Corangamite Shire, the Federal Government, State Government and Harness Racing Victoria.

**Additional infrastructure highlights in Victoria included:**

- Wedderburn multi-purpose facility
- Cobram machinery shed
- Cranbourne Training Centre Expansion
- Terang Horse Stabling & Community Barn
- Bulk Purchase of 600 Metal Halide Lamps and 30 ballasts
- Track maintenance, including materials and major resurfacing at Ararat, Bendigo, Cranbourne, Geelong, Kilmore, Maryborough, Melton and Mildura.



# COMMUNITY

**Harness Racing Victoria and its generous community was again all-in on the fight against cancer in FY24, with significant campaigns to raise vital funds and awareness.**

More than \$350,000 was raised throughout the year, with concerted campaigns in support of WomenCan, the McGrath Foundation and the Prostate Cancer Foundation of Australia as well as the Royal Children's Hospital.



## Team Teal

Victoria's incredible female drivers concluded the 2024 Team Teal campaign with 126 wins and \$50,400 in donations to WomenCan for ovarian and gynaecological cancer research and education programs.

From February 1 to March 15, female drivers across Australia and New Zealand wore teal racing pants, with HRV and TAB each contributing \$200 for every victory in Victoria by a reinswoman.

The campaign saw more than 420 winners Australasia-wide and more than \$150,000 raised.

Victoria had 30 individual female winning drivers, with Ellen Tormey proving the star performer with 24 triumphs contributing \$9,600 to the total tally. Hamilton-based Team Teal ambassador Jackie Barker was the next most prolific with nine winners.



## Pacing For Pink

Records were smashed in Pacing For Pink's FY24 campaign with the grass roots Victorian movement raising more than \$160,000 nationwide to support the McGrath Foundation to help those with breast cancer.

Passionately driven by Marg Watson, Donna Castles and a superb support team, the campaign again had its landmark race day at Shepparton Harness Racing Club in May.

The annual Pacing For Pink meeting raised a stunning \$41,353.55, with a big crowd attending, including participants, volunteers, locals, staff, horses and ponies dressed in pink.

The pink driving pants were also prominent at Ararat on May 12 and Mildura on May 31. The latter was a new fundraising fixture that saw the community raise a further \$28,000 for the cause, driven by the efforts of Kate Attard, Shanna Finis, Charli Masotti and friends. The night included a Sprinters Calcutta Cup, which was won by young reinsman Luke Dunne.



### The Long Trot

Having huffed and puffed for more than 1200 kilometres The Long Trot team drew more than \$18,000 in generous donations to help the Prostate Cancer Foundation of Australia pursue groundbreaking treatments.

The outstanding commitment, which included ambassadors Greg Sugars, Anthony Butt and David Aiken's horses racing for more than 300km in September, was part of almost 200,000km covered and \$1 million raised by the foundation's The Long Run.

While the ambassadors proudly wore the silks to race wins, the biggest star of The Long Trot was Kate Gath, with the leading Victorian driver turned marathon runner covering an extraordinary 386km in September.

It was a feat that didn't go unnoticed, with supporters donating \$7721 to support Gath's efforts, including \$3000 from Catch A Wave's owner Pauline Matthews. That contribution helped propel The Long Trot to the sixth most generous team in the fundraiser.

Gath was one of six runners joining The Long Trot cause, with Paul Campbell, Toby McKinnon, Cody Winnell, Nathan Cahir and Michael Howard also completing the distance, placing the Harness Racing Victoria team ninth overall for distance.

Anne Savage, CEO of Prostate Cancer Foundation of Australia, said they were "tremendously grateful for the support of the harness racing community".



### Good Friday Appeal

Victoria's harness racing community dug deep for the kids, with more than \$35,000 raised in support of the Royal Children's Hospital.

Country clubs, industry members and partners all got behind the Good Friday Appeal, with Harness Racing Victoria and its wagering partner TAB each pledging \$10,000 to support the hospital.

Victoria's country clubs were also outstanding, with Stawell (\$7611.80), Cranbourne (\$5326), Ballarat (\$1500), Maryborough (\$352.37) and Charlton (\$320.72) all digging deep, while Bow Residential also pledged \$500.

HRV CEO Matt Isaacs said it was fantastic to see the wider industry rally for the kids.

"There's no greater cause than the Good Friday Appeal for the Royal Children's Hospital and it's terrific to see the fantastic generosity of the harness racing community again shine through," Isaacs said.

"In particular our two clubs that hosted racing on Good Friday, Stawell and Cranbourne, did an outstanding job in tin rattling, and it was great to also see our long-time friends at TAB again give generously."

# RACING YEAR IN REVIEW

## Sprint series trials

The three-week TAB FastTrack 1200 series drew large nominations and wagering growth through August.

The 18-race 1200m mid-week Melton series trial produced above average turnover, with signs the concept was well received by participants, punters and media partners.

The series was repeated through October with the inclusion of a meeting at Ballarat.



Aldebaran Zeus and owner Duncan McPherson

## Zeus takes on the world

Aldebaran Zeus kept Australia at the forefront of the worldwide squaregaiting conversation with a more than competitive performance in the \$1 million MGM Yonkers International Trot in the United States on September 9.

The Brent Lilley-trained and Chris Alford-driven five-year-old boxed on well for an encouraging fifth placing behind Italy's winner Vivid Wise As.

Aldebaran Zeus stayed in the US for six more starts before returning home to Australia in the new year.



Encipher wins Eureka

## Encipher wins TAB Eureka

The Emma Stewart-trained Encipher claimed the inaugural \$2.1 million TAB Eureka at Menangle on September 2.

The four-year-old was given only a longshot's hope in the world's richest harness feature, but a masterful Luke McCarthy drive saved the race's only mare for a super final assault to capture the riches.

She defeated superstar Queenslander Leap To Fame with fellow Victorian Captain Ravishing running third.



Pic: Sahara Breeze

## Vicbred moves to spring

Acting on advice from participants and analysis of wagering and racing data, the Vicbred Super Series was moved from New Year's Eve to a new spring timeslot.

The series was conducted through late August and early September, with the 12 Group 1 finals at Melton Entertainment Park on September 16. The winners are on page 40.



Act Now

### Act Now stuns in Vic Cup thriller

Act Now's rollercoaster night at Melton Entertainment Park will go down in harness racing folklore, with the star pacer emerging from dramatic pre-race scenes to be crowned the 2023 Pryde's EasiFeed Victoria Cup champion on October 14.

Trainer Emma Stewart and driver Jodi Quinlan claimed their first Vic Cup success with a horse who looked in serious danger of being scratched from the \$300,000 Grand Circuit classic.

Act Now got his leg caught over a rail in the stalls early in the meeting, but was eventually passed fit to run by stewards shortly before the start.

With his place in the field confirmed, the five-year-old \$81 outsider still needed to produce something truly special to win the race. And he did. Act Now settled towards the rear from his wide back row barrier, then came with a scintillating three-wide run to swamp his rivals in the shadows of the post.

In a grandstand finish, the son of Somebeachsomewhere scored from Miracle Mile champion Catch A Wave and Queensland freak Leap To Fame, with less than 2m between the first six horses across the line.



Nordic Reign

### Breeders Crown Series

The Breeders Crown Series was conducted through November, with eight Group 1 finals held at Melton Entertainment Park on November 25. The winners are on page 41.



Just Believe – ID23 (Albion Park)

### Harry does it again

Just Believe confirmed himself as one of the modern-day greats of harness racing with a second-straight clean sweep of the Inter Dominion Trotting Championship.

The Jess Tubbs-trained and Greg Sugars-driven star won all three heat runs before a truly dominant display in the grand final at Albion Park on December 16.

He led home a Victorian-trained trifecta, with Mufasa Metro second and Queen Elida third.



Leap To Fame

### **Leap To Fame brilliant in Hunter Cup, Callmethebreeze wins GSS thriller**

Queensland champ Leap To Fame ticked another box in a career destined for greatness with a big Grand Circuit victory on foreign soil in the SENTrack A G Hunter Cup.

Grant Dixon's megastar pacer backed up his Inter Dominion triumph from mid-December with a bold front-running display in the \$500,000 time-honoured feature at Melton Entertainment Park.

The result took the son of Bettors Delight's earnings past \$2 million and his career record to 32 wins from 42 starts.

He beat runner-up Dont Stop Dreaming, with Max Delight third.

The result came shortly before Callmethebreeze nailed Just Believe to win an epic running of the 2024 Yabby Dam Farms Great Southern Star Final.

Trained by Anton Golino and driven by Nathan Jack, the European import followed his heat success from earlier in the night with a last-gasp triumph in the Group 1 showdown.

The February 3 meeting was the first time the A G Hunter Cup had been held on the same night as the Great Southern Star when the latter was run in a heats-into-final Elitloppet-style format.



Ryan Sanderson

### **Ryan has a ball in France**

Young driver Ryan Sanderson enjoyed the trip of a lifetime in France during the latter part of 2023.

Sanderson finished 11th in the Prix des Rencontres Internationales du Trotteur Français at Vincennes on December 1 and worked alongside world-renowned horseman Jean-Michel Bazire at the stunning Domaine de Grosbois training centre.

The experience stemmed from a five-year commitment between Harness Racing Australia and Harness Racing Victoria, which collaborated with the Victorian Trainers and Drivers Association and Victorian Square Trotters Association to reward a talented Victorian participant.

### **Milestones for Alford, Caldow**

Veteran reinsmen Chris Alford and John Caldow brought up major milestones through the 2023-24 financial year.

Caldow scored victory 4000 at Maryborough on December 18 before Alford secured his 8000th winner at Ballarat on February 7.

As part of the celebrations on A G Hunter Cup, the winners' circle at Melton was named in Alford's honour

### Sando stars in Young Guns Series

Ryan Sanderson was the inaugural winner of the Garrard's Horse and Hound Young Guns Series on New Year's Eve.

Sitting second last in the one-night series after four of the eight races, Sanderson carved out wins on Argggghh, Cherokee Jac and finally Te Amo to prevail by 20 points from second-placed Taylor Youl (54 points) and third-placed Declan Murphy (53 points).

The last of those results not only clinched the series for Sanderson but also brought up his 100th win of the season.

Sanderson, Youl, Murphy, James Herbertson, Jack Laughler, Jordan Leedham, Jordan Chibnall and Ryan Backhouse qualified for the December 31 showdown by being among the state's top eight drivers under the age of 25 based on winners throughout 2023 (to December 15).

Harness Racing Victoria's stewards then settled on Codi Rauchenberger and Shannon O'Sullivan as the two "wild card" recipients after considering driving achievements, integrity-related conduct and associated compliance with the rules.

### Vics shine across the Tasman

Victorian-trained squaregaiters dominated the inaugural TAB Trot slot race in New Zealand on April 12.

Just Believe claimed victory in the \$600,000 Cambridge feature from Callmethe breeze, Queen Elida and Arcee Phoenix, who rounded out the top four.

Just Believe remained on Kiwi shores for another three starts, winning the Group 2 Lyell Creek Stakes, Group 1 Peter Breckon Memorial National Trot and Group 1 Rowe Cup. That last victory completed a Group 1 double at Alexandra Park for trainer Jess Tubbs and driver Greg Sugars, who combined with Better Eclipse to win the Auckland Cup.



Catch A Wave and Kate Gath

### Tex stars over in the west

Andy and Kate Gath celebrated one of their greatest achievements as a training and driving team during April when Catch A Wave won the big Group 1 double - The Nullarbor slot race and Fremantle Cup - at Gloucester Park.

Tex's heroics took his career winnings past \$1.9 million, with 22 victories from 38 starts.

# HARNESS RACING **AWARDS**



## **AWARD RECIPIENTS**

**Lance Justice** Gordon Rothacker Medal  
**Georgie Coram** The Pearl Kelly Award  
**David Aiken** Caduceus Living Legend  
**Clinton Welsh** Lang Distinguished Services Award  
**Terry Lewis** Lang Distinguished Services Award  
**Chris Hunter** Lang Distinguished Services Award



## **HORSES OF THE YEAR**

**Just Believe** Victorian Horse of the Year  
**Very Pretty** 2YO Pacing Filly of the Year  
**Timmy Rictor** 2YO Pacing Colt/Gelding of the Year  
**Violet Stanford** 2YO Trotting Filly of the Year  
**Kyvalley Maven** 2YO Trotting Colt/Gelding of the Year  
**Major Delight** 3YO Pacing Filly of the Year  
**Petracca** 3YO Pacing Colt/Gelding of the Year  
**Rockinwithattitude** 3YO Trotting Filly of the Year  
**The Locomotive** 3YO Trotting Colt/Gelding of the Year  
**Encipher** 4YO Pacing Mare of the Year  
**Catch A Wave** 4YO Pacing Entire/Gelding of the Year  
**Gardena Ronda** 4YO Trotting Mare of the Year  
**Plymouth Chubb** 4YO Trotting Entire/Gelding of the Year  
**Ladies In Red** Aged Pacing Mare of the Year  
**Honolua Bay** Aged Pacing Entire/Gelding of the Year  
**Queen Elida** Aged Trotting Mare of the Year  
**Just Believe** Aged Trotting Entire/Gelding of the Year

## PARTICIPANTS OF THE YEAR

**Kate Gath** Metropolitan Driver of the Year

**James Herbertson** Victorian Concession Driver of the Year

**James Herbertson** Garrard's Victorian Driver of The Year

**Emma Stewart** Victorian Trainer of The Year

**Emma Stewart** Taylors Metropolitan Trainer of the Year



## BREEDERS OF THE YEAR

**Justa Phoenix** Aldebaran Park Victorian Trotting Broodmare of the Year

**Coppagoodone** Benstud Standardbreds Victorian Pacing Broodmare of the Year

**Redbank Lodge** Woodlands Stud Victorian Breeder of the Year



# GROUP 1 WINNERS

16-Sep-23

## **RIDE HIGH VICBRED SUPER SERIES (4YO ENTIRES & GELDINGS) FINAL (GROUP 1)**

Solesseo Matuca (A Rocknroll Dance-Princess Dillinger)  
Trainer: Andy Gath  
Driver: Kate Gath  
Owner: Norm Jenkin  
Breeders: Estate of Lindsay Griffey

## **THE STORM INSIDE VICBRED SUPER SERIES (2YO COLTS & GELDINGS) FINAL (GROUP 1)**

Stormryder (Captaintreacherous-The Baggy Green)  
Trainer: Emma Stewart  
Driver: Mark Pitt  
Owner: J E Davies, S C Stewart  
Breeders: B C Edward, V A Edward

## **ALWAYS B MIKI VICBRED SUPER SERIES (3YO FILLIES) FINAL (GROUP 1)**

Sahara Breeze (Captaintreacherous-Sahara Miss)  
Trainer: G J Quinlan, D J Quinlan  
Driver: Chris Alford  
Owner: P Watkinson, R B Paul, D J Quinlan  
Breeders: R B Paul, P Watkinson

## **VINCENT VICBRED SUPER SERIES (3YO COLTS & GELDINGS) FINAL (GROUP 1)**

Petracca (Captaintreacherous-Lovelist)  
Trainer: Emma Stewart  
Driver: Mark Pitt  
Owner: AD Investments Pty Ltd  
Breeders: B J Cameron, C W Cameron

## **ROCK N ROLL HEAVEN VICBRED SUPER SERIES (4YO MARES) FINAL (GROUP 1)**

Amore Vita (Art Major-Castellina Lover)  
Trainer: Emma Stewart  
Driver: Chris Alford  
Owner: S A Dolan, Est of G R Adamson  
Breeders: S A Dolan, Est of G R Adamson

## **ART MAJOR VICBRED SUPER SERIES (2YO FILLIES) FINAL (GROUP 1)**

Draw A Dream (Hes Watching-Illustrator)  
Trainer: Emma Stewart  
Driver: Kerry Manning  
Owner: B C Edward, V A Edward  
Breeders: B C Edward, V A Edward

## **USED TO ME @ HARAS DES TROTTEURS VICBRED SUPER SERIES (4YO TROTTING MARES) FINAL (GROUP 1)**

Gardena Ronda (Used To Me Fra-Val Gardena)  
Trainer: Anton Golino  
Driver: Mark Pitt  
Owner: Yabby Dam Farms Pty Ltd  
Breeders: Yabby Dam Farms Pty Ltd

## **ECURIE D @ HARAS DES TROTTEURS VICBRED SUPER SERIES (3YO TROTTING COLTS & GELDINGS) FINAL (GROUP 1)**

The Locomotive (Muscle Mass-La Coocaracha)  
Trainer: Wayne Potter  
Driver: Nathan Jack  
Owner: G B Holland, W R Potter  
Breeders: Yabby Dam Farms Pty Ltd

## **ALWAYS READY @ HARAS DES TROTTEURS VICBRED SUPER SERIES (4YO TROT ENTIRES & GELDINGS) FINAL GROUP 1**

Arcee Phoenix (Trixtan-Justa Phoenix)  
Trainer: Chris Svanosio  
Driver: Chris Svanosio  
Owner: R A Haynes, C A Shaw, D Kane, J L Stevenson  
Breeders: R A Haynes, C A Shaw, E A Payne, B M Payne

## **E L TITAN @ HARAS DES TROTTEURS VICBRED SUPER SERIES (2YO TROTTING FILLIES) FINAL (GROUP 1)**

Violet Stanford (Volstead-Mingara)  
Trainer: Nathan Jack  
Driver: Nathan Jack  
Owner: Spunky Syndicate  
Breeders: B G Phillips, K J Lee

## **ON A STREAK @ HARAS DES TROTTEURS VICBRED SUPER SERIES (2YO TROTTING COLTS & GELDINGS) FINAL GROUP 1**

Valtino (Love You-Aspiring Eva)  
Trainer: Blake Fitzpatrick  
Driver: Greg Sugars  
Owner: E J Hill, G J Moloney  
Breeders: Yabby Dam Farms Pty Ltd

## **CLASSIC CONNECTION @ HARAS DES TROTTEURS VICBRED SUPER SERIES (3YO TROTTING FILLIES) FINAL (GROUP 1)**

Susan Is Her Name (Sebastian K (swe)-Hands Of A Star)  
Trainer: Emma Stewart  
Driver: Mark Pitt  
Owner: Bruce Wyborn  
Breeders: B J (Bruce) Wyborn

14-Oct-23

## **PRYDE'S EASIFEED VICTORIA CUP (GROUP 1)**

Act Now (Somebeachsomewhere-Mollys Ideal)  
Trainer: Emma Stewart  
Driver: Jodi Quinlan  
Owner: B C Edward, V A Edward  
Breeders: B C Edward, V A Edward

## **WOODLANDS STUD VICTORIA DERBY FINAL (GROUP 1)**

Petracca (Captaintreacherous-Lovelist)  
Trainer: Emma Stewart  
Driver: Cameron Hart  
Owner: AD Investments Pty Ltd  
Breeders: B J Cameron, C W Cameron

## **PRYDE'S EASIFEED VICTORIA OAKS FINAL (GROUP 1)**

Sweet Bella (Sweet Lou-Illawong Bella)  
Trainer: Emma Stewart  
Driver: David Moran  
Owner: B C Edward, V A Edward  
Breeders: Estate of M L Hartnett, K P Hartnett

## **CATANACH'S JEWELLERS VICTORIA TROTTERS OAKS (GROUP 1)**

Shes Ruby Roo (Creatine-Princessa Ruth)  
Trainer: Jess Tubbs  
Driver: Greg Sugars  
Owner: P J Hall, We R Crackers Group, G J Lyon  
Breeders: Benstud Standardbreds

## **ALDEBARAN PARK BILL COLLINS TROTTERS SPRINT (GROUP 1)**

Queen Elida (Love You-Queen Kenny)  
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  
Breeders: G J McKenzie, R Dixon

29-Oct-23

**E L TITAN @ HARAS DES TROTTEURS VICTORIA TROTTERS  
DERBY FINAL (GROUP 1)**

Not As Promised (Betting Line-All Promises)  
Trainer: Graham Dwyer  
Driver: Nathan Dawson  
Owner: Veivers Purchasers Pty Ltd  
Breeders: J A (Jess) Tubbs

4-Nov-23

**BENSTUD STANDARDBREDS QUEEN OF THE PACIFIC (GROUP 1)**

Ladies In Red (Mach Three Ca-Kabbalah Karen B)  
Trainer: Emma Stewart  
Driver: David Moran  
Owner: Lauriston Bloodstock Pty Ltd  
Breeders: Lauriston Bloodstock Pty Ltd

25-Nov-23

**PEBBLE BEACH BREEDERS CROWN SERIES 26  
(2YO FILLIES) FINAL (GROUP 1)**

Very Pretty (American Ideal-The Good Times)  
Trainer: Emma Stewart  
Driver: Mark Pitt  
Owner: S C Stewart, P S Gleeson  
Breeders: P S (Peter) Gleeson

**IRT BREEDERS CROWN SERIES 26  
(2YO COLTS & GELDINGS) FINAL (GROUP 1)**

Timmy Rictor (Modern Art-Bettors Package)  
Trainer: Emma Stewart  
Driver: David Moran  
Owner: R J Doughty, P Doughty  
Breeders: P A (Paul) Carmody

**WOODLANDS STUD 'LATHER UP' BREEDERS CROWN SERIES 25  
(3YO COLTS & GELDINGS) FINAL (GROUP 1)**

Perfect Class (Captaintreacherous-Perfect Life)  
Trainer: Emma Stewart  
Driver: Luke McCarthy  
Owner: S C Stewart, P S Gleeson  
Breeders: P S (Peter) Gleeson

**A ROCKNROLL DANCE BREEDERS CROWN SERIES 25  
(3YO FILLIES) FINAL (GROUP 1)**

Major Delight (Bettors Delight-Lady Euthenia)  
Trainer: Emma Stewart  
Driver: Mark Pitt  
Owner: Peter Lewis  
Breeders: P F (Peter) Lewis

**MIMOSA HOMES BREEDERS CROWN SERIES 26  
(2YO TROTTER FILLIES) FINAL (GROUP 1)**

Nordic Reign (Volstead-Tricia Powell)  
Trainer: John Newberry  
Driver: Matt Newberry  
Owner: Troy Walker  
Breeders: E R (Erin) Taylor

**BETAVET BREEDERS CROWN SERIES 26  
(2YO TROTTER COLTS & GELDINGS) FINAL (GROUP 1)**

Val Thorens (Volstead-Courchevel)  
Trainer: Anton Golino  
Driver: Nathan Jack  
Owner: Yabby Dam Farms Pty Ltd  
Breeders: Yabby Dam Farms Pty Ltd

**HYGAIN BREEDERS CROWN SERIES 25  
(3YO TROTTER COLTS & GELDINGS) FINAL (GROUP 1)**

Not As Promised (Betting Line-All Promises)  
Trainer: Graham Dwyer  
Driver: Nathan Dawson  
Owner: Veivers Purchasers Pty Ltd  
Breeders: J A (Jess) Tubbs

**HYLAND HARNESS COLOURS BREEDERS CROWN SERIES 25  
(3YO TROTTER FILLIES) FINAL (GROUP 1)**

Rockinwithattitude (Aldebaran Eagle-Rockin Shiraz)  
Trainer: David Miles  
Driver: David Miles  
Owner: M E Arnott, J D Stewart, Holzberger Racing, J Ryan, T P Webb, Wyllie Family, A Kingston, C Holloway, M D Drady  
Breeders: M E Arnott, K Holzberger, J Ryan, J D Stewart, Estate of A M Webb, A Kingston, C Holloway, M D Drady, T Russell, A Wyllie

6-Jan-24

**ALDEBARAN PARK MAORI MILE 2024 (GROUP 1)**

Arcee Phoenix (Trixton-Justa Phoenix)  
Trainer: Chris Svanosio  
Driver: Chris Svanosio  
Owner: R A Haynes, MacLean Family Group, P J Svanosio, D Kane, J L Stevenson  
Breeders: R A Haynes, C A Shaw, E A Payne, B M Payne

3-Feb-24

**SENTrack A.G. HUNTER CUP (GROUP 1)**

Leap To Fame (Bettors Delight-Lettucereason)  
Trainer: Grant Dixon  
Driver: Grant Dixon  
Owner: Solid Earth Pty Ltd  
Breeders: Redbank Lodge Standardbreds

**YABBY DAM FARMS GREAT SOUTHERN STAR FINAL (GROUP 1)**

Callmethebreeze Fra (Trixton-Gilly Lb (ita))  
Trainer: Anton Golino  
Driver: Nathan Jack  
Owner: Haras Des Trotteurs  
Breeders: P Allaire

24-Feb-24

**TAB AUSTRALIAN TROTTER GRAND PRIX (GROUP 1)**

Just Believe (Orlando Vici-Heavens Above)  
Trainer: Jess Tubbs  
Driver: Greg Sugars  
Owner: Iona Trotter Syndicate  
Breeders: Yabby Dam Farms Pty Ltd

23-Mar-24

**ALDEBARAN PARK SUMTHINGABOUTMAORI MARES  
FREE FOR ALL (GROUP 1)**

Im Ready Jet (Quaker Jet-Im Ready Set)  
Trainer: Anton Golino  
Driver: Nathan Jack  
Owner: Yabby Dam Farms Pty Ltd  
Breeders: Yabby Dam Farms Pty Ltd

# FINANCIAL OPERATIONS

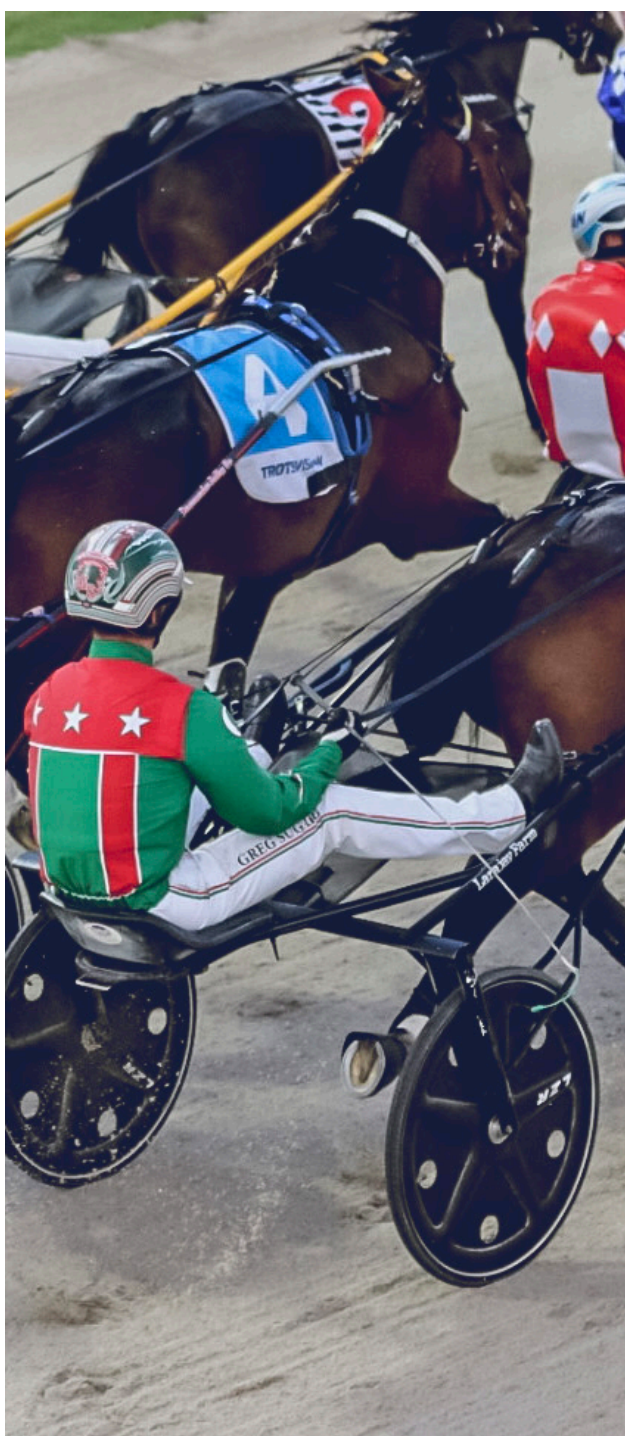
Five Year Financial Summary	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
Tabcorp JV revenue	27,134	28,414	30,327	33,161	34,966
International rights revenue	1,338	1,466	1,434	1,394	1,334
Racefield fee income	21,303	24,768	26,094	23,234	18,216
POCT	10,513	10,705	10,875	4,333	3,253
Gaming and Hospitality revenue	15,342	15,028	9,586	6,785	10,636
Other revenue & income (Excl Operating Grants)	10,422	8,679	11,608	7,789	6,506
<b>Total Revenue &amp; income (Excl Operating Grants)</b>	<b>86,052</b>	<b>89,060</b>	<b>89,924</b>	<b>76,696</b>	<b>74,911</b>
Stakemoney expense	(46,447)	(50,686)	(47,356)	(46,918)	(41,554)
Gaming and Hospitality expenses	(6,145)	(5,964)	(3,632)	(2,618)	(4,403)
Other operating expenses	(59,298)	(55,068)	(47,986)	(42,866)	(40,878)
Sale of assets	-	-	-	-	788
Net Profit/(Loss) (Excl Operating Grants)	(25,838)	(22,658)	(9,050)	(15,706)	(11,136)
Operating Grant Income (inc Job Keeper)	66,848	16,000	4,910	18,622	10,702
<b>Net Result from transactions</b>	<b>41,010</b>	<b>(6,658)</b>	<b>(4,140)</b>	<b>2,916</b>	<b>(434)</b>
Cash assets	8,376	10,426	3,042	1,948	514
Total assets	164,480	168,542	155,560	137,047	87,407
Current liabilities	(13,335)	(50,759)	(30,794)	(23,282)	(22,247)
Total liabilities	(16,859)	(61,872)	(42,200)	(36,507)	(37,258)

HRV's performance before State Government operating grants was a \$25.8m loss, \$3m greater than its loss before operational grants in 2023, but significantly lower than forecasted (more than \$30m).

The larger, forecasted FY24 loss was anticipated due to downward pressure on race field fees, joint venture revenue and Point of Consumption Tax (POCT), which were driven by a soft wagering market, and upward

pressure on expenditure, a result of inflationary pressures and the cost-of-living crisis.

With the Government's 2023 direction that all non-central government agencies must "live within their means", HRV's initial reaction was to implement \$10m in revenue generation and cost-saving initiatives. These initiatives started 1 October 2023 and produced a positive profit and loss impact of approx. \$7m for FY24.



In addition to the 2023 initiatives, HRV announced another \$6.6m in operational savings in May 2024, the majority of which will be fully realised in FY25.

Total revenue before operating grants was \$3m lower than the prior year and was driven by several factors, including:

- A \$1.2 million reduction in joint venture distributions from Tabcorp, resulting from lower parimutuel wagering, joint venture profits, and a lower market share
- A \$3.5 million decline in race field fees, attributable to the downturn in the wagering market, which affected all racing industries, and 314 fewer races. This decline would have been greater except for the changes made to HRV's race field fee model, which removed the reduced monthly fee on the first \$100k of turnover for any operator. This change generated approx. \$1m in additional race field fee revenue.
- \$1.8 million in funding from Nutrien for the two Nutrien Race series conducted in FY24.
- \$1.4 million increase in infrastructure grants and club contributions predominately related to the LED light projects at Cranbourne, Geelong and Kilmore and the raceday stabling at Terang.

Total operating costs slightly increased by \$0.2 million, predominantly impacted by:

- A \$4.2 million reduction in stake money and bonuses. This relates to a reduction in base stakes of approx. \$3m, with the remainder attributable to less races in FY24.
- A \$1.1 million combined reduction in marketing, sponsorship, and broadcast expenses resulting from cost-saving initiatives announced in July 2023.
- A \$3.4 million increase in development fund expenses relating to the LED light project at Cranbourne, Geelong and Kilmore, and the race day stabling at Terang, offset by the reclassification of \$0.6m in track maintenance material for country clubs into race day expenditure.
- A \$1.1 million increase to race day operations, which relates to a reclassification of \$0.6m in

# FINANCIAL OPERATIONS

track maintenance material for country clubs from development fund expenses into race day expenditure, and the reallocation of \$0.3 million of race day vet costs from country club funding, because HRV is now responsible for coordinating vet services on race days.

- A \$1.1 million increase in salaries. While the savings announced in 2023 and 2024 will result in salaries reducing by \$3.2 million overall, there was \$0.8 million in redundancy costs incurred in FY24. Salaries also increased as a result of CPI increases and additional penalties and shift allowances for shift workers, stemming from the requirement to meet minimum guidelines in the State Government Agencies Employment Award.
- A \$0.5m increase in consulting fees, which related to the Future State review undertaken by Ernst and Young. This was offset by grant revenue received by the Victorian Government.
- A \$0.6 million increase in interest costs driven by interest rates rises.

While direct payments to country clubs decreased by \$0.1 million, changing the mechanics of the club funding model resulted in items, such as insurance, ambulance, and audit costs, no longer being recharged to clubs.

This change has no net cash impact on clubs. It reduces the country club expenditure HRV records in the operating statement, but it also has a corresponding reduction in other revenue in the operating statement. The impact of this change is an approximate \$0.6m reduction in country club funding and other revenue.

In the 2024 financial year, the Victorian Government provided \$23.7 million in operating grant income to help with HRV's solvency and the implementation of a restructuring strategy. A further \$41.9 million has been recognised as grant income, funding that was paid directly to Treasury Corporation Victoria to repay both HRV's short-term and long-term debt facilities. This funding is part of the solvency support package for HRV that the Victorian Government Budget and Finance Committee (BFC) meeting approved on 12 December 2023.

The receipt of these funds from the Government resulted in an overall profit for the year of \$40.1 million, however, as part of the support package, the decision of BFC also required HRV to declare 75.1 hectares of vacant land at Melton surplus to its requirements and referred to the Department of Transport and Planning to facilitate its sale in accordance with the Victorian Governments Landholding Policy and Guidelines and

the Victorian Government Land Transactions policy.

As of 30 June, because HRV is still the owner of this land, under the Victorian Government Financial Reporting Direction 103 Non-Financial Assets, HRV must record this land at “fair value with regard to an asset’s highest and best use (HBU) from the perspective of the market participant, taking into account any legal, financial or physical restrictions imposed on the use or sale of the asset”. Therefore, this land is recorded as an asset on HRV’s balance sheet at its market value of \$65.9 million.

Note that HRV is still in discussions with the Minister on the requirement to declare the land surplus to requirements and the value ascribed to this land through the support package. However, if and when the land is sold, under the Victorian Government’s Landholding Policy and Guidelines and the Victorian Government’s Land Transactions policy, sale proceeds cannot be retained by HRV and must be remitted to the Department of Treasury and Finance’s “consolidated fund.” At this point, HRV will recognise a loss on the disposal of the land of \$65.9 million.

The net result from HRV’s gaming and hospitality venue, Melton Entertainment Park (MEP), was a

\$0.7 million profit. Increased gaming revenues and significant cost reductions across all venue areas drove this result.

This profit is in addition to the \$0.8m in rent the venue contributes to HRV annually, meaning MEP’s overall contribution to the harness racing industry in Victoria is \$1.5m.

Current assets decreased by \$2.9 million due to a reduction in cash, cash equivalents, and receivables.

Non-current assets decreased by \$1.2 million due to depreciation and amortisation for the year.

Current liabilities decreased by \$37.5 million due to the repayment of short-term borrowings.

Non-current liabilities decreased by \$7.6 million due to the repayment of long-term borrowings.

The Financial Statements and accompanying notes sections of this report outline further details of the financial performance and position.



# BOARD OF DIRECTORS

The Harness Racing Victoria Board of Directors consists of:

- 1. **Dale G Monteith (Chairman)** (Resigned 21 March 2024)
- 2. **Adam Kilgour (Chairman)** (28 March 2024 appointed Chairman)
- 3. **Dr Catherine Ainsworth (Deputy Chair)**
- 4. **Jane Brook**
- 5. **Judy Rothacker**
- 6. **Dennis Bice** (commenced 19 March 2024)

## BOARD MEETING AND COMMITTEE ATTENDANCE REGISTER

A full Board of directors (five) attended all 11 meetings. The Audit and Risk Committee met four times during the year with full attendance.

## 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.

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
- Judy Rothacker, alternate HRV Board member
- Maurice Hanrahan, 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
- 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.

# 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. HRV is currently working with the Office of Racing to renew HRV's Ministerial 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 2024 and the consolidated Financial Position of the entity as at 30 June 2024.

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 4 October 2024.



Luke Spano  
Chief Operating Officer  
4 October 2024



Matthew Isaacs  
Accountable Officer  
4 October 2024



Adam Kilgour  
Chairman  
4 October 2024

# INDEPENDENT AUDITORS REPORT



## Independent Auditor’s Report

To the Board of Harness Racing Victoria

Opinion	<p>I have audited the consolidated financial report of Harness Racing Victoria (the authority) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"><li>consolidated balance sheet as at 30 June 2024</li><li>consolidated comprehensive operating statement for the year then ended</li><li>consolidated statement of changes in equity for the year then ended</li><li>consolidated cashflow statement for the year then ended</li><li>notes to the financial statements, including material accounting policy information</li><li>declaration in the financial statements.</li></ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the consolidated entity and the authority as at 30 June 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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 <i>APES 110 Code of Ethics for Professional Accountants (including Independence Standards)</i> (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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board’s responsibilities for the financial report	<p>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 <i>Financial Management Act 1994</i>, 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.</p> <p>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.</p>

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**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 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.

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MELBOURNE  
10 October 2024



Timothy Maxfield  
*as delegate for the Auditor-General of Victoria*

# FINANCIAL STATEMENTS

## CONSOLIDATED COMPREHENSIVE OPERATING STATEMENT

For the Financial Year Ended 30 June 2024

		Consolidated Entity		Parent Entity	
	Notes	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
CONTINUING OPERATIONS					
Revenue and income from transactions					
TABCORP income	2.3.1	28,472	29,880	28,472	29,880
Other revenue/income		124,428	75,180	109,786	60,709
Total revenue and income from transactions	2	152,900	105,060	138,258	90,589
Expenses from transactions					
Stakemoney expense	3.1.1	(46,447)	(50,686)	(46,447)	(50,688)
Employee benefits	3.2.1	(21,387)	(20,295)	(17,164)	(15,743)
Depreciation and amortisation expense	4.1.2	(3,575)	(3,647)	(2,967)	(3,088)
Finance costs	3.3.1	(1,937)	(1,325)	(1,843)	(1,315)
Other operating expenses		(38,544)	(35,765)	(29,611)	(26,280)
Total expenses from transactions	3	(111,890)	(111,718)	(98,032)	(97,114)
Net result from transactions (net operating balance)		41,010	(6,658)	40,226	(6,525)
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT					
Loss allowance	5.1	(40)	(7)	(40)	(10)
Loss arising from revaluation of long service leave liability	3.2.2	(19)	(25)	(18)	(22)
Total other economic flows included in net result		(59)	(32)	(58)	(32)
Net result		40,951	(6,690)	40,168	(6,557)
OTHER ECONOMIC FLOWS – OTHER COMPREHENSIVE INCOME					
Changes in revaluation reserve	8.1	-	-	-	-
Total other economic flows – other comprehensive income		-	-	-	-
Comprehensive result		40,951	(6,690)	40,168	(6,557)

The accompanying notes form part of these consolidated financial statements.

## CONSOLIDATED BALANCE SHEET

As at 30 June 2024

		Consolidated Entity		Parent Entity	
	Notes	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
CURRENT ASSETS					
Cash and cash equivalents	6.3	8,376	10,426	6,353	8,329
Receivables	5.1	7,319	8,157	7,040	7,907
Inventories	5.3	112	123	-	-
Other assets		1,940	1,918	1,817	1,785
Total current assets		17,747	20,624	15,210	18,021
NON-CURRENT ASSETS					
Property, plant and equipment	4.1	140,302	142,629	139,542	142,024
Right of use assets	4.1.1	447	222	447	222
Receivables	5.1	-	-	9,183	9,470
Investments	4.4	2,080	2,080	2,080	2,080
Intangible assets	4.3	3,904	2,987	1,246	-
Total non-current assets		146,733	147,918	152,498	153,796
TOTAL ASSETS		164,480	168,542	167,708	171,817
CURRENT LIABILITIES					
Payables	5.2	7,717	6,655	10,087	8,762
Provisions	5.6	3,110	3,388	2,673	2,856
Borrowings	6.1	446	35,452	-	35,006
Lease liabilities	6.2	220	175	220	175
Unearned revenue	5.4	369	3,731	335	3,698
Other liabilities	5.5	1,473	1,358	1,375	1,354
Total current liabilities		13,335	50,759	14,690	51,851

The accompanying notes form part of these consolidated financial statements.

## CONSOLIDATED BALANCE SHEET CONTINUED

As at 30 June 2024

		Consolidated Entity		Parent Entity	
	Notes	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
NON-CURRENT LIABILITIES					
Borrowings	6.1	1,897	9,652	-	7,308
Lease liabilities	6.2	221	52	221	52
Provisions	5.6	258	479	251	446
Other liabilities	5.5	1,148	930	1,148	930
Total non-current liabilities		3,524	11,113	1,620	8,736
TOTAL LIABILITIES		16,859	61,872	16,310	60,587
NET ASSETS		147,621	106,670	151,398	111,230
EQUITY					
Contributed capital		9,174	9,174	9,174	9,174
Reserves	8.1	104,777	104,777	104,777	104,777
Accumulated surplus(deficit)		33,670	(7,281)	37,447	(2,721)
TOTAL EQUITY		147,621	106,670	151,398	111,230

The accompanying notes form part of these consolidated financial statements.

## CONSOLIDATED CASHFLOW STATEMENT

For the Financial Year Ended 30 June 2024

	Notes	Consolidated Entity		Parent Entity	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash flows from operating activities					
Receipts					
Receipts from operations		151,082	114,797	136,662	97,756
Goods and services tax received from the ATO		100	-	100	-
Total Receipts		151,182	114,797	136,762	97,756
Payments					
Payments to suppliers, employees & industry		(105,890)	(112,869)	(92,370)	(98,316)
Goods and services tax paid to the ATO		-	(3,722)	-	(2,759)
Interest paid		(1,909)	(1,312)	(1,815)	(1,302)
Lease interest paid		(28)	(13)	(28)	(13)
Total Payments		(107,827)	(117,916)	(94,213)	(102,390)
Net cash from/ (used in) operating activities		43,355	(3,119)	42,549	(4,634)
Cash flows from investing activities					
Purchases of property, plant and equipment		(1,929)	(5,478)	(1,515)	(5,238)
Loans granted		(413)	-	(413)	-
Net cash used in investing activities		(2,342)	(5,478)	(1,928)	(5,238)
Cash flows from financing activities					
Repayment of gaming machine entitlements		(447)	(498)	-	-
Receipts/payments for borrowings of interest-bearing liabilities		(42,314)	16,794	(42,314)	16,794
Repayment/proceeds of lease liabilities (principal)		(302)	(315)	(282)	(315)
Net cash used in/ from financing activities		(43,063)	15,981	(42,596)	16,479
Net decrease/ increase in cash and cash equivalents held		(2,050)	7,384	(1,976)	6,607
Cash and cash equivalents at the beginning of the financial year		10,426	3,042	8,329	1,722
Cash and cash equivalents at the end of the financial year	6.3	8,376	10,426	6,353	8,329

The accompanying notes form part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2024

Consolidated Entity	Notes	Reserves \$'000	Accumulated surplus \$'000	Contributed Capital \$'000	Total \$'000
<b>Balance at 1 July 2022</b>		<b>104,777</b>	<b>(591)</b>	<b>9,174</b>	<b>113,360</b>
Net result for the year		-	(6,690)	-	(6,690)
Other comprehensive income for the year	8.1	-	-	-	-
<b>Balance at 30 June 2023</b>		<b>104,777</b>	<b>(7,281)</b>	<b>9,174</b>	<b>106,670</b>
Net result for the year		-	40,951	-	40,951
Other comprehensive income for the year	8.1	-	-	-	-
<b>Balance at 30 June 2024</b>		<b>104,777</b>	<b>33,670</b>	<b>9,174</b>	<b>147,621</b>

Parent Entity	Notes	Reserves \$'000	Accumulated surplus \$'000	Contributed Capital \$'000	Total \$'000
<b>Balance at 30 June 2022</b>		<b>104,777</b>	<b>3,836</b>	<b>9,174</b>	<b>117,787</b>
Net result for the year		-	(6,557)	-	(6,557)
Other comprehensive income for the year	8.1	-	-	-	-
<b>Balance at 30 June 2023</b>		<b>104,777</b>	<b>(2,721)</b>	<b>9,174</b>	<b>111,230</b>
Net result for the year		-	40,168	-	40,168
Other comprehensive income for the year	8.1	-	-	-	-
<b>Balance at 30 June 2024</b>		<b>104,777</b>	<b>37,447</b>	<b>9,174</b>	<b>151,398</b>

The accompanying notes form part of these consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

### 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 3.2.1); 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 3.2.2)

The consolidated financial statements comprise the financial statements of the Parent entity and its subsidiaries as at 30 June 2024. 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 asset position as at 30 June 2024 of \$4.4m (2023 net liability position: (\$30.1m)) for HRV (the consolidated entity) and \$0.5m (2023 net liability position: (\$33.8m)) for the authority (parent entity), the Board believe the going concern basis is appropriate based on the following factors:

- In August 2024 the Minister for Racing provided HRV with a "Letter of support" covering the period up to 30 June 2026.
- In 2024 HRV's long-term debt was retired with the assistance of Government a saving of nearly \$2 million a year in interest.
- In August 2023 HRV announced \$10.0m in operational efficiencies and prizemoney reductions commencing FY24, this was the first step in a series of actions to improve longer term financial sustainability.

Subsequently in May 2024 another \$6.6m in operational savings were announced along with the restructuring of prizemoney levels to ensure that HRV are using the prizemoney allocation as efficiently as possible, More changes will be made and announced to drive the industry to a sustainable footing, with HRV focused on increasing efficiency and savings to maximise returns to participants.

## 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 for solvency from the Victorian Racing Industry Fund (VRIF) contributions to infrastructure. These funds are used to achieve the above stated objectives.

## **2.1 TRANSPARENCY AND ACCOUNTABILITY**

### **2.1.1 Analysis of Group results by function**

The Group delivers and administers through the following functions.

#### **HRV Racing**

Responsible for the organisation, management, and promotion of all harness racing events under HRV. It ensures that races are conducted fairly and efficiently, maintaining high standards of safety and integrity for participants and spectators alike. This department also coordinates with other racing bodies to schedule events and manage racing calendars.

#### **Integrity, stewarding and welfare**

Responsible for overseeing all activities related to the integrity of harness racing within HRV's jurisdiction. It ensures the enforcement of racing rules and regulations, manages licensing and registration for participants, and conducts investigations into any breaches of conduct. This department plays a critical role in upholding the sport's reputation through rigorous integrity and compliance measures.

#### **Clubs**

Clubs operate as individual harness racing clubs across Victoria, each of which operates independently to run events and generate race day hospitality and sponsorship revenues. HRV contributes funding to Clubs to assist with race day and non-race day costs. HRV also provides centralised services that cover bookkeeping and payroll, insurance, marketing, infrastructure and track maintenance.

#### **Melton Venue**

Melton Entertainment Park is HRV's metropolitan racing and entertainment facility. This includes functions, events and hotel management.

#### **Administration and Industry promotion**

Providing essential support services and promotional activities across the harness racing industry in Victoria.

Essential support services manage daily operations, including human resources, finance, and information technology. Ensuring HRV's compliance with regulatory requirements. Promotional activities involve the development and implementation of marketing strategies to enhance the visibility of harness racing and increase engagement with the sport to attract and retain punters, owners and fans.

## 2.1.2 Summary of income/revenue and expenses by program

	Racing	Integrity, stewarding and welfare	Clubs	Melton Venue	Administration & Industry promotion	Consolidation
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Tabcorp income</b>						
Joint venture revenue	1,930	-	-	-	25,204	<b>27,134</b>
International revenue	1,338	-	-	-	-	<b>1,338</b>
<b>Other income</b>						
Racefield fees revenue	21,305	-	-	-	-	<b>21,305</b>
Point Of Consumption Tax	-	-	-	-	10,513	<b>10,513</b>
Race-day fees	752	-	196	-	-	<b>948</b>
Registration & licencing fees	1,041	-	-	-	-	<b>1,041</b>
Fines & appeals	-	180	-	-	-	<b>180</b>
Futurities revenue	3,405	-	-	-	-	<b>3,405</b>
Grant Income	3,129	181	364	(3)	65,270	<b>68,941</b>
Gaming and hospitality Income	-	-	-	15,342	-	<b>15,342</b>
Sponsorship, advertising & events	1	-	-	-	1,506	<b>1,507</b>
Other revenue	837	-	27	98	284	<b>1,246</b>
<b>Total income</b>	<b>33,738</b>	<b>361</b>	<b>587</b>	<b>15,437</b>	<b>102,777</b>	<b>152,900</b>

	Racing	Integrity, stewarding and welfare	Clubs	Melton Venue	Administration & Industry promotion	Consolidation
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Return to participants</b>						
Stakes	41,152	-	-	-	-	41,152
Bonuses	5,295	-	-	-	-	5,295
<b>Employment benefits</b>						
Employment costs	3,329	4,413	486	4,265	8,913	21,406
<b>Club expenses</b>						
Club funding	-	-	5,603	-	-	5,603
Development funding	-	-	5,488	-	-	5,488
<b>Racing and integrity expenses</b>						
Vision and audio	4,534	-	-	-	765	5,299
Integrity and licensing	658	1,870	-	-	-	2,528
Raceday operations	2,096	-	2	-	-	2,098
Horse welfare	-	192	-	-	-	192
Fields and form comments	701	-	-	-	-	701

	Racing	Integrity, stewarding and welfare	Clubs	Melton Venue	Administration & Industry promotion	Consolidation
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Other operating expenses</b>						
Marketing and sponsorship expense	-	-	-	662	1,319	1,981
Gaming and hospitality	-	-	-	6,393	-	6,393
Insurance	1,209	-	595	58	67	1,929
Property costs	714	-	-	1,513	418	2,645
Professional services	-	16	-	101	1,249	1,366
Technology, software and communications	572	36	-	25	689	1,322
Other costs	153	402	-	181	304	1,040
<b>Depreciation and amortisation expense</b>						
Amortisation	2,584	-	-	608	383	3,575
<b>Finance costs</b>						
Interest	-	-	-	93	1,843	1,936
<b>TOTAL EXPENSE</b>	<b>62,997</b>	<b>6,929</b>	<b>12,174</b>	<b>13,899</b>	<b>15,950</b>	<b>111,949</b>
<b>PROFIT/ (LOSS)</b>	<b>(29,259)</b>	<b>(6,568)</b>	<b>(11,587)</b>	<b>1,538</b>	<b>86,827</b>	<b>40,951</b>

	Racing	Integrity, stewarding and welfare	Clubs	Melton Venue	Administration & Industry promotion	Consolidation
2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Tabcorp income</b>						
Joint venture revenue	3,479	-	-	-	24,935	28,414
International revenue	1,466	-	-	-	-	1,466
<b>Other income</b>						
Racefield fees revenue	24,770	-	-	-	-	24,770
Point of consumption tax (POCT)	-	-	-	-	10,705	10,705
Race-day fees	750	-	194	-	-	944
Registration & licencing fees	1,138	-	-	-	-	1,138
Fines & appeals	153	-	-	-	-	153
Futurities revenue	1,926	-	-	-	-	1,926
Grant Income	3,129	181	364	140	13,947	17,761
Gaming and hospitality Income	-	-	-	15,028	-	15,028
Sponsorship, advertising & events	703	-	-	-	1,238	1,940
Other revenue	328	7	329	53	97	814
<b>Total income</b>	<b>37,842</b>	<b>188</b>	<b>887</b>	<b>15,221</b>	<b>50,922</b>	<b>105,060</b>

	Racing	Integrity, stewarding and welfare	Clubs	Melton Venue	Administration & Industry promotion	Consolidation
2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Return to participants</b>						
Stakes	45,210	-	-	-	-	45,210
Bonuses	5,459	-	-	-	-	5,459
<b>Employment benefits</b>						
Employment costs	2,553	4,330	451	4,577	8,432	20,343
<b>Club expenses</b>						
Club funding	-	-	6,279	-	-	6,279
Development funding	-	-	2,088	-	-	2,088
<b>Racing and integrity expenses</b>						
Vision and audio	3,931	-	205	-	1,102	5,238
Integrity and licensing	714	1,596	-	-	-	2,310
Raceday operations	1,216	-	674	-	32	1,921
Horse welfare	-	291	-	-	-	291
Fields and form comments	1,070	-	-	-	-	1,070

	Racing	Integrity, stewarding and welfare	Clubs	Melton Venue	Administration & Industry promotion	Consolidation
2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Other operating expenses</b>						
Marketing and sponsorship expense	227	-	-	935	1,485	<b>2,647</b>
Gaming and hospitality	-	-	-	6,233	-	<b>6,233</b>
Insurance	1,031	-	185	63	67	<b>1,346</b>
Property costs	524	-	-	1,872	384	<b>2,780</b>
Professional services	-	10	-	90	873	<b>973</b>
Technology, software and communications	724	9	-	26	684	<b>1,443</b>
Other costs	162	386	1	240	359	<b>1,148</b>
<b>Depreciation and amortisation expense</b>						
Amortisation	2,636	-	-	559	452	<b>3,647</b>
<b>Finance costs</b>						
Interest	-	-	-	10	1,314	<b>1,324</b>
<b>TOTAL EXPENSE</b>	<b>65,457</b>	<b>6,622</b>	<b>9,883</b>	<b>14,605</b>	<b>15,184</b>	<b>111,751</b>
<b>PROFIT/ (LOSS)</b>	<b>(27,615)</b>	<b>(6,435)</b>	<b>(8,995)</b>	<b>617</b>	<b>35,738</b>	<b>(6,690)</b>

## 2.2 SUMMARY OF REVENUE AND INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

	Notes	Consolidated Entity		Parent Entity	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Tabcorp revenue	2.3.1	28,472	29,880	28,472	29,880
Racefield fees revenue	2.3.2	21,303	24,768	21,303	24,768
Grant income	2.3.3	68,941	17,761	68,944	17,621
Other racing revenue	2.3.4	16,088	15,270	16,088	15,270
Gaming and Hospitality revenue	2.3.5	15,342	15,028	-	-
Other revenue	2.3.6	2,754	2,353	3,451	3,050
<b>Total revenue and income from transactions</b>		<b>152,900</b>	<b>105,060</b>	<b>138,258</b>	<b>90,589</b>

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 revenue and 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. Revenue 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).

## 2.3 REVENUE AND INCOME FROM TRANSACTIONS

### 2.3.1 Tabcorp Revenue

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Racing Program fee	6,229	7,395	6,229	7,395
Racing Products fee	4,446	8,917	4,446	8,917
Vic Racing Industry Benefit (VRIB)	2,791	4,812	2,791	4,812
Vic Racing Joint Venture Profit	8,447	1,748	8,447	1,748
International revenue	1,338	1,466	1,338	1,466
Other Tabcorp revenue	5,221	5,542	5,221	5,542
<b>Total Tabcorp revenue</b>	<b>28,472</b>	<b>29,880</b>	<b>28,472</b>	<b>29,880</b>

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 revenue to be classified as revenue from contracts with customers in accordance with AASB 15.

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

### 2.3.2 Racefield Fees Income

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Racefield Fees Income	21,303	24,768	21,303	24,768
<b>Total Racefield Fees Income</b>	<b>21,303</b>	<b>24,768</b>	<b>21,303</b>	<b>24,768</b>

The Group charges Interstate TABs and Corporate Bookmakers for the use of Racefields and has determined Racefields revenue 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.

### 2.3.3 Grant Income

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Infrastructure VRIF contribution	2,093	1,326	2,093	1,326
Other VRIF contribution	711	1,785	711	1,785
Other Grant income	66,137	14,650	66,140	14,510
<b>Total Grant income</b>	<b>68,941</b>	<b>17,761</b>	<b>68,944</b>	<b>17,621</b>

The Group has determined that grant income recognised under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations. These grants are recognised when the Group has an unconditional right to receive cash which usually coincides with the receipt of cash.

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.

### 2.3.4 Other Racing revenue

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Point of Consumption Tax (POCT)	10,513	10,705	10,513	10,705
Registration & licensing fees	1,041	1,201	1,041	1,201
Country club contributions to stakemoney	586	532	586	532
Race-day fees	362	349	362	349
Fines & appeals	180	153	180	153
Registered bookmakers' fees	1	3	1	3
Interdominion Levy	-	400	-	400
Futurities revenue:				
- Vicbred	646	671	646	671
- Breeders Crown	641	743	641	743
- APG	260	330	260	330
- Nutrien	1,830	-	1,830	-
- Need for speed	28	183	28	183
<b>Total Other Racing revenue</b>	<b>16,088</b>	<b>15,270</b>	<b>16,088</b>	<b>15,270</b>

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

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 2024, for futurity series to be conducted in 2024-2025 are brought to account as a current liability. Fees and contributions received for series to be run after 30 June 2025 have been recorded as a non-current liability.

### 2.3.5 Gaming and Hospitality Revenue

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Gaming commission	9,045	8,702	-	-
Food & beverage	4,695	4,845	-	-
Accommodation	1,216	1,135	-	-
Other venue revenue	386	346	-	-
<b>Total Gaming and Hospitality Revenue</b>	<b>15,342</b>	<b>15,028</b>	<b>-</b>	<b>-</b>

Gaming machine commission revenue is calculated as turnover less returns to players. The revenue is recognised when the right to receive the revenue 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 revenue is recognised on each night of guests stay.

### 2.3.6 Other Revenue

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Sponsorship, advertising & events	1,329	1,511	1,329	1,511
Property	-	-	795	750
Management & service fee	27	27	27	27
Other revenue	1,398	815	1,300	762
<b>Total Other Revenue</b>	<b>2,754</b>	<b>2,353</b>	<b>3,451</b>	<b>3,050</b>

Sponsorship, advertising & events revenue is recognised at a point in time when the performance obligation is satisfied; when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided. Customers are invoiced and revenue is recognised when the services are delivered and accepted by customers. In the circumstances where monies are received at year end but rights and benefits not yet delivered according to Sponsorship agreement, the amount is recognised as unearned revenue in the consolidated Balance Sheet.

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

### 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

	Notes	Consolidated Entity		Parent Entity	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Stakemoney expense	3.1.1	46,447	50,686	46,447	50,688
Employee benefits	3.2	21,387	20,320	17,164	15,765
Racing expenses	3.1.2	21,588	17,953	21,588	17,953
Administration expenses	3.3.1	12,748	13,180	9,866	9,652
Gaming and hospitality expenses	3.3.2	6,145	5,964	-	-
<b>Total expenses incurred in delivery of services</b>		<b>108,315</b>	<b>108,103</b>	<b>95,065</b>	<b>94,058</b>

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

### 3.1.1 Stakemoney Expense

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Feature race stakes	11,492	12,582	11,492	12,582
Metropolitan stakes	6,409	6,741	6,409	6,741
Country stakes	23,081	25,722	23,081	25,722
Compensation payments	29	18	29	18
Vicbred win bonuses	4,381	4,386	4,381	4,386
Vicbred breeder bonuses	913	1,073	913	1,073
Trophies	142	164	142	164
<b>Total Stakemoney expenses</b>	<b>46,447</b>	<b>50,686</b>	<b>46,447</b>	<b>50,686</b>

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.

### 3.1.2 Racing Expenses

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Country club funding	6,022	6,156	6,022	6,156
Vision & audio	5,011	5,220	5,011	5,220
Development fund (refer Note 6.4)	5,482	2,088	5,482	2,088
Fields & form comments	842	1,070	842	1,070
Swabs	751	864	751	864
Timing & photo finish	24	21	24	21
Registration	553	629	553	629
Integrity & licensing	652	550	652	550
Race day operations	2,106	1,025	2,106	1,025
Other racing expense	145	330	145	330
<b>Total Racing expenses</b>	<b>21,588</b>	<b>17,953</b>	<b>21,588</b>	<b>17,953</b>

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.

## 3.2 EMPLOYEE BENEFITS

### 3.2.1 Employee benefits in Comprehensive Operating Statement

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Salaries, wages and long service leave	18,019	17,010	14,484	13,120
<b>Post employee benefits</b>				
Defined contribution superannuation expense	1,762	1,622	1,379	1,230
Defined benefits superannuation expense	58	43	58	43
Other employment costs	1,548	1,620	1,243	1,350
<b>Total Employee expenses</b>	<b>21,387</b>	<b>20,295</b>	<b>17,164</b>	<b>15,743</b>

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.

### 3.2.2 Employee benefits in the balance sheet

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Current Provisions</b>				
Employee benefits				
<b>Annual leave</b>				
Unconditional and expected to settle within 12 months	759	727	646	568
Unconditional and expected to settle after 12 months	462	655	376	574
<b>Long service leave</b>				
Unconditional and expected to wholly settle within 12 months	1,345	1,415	1,212	1,236
<b>Provisions for on-costs</b>				
Unconditional and expected to wholly settle within 12 months	387	383	342	322
Unconditional and expected to wholly settle after 12 months	86	116	69	102
<b>Total current employee benefits provision (Note 5.6)</b>	<b>3,039</b>	<b>3,296</b>	<b>2,645</b>	<b>2,802</b>
<b>Non-current provisions</b>				
Employee benefits	218	406	212	378
On-costs	40	73	39	68
<b>Total non-current employee benefits provision (Note 5.6)</b>	<b>258</b>	<b>479</b>	<b>251</b>	<b>446</b>
<b>Total employee benefits provisions</b>	<b>3,297</b>	<b>3,775</b>	<b>2,896</b>	<b>3,248</b>

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.

### Reconciliation of movement in provision

	Consolidated Entity	Parent Entity
	2024 \$'000	2024 \$'000
<b>Opening balance</b>	<b>3,775</b>	<b>3,248</b>
Additional provisions recognised	1,312	1,177
Reductions arising from payments/other sacrifices of future economic benefits	(1,809)	(1,548)
Unwind of discount and effect of changes in the discount rate	19	18
<b>Closing balance</b>	<b>3,297</b>	<b>2,895</b>
Current	3,039	2,644
Non-current	258	251
	<b>3,297</b>	<b>2,895</b>

### 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, because the Group does not have an unconditional right to defer settlements of these liabilities, 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 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.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

### 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.

### 3.2.3 Superannuation contributions

Employees of the Group are entitled to receive superannuation benefits and the Group contributes to both defined benefits and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Defined benefit plans</b>				
State superannuation fund	58	43	58	43
<b>Defined contribution plans</b>				
Victorian superannuation fund	432	288	406	280
Host plus superannuation fund	407	368	171	122
Australian Super	319	245	250	188
Various other funds as nominated by the employee	604	747	552	639
<b>Total contributions</b>	<b>1,820</b>	<b>1,665</b>	<b>1,437</b>	<b>1,273</b>

### 3.3 ADMINISTRATION, GAMING AND HOSPITALITY EXPENSES

#### 3.3.1 Administration Expenses

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Property costs	2,892	3,159	1,230	1,159
Marketing & sponsorship expenses	2,277	3,186	1,614	2,255
Insurance	1,334	1,346	1,275	1,283
Computer costs	1,335	1,490	1,241	1,363
Consulting	1,100	628	1,032	568
Legal fees	84	225	84	225
Staff travel and motor vehicle expense	749	789	741	758
Printing and stationary costs	94	109	63	71
Audit fees	149	126	116	96
Communication costs	81	80	57	54
Bank fees	44	62	10	22
Finance costs	1,909	1,312	1,815	1,302
Donations	52	52	52	51
Other expenses	620	596	508	422
Interest on lease liabilities	28	13	28	13
<b>Total Administration expenses</b>	<b>12,748</b>	<b>13,173</b>	<b>9,866</b>	<b>9,642</b>

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

### 3.3.2 Gaming and Hospitality Expenses

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Gaming costs	4,328	4,072	-	-
Cost of goods sold	1,443	1,495	-	-
Venue costs	374	397	-	-
<b>Total Gaming and Hospitality expenses</b>	<b>6,145</b>	<b>5,964</b>	<b>-</b>	<b>-</b>

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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Assets at Fair Value</b>						
Freehold land	94,195	94,195	-	-	94,195	94,195
Buildings	42,436	42,298	(2,546)	(1,252)	39,890	41,046
Melton track	4,043	4,043	(536)	(344)	3,507	3,699
<b>Total</b>	<b>140,674</b>	<b>140,536</b>	<b>(3,082)</b>	<b>(1,596)</b>	<b>137,592</b>	<b>138,940</b>
<b>Assets at Cost</b>						
Leasehold improvements	1,698	1,664	(1,487)	(1,252)	211	412
Plant and equipment	14,180	15,379	(11,686)	(12,162)	2,494	3,217
Work in progress	5	60	-	-	5	60
<b>Total</b>	<b>15,883</b>	<b>17,103</b>	<b>(13,173)</b>	<b>(13,414)</b>	<b>2,710</b>	<b>3,689</b>
<b>Total Property, Plant and Equipment</b>	<b>156,557</b>	<b>157,639</b>	<b>(16,255)</b>	<b>(15,010)</b>	<b>140,302</b>	<b>142,629</b>

Parent Entity	Gross carrying value		Accumulated depreciation		Net carrying amount	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Assets at Fair Value</b>						
Freehold land	94,195	94,195	-	-	94,195	94,195
Buildings	42,414	42,298	(2,536)	(1,252)	39,878	41,046
Melton track	4,043	4,043	(536)	(344)	3,507	3,699
<b>Total</b>	<b>140,652</b>	<b>140,536</b>	<b>(3,072)</b>	<b>(1,596)</b>	<b>137,580</b>	<b>138,940</b>
<b>Assets at Cost</b>						
Leasehold improvements	1,256	1,251	(1,230)	(1,227)	26	22
Plant and equipment	11,552	13,142	(9,621)	(10,133)	1,931	3,007
Work in progress	5	55	-	-	5	55
<b>Total</b>	<b>12,813</b>	<b>14,448</b>	<b>(10,851)</b>	<b>(11,362)</b>	<b>1,962</b>	<b>3,084</b>
<b>Total Property, Plant and Equipment</b>	<b>153,465</b>	<b>154,984</b>	<b>(13,923)</b>	<b>(12,958)</b>	<b>139,542</b>	<b>142,024</b>

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

Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

Non-specialised land and non-specialised buildings are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

### 4.1.1 RIGHT-OF-USE ASSETS

The following tables are subsets of plant and equipment by right-of-use assets.

Gross carrying amount and accumulated depreciation	Gross carrying value		Accumulated depreciation		Net carrying amount	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Motor vehicles	1,191	934	(744)	(712)	447	222
<b>Total</b>	<b>1,191</b>	<b>934</b>	<b>(744)</b>	<b>(712)</b>	<b>447</b>	<b>222</b>

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

Charge for the period:	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Buildings at fair value	1,287	1,257	1,284	1,253
Leasehold improvements at fair value	57	55	2	1
Plant and equipment at fair value	1,419	1,510	1,199	1,335
Melton complex at fair value	192	119	191	119
Gaming entitlements amortisation	329	326	-	-
Right of use asset at fair value	291	380	291	380
<b>Total</b>	<b>3,575</b>	<b>3,647</b>	<b>2,967</b>	<b>3,088</b>

All 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.

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

	Useful life (years)
Buildings	2 to 40
Roads	40
Track	18 to 25
Plant & equipment	2 to 10
Motor vehicles	5
Computer hardware	3
Computer software	3 to 5
Furniture & fittings	5 to 40
Leasehold improvements	4 to 40

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.

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 IN CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Building	Leasehold Improvement	Plant and Equipment	Melton Track	PPE WIP	Total
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>	<b>94,195</b>	<b>41,046</b>	<b>412</b>	<b>3,217</b>	<b>3,699</b>	<b>60</b>	<b>142,629</b>
Additions	-	120	53	1,756	-	-	<b>1,929</b>
Depreciation	-	(1,287)	(57)	(1,419)	(192)	-	<b>(2,955)</b>
Transfers between classes	-	11	(197)	(1,060)	-	-	<b>(1,246)</b>
Write offs	-	-	-	-	-	(55)	<b>(55)</b>
<b>Closing balance</b>	<b>94,195</b>	<b>39,890</b>	<b>211</b>	<b>2,494</b>	<b>3,507</b>	<b>5</b>	<b>140,302</b>

2023							
<b>Opening balance</b>	<b>94,195</b>	<b>40,659</b>	<b>357</b>	<b>2,462</b>	<b>1,592</b>	<b>827</b>	<b>140,092</b>
Additions	-	1,629	60	1,890	1,843	60	<b>6,245</b>
Depreciation	-	(1,252)	(5)	(1,565)	(119)	-	<b>(2,941)</b>
Accumulated Transfers between classes	-	14	-	430	383	(827)	-
<b>Closing balance</b>	<b>94,195</b>	<b>41,046</b>	<b>412</b>	<b>3,217</b>	<b>3,699</b>	<b>60</b>	<b>142,629</b>

The Victorian Government at a Budget and Finance Committee on 12 December 2023 signed off on a solvency support package for HRV to assist in the implementation of HRV's restructuring strategy, this decision also required HRV to declare 75.1 hectares of vacant land at Melton surplus to HRV's requirements and referred to the Department of Transport and Planning to be transacted in accordance with the Victorian Governments Land Holding and Land Transactions policy.

The 75.1 hectares that HRV is required to deem surplus to HRV's requirements is made of:

- A 45.6 hectare parcel of the 63 hectares at Lot 1 92 -134 Abey Road Melton (including the former landfill)
- The full 29.5 hectares at Lot 2 at 92 -134 Abey Road Melton

HRV retains the title to the land until sold, and at 30 June 2024 the 75.1 hectares of land is recorded as an asset on HRV's balance sheet at its market-value of \$65.9m. The proceeds of the sale will be returned to the State consolidated fund once the land is sold in accordance with the directions of the Minster for Racing.

At 30 June 2024, HRV were not required to obtain a full valuation for the land being 28 - 52 Ferris Rd Melton or the remaining 17.8 hectares at Lot 1 92 -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 less than 10% variance cumulatively since the last revaluation and a revaluation of Land and Buildings using the Valuer-General's commercial rates was not applied:

Land – (0%);

Buildings and Track – 9.3%.

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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Freehold land - 28 - 52 Ferris Rd Melton	9,627	9,627	9,627	9,627
Freehold land - 92 -134 Abey Rd Melton (Lot 1)	49,089	49,089	49,089	49,089
Freehold land - 92 -134 Abey Rd Melton (Lot 2)	35,479	35,479	35,479	35,479
<b>Total</b>	<b>94,195</b>	<b>94,195</b>	<b>94,195</b>	<b>94,195</b>

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

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Gross carrying amount</b>				
<b>Opening balance</b>	<b>3,288</b>	<b>1,983</b>	-	-
Additions	-	3,288	-	-
Disposals	-	(1,983)	-	-
Transfers	2,956	-	2,956	-
<b>Closing balance</b>	<b>6,244</b>	<b>3,288</b>	<b>2,956</b>	-
<b>Accumulated depreciation, amortisation and impairment</b>				
<b>Opening balance</b>	<b>(301)</b>	<b>(1,958)</b>	-	-
Amortisation of intangible assets	(329)	(326)	-	-
Disposals	-	1,983	-	-
Transfers	(1,710)	-	(1,710)	-
<b>Closing balance</b>	<b>(2,340)</b>	<b>(301)</b>	<b>(1,710)</b>	-
<b>Net book value at end of financial year</b>	<b>3,904</b>	<b>2,987</b>	<b>1,246</b>	-

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begin 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.

Intangible assets with finite useful lives, are amortised as an 'expense from transactions' on a straight-line basis over their useful lives.

The Group has capitalised gaming machine entitlements. Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

## 4.4 INVESTMENTS AND OTHER FINANCIAL ASSETS

Non-Current Investments	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'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
<b>Total non-current investments and other financial assets</b>	<b>2,080</b>	<b>2,080</b>	<b>2,080</b>	<b>2,080</b>

### 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 and held at fair value as required by AASB 9 *Financial Instruments*.

### 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. Management assessed the existing valuation and deemed that Radio 3UZ unit trust valuation remained accurate 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 2024 compared with 2022 reporting period;
- The sale of the property and realisation of cash holdings; and
- The operations remaining consistent year on year and projected revenues to remain comparable.

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

#### Reconciliation of movements in investments

2024	RISE \$'000	3UZ \$'000	Total \$'000
Opening Balance	663	1,415	2,080
Net gains / (losses) from fair value adjustments	-	-	-
Closing Balance	663	1,415	2,080

2023			
Opening Balance	663	1,415	2,080
Net gains / (losses) from fair value adjustments	-	-	-
Closing Balance	663	1,415	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.

Management deemed that these valuations were still applicable as at 30 June 2024.

## 5. OTHER ASSETS AND LIABILITIES

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

## 5.1 RECEIVABLES

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Contractual</b>				
Trade receivables	1,353	2,874	1,155	2,682
Loss allowances	(44)	(16)	(42)	(13)
Accrued income	2,071	2,323	1,988	2,262
Tabcorp distribution receivable	3,526	2,976	3,526	2,976
Loans granted	413	-	413	-
Intercompany receivables	-	-	9,183	9,470
<b>Total receivables</b>	<b>7,319</b>	<b>8,157</b>	<b>16,223</b>	<b>17,377</b>
<b>Represented by:</b>				
Current receivables	7,319	8,157	7,040	7,907
Non-current receivables	-	-	9,183	9,470

**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.

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'.

## Reconciliation of movements in loss provisions

2024		Total \$'000
<b>Opening Balance</b>		<b>(16)</b>
Additional provisions recognised		-
Increase / (decrease) in allowance recognised in profit or loss		(40)
Reversals of provision for receivables written off during the year as uncollectible		12
<b>Closing Balance</b>		<b>(44)</b>
Current		(44)
2023		
<b>Opening Balance</b>		<b>(9)</b>
Additional provisions recognised		-
Increase / (decrease) in allowance recognised in profit or loss		(7)
Reversals of provision for receivables written off during the year as uncollectible		-
<b>Closing Balance</b>		<b>(16)</b>
Current		(16)

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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Contractual</b>				
Trade creditors	1,757	2,692	1,632	2,281
Intercompany payables	-	-	3,251	3,603
Development fund accruals	1,774	344	1,774	344
Sundry creditors and accruals	4,086	3,372	3,330	2,259
<b>Statutory</b>				
Goods and services tax (GST) payable	100	247	100	275
<b>Total payables</b>	<b>7,717</b>	<b>6,655</b>	<b>10,087</b>	<b>8,762</b>
<b>Represented by:</b>				
Current payables	7,717	6,655	10,087	8,762

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.

#### Maturity analysis of contract payables (a)

	Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 month	1 – 3 months	3 months – 1 year	1 – 5 years
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Payables	7,717	7,717	7,614	102	1	-
<b>Total</b>	<b>7,717</b>	<b>7,717</b>	<b>7,614</b>	<b>102</b>	<b>1</b>	<b>-</b>

2023						
Payables	6,655	6,655	6,655	-	-	-
<b>Total</b>	<b>6,655</b>	<b>6,655</b>	<b>6,655</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

### 5.3 INVENTORIES

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Food at cost	50	54	-	-
Beverage at cost	62	69	-	-
<b>Total inventories</b>	<b>112</b>	<b>123</b>	<b>-</b>	<b>-</b>

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

## 5.4 UNEARNED REVENUE

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Other revenue invoiced in advance	369	3,731	335	3,698
<b>Total current unearned revenue</b>	<b>369</b>	<b>3,731</b>	<b>335</b>	<b>3,698</b>

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

## 5.5 OTHER LIABILITIES

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Current other liabilities</b>				
Vicbred income invoiced in advance	620	617	620	617
Breeders Crown income invoiced in advance	229	418	229	418
Other current liabilities	624	323	526	319
<b>Total current other liabilities</b>	<b>1,473</b>	<b>1,358</b>	<b>1,375</b>	<b>1,354</b>
<b>Non-current other liabilities</b>				
Vicbred income invoiced in advance	221	253	221	253
Breeders Crown income invoiced in advance	822	232	822	232
Other non-current liabilities	105	445	105	445
<b>Total non-current other liabilities</b>	<b>1,148</b>	<b>930</b>	<b>1,148</b>	<b>930</b>
<b>Total other liabilities</b>	<b>2,621</b>	<b>2,288</b>	<b>2,523</b>	<b>2,284</b>

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 2024, for futurity series to be conducted in 2024-25 are brought to account as a current liability. Fees and contributions received for series to be run after 30 June 2025 have been recorded as a non-current liability.

## 5.6 PROVISIONS

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Current other provisions</b>				
State-wide sulky fund	27	54	28	54
Bonus points liability	44	38	-	-
<b>Total other current provisions</b>	<b>71</b>	<b>92</b>	<b>28</b>	<b>54</b>
Current employee benefits provision (Note 3.2.2)	3,039	3,296	2,645	2,802
<b>Total current employee benefits provision</b>	<b>3,039</b>	<b>3,296</b>	<b>2,645</b>	<b>2,802</b>
<b>Total current provisions</b>	<b>3,110</b>	<b>3,388</b>	<b>2,673</b>	<b>2,856</b>
Non-current employee benefits provision (Note 3.2.2)	258	479	251	446
<b>Total non-current employee benefits provision</b>	<b>258</b>	<b>479</b>	<b>251</b>	<b>446</b>
<b>Total provisions</b>	<b>3,368</b>	<b>3,867</b>	<b>2,924</b>	<b>3,302</b>

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 \$'000	Bonus points liability \$'000	Aggregate insurance \$'000	Total \$'000
<b>2024</b>				
<b>Opening Balance</b>	<b>54</b>	<b>34</b>	<b>-</b>	<b>88</b>
Additional provisions recognised	36	10	-	<b>46</b>
Reductions arising from payments / other sacrifices of future economic benefits	(63)	-	-	<b>(63)</b>
<b>Closing Balance</b>	<b>27</b>	<b>44</b>	<b>-</b>	<b>71</b>
Current	27	44	-	<b>71</b>
<b>2023</b>				
<b>Opening Balance</b>	<b>70</b>	<b>34</b>	<b>150</b>	<b>254</b>
Additional provisions recognised	37	4	-	<b>41</b>
Reductions arising from payments / other sacrifices of future economic benefits	(53)	-	(150)	<b>(203)</b>
<b>Closing Balance</b>	<b>54</b>	<b>38</b>	<b>-</b>	<b>92</b>
Current	54	38	-	<b>92</b>

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 WE FINANCED 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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Unsecured – TCV loan facility	-	35,006	-	35,006
Gaming machine entitlements loan	446	446	-	-
<b>Total current borrowings</b>	<b>446</b>	<b>35,452</b>	<b>-</b>	<b>35,006</b>
Unsecured – TCV loan facility	-	7,308	-	7,308
Gaming machine entitlements loan	1,897	2,344	-	-
<b>Total non-current borrowings</b>	<b>1,897</b>	<b>9,652</b>	<b>-</b>	<b>7,308</b>
<b>Total borrowings</b>	<b>2,343</b>	<b>45,104</b>	<b>-</b>	<b>42,314</b>

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.

## Maturity analysis of borrowings

	Carrying Amount	Nominal Amount	Maturity Dates			
			Less than 1 month	1 – 3 months	3 months – 1 year	1 – 5 years
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unsecured – TCV loan facility	-	-	-	-	-	-
Gaming machine entitlements loan	2,343	2,343	-	112	334	1,897
<b>Total</b>	<b>2,343</b>	<b>2,343</b>	<b>-</b>	<b>112</b>	<b>334</b>	<b>1,897</b>

2023						
Unsecured – TCV loan facility	26	26	-	-	15	10
Gaming machine entitlements loan	2,790	2,790	-	112	334	2,344
<b>Total</b>	<b>2,816</b>	<b>2,816</b>	<b>-</b>	<b>112</b>	<b>349</b>	<b>2,354</b>

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

### Right-of-use assets

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

### Lease liabilities

	Minimum future lease payments			
	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Lease liabilities payable</b>				
No longer than one year	236	182	236	182
Longer than one year but not longer than 5 years	230	52	230	52
<b>Minimum future lease payments</b>	<b>466</b>	<b>234</b>	<b>466</b>	<b>234</b>
Less future finance charges	(25)	(7)	(25)	(7)
<b>Present value of minimum lease payments</b>	<b>441</b>	<b>227</b>	<b>441</b>	<b>227</b>
Current lease liabilities	220	175	220	175
Non-current lease liabilities	221	52	221	52
<b>Total lease liabilities</b>	<b>441</b>	<b>227</b>	<b>441</b>	<b>227</b>

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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Cash and cash equivalents</b>				
Deposits at call	7,953	9,743	6,352	8,328
Cash on hand	423	683	1	1
<b>Closing cash and cash equivalents balance</b>	<b>8,376</b>	<b>10,426</b>	<b>6,353</b>	<b>8,329</b>

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	
Reconciliation of net result for the year to the net cash from operating activities	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Net result for the year</b>	<b>40,951</b>	<b>(6,690)</b>	<b>40,168</b>	<b>(6,557)</b>
<b>Non-cash movements</b>				
Depreciation/amortisation of non-current assets	3,575	3,647	2,967	3,088
Loss allowance	40	7	40	10
Long service leave revaluation	19	25	18	22
Asset write off	55	-	50	-
<b>Movements in assets and liabilities</b>				
(Increase)/ Decrease in receivables	1,211	(66)	1,533	(1,033)
(Increase)/ Decrease in other assets	(15)	8	(32)	(67)
Increase/ (Decrease) in accounts payables	1,062	(601)	1,325	(420)
Increase/ (Decrease) in unearned income	(3,360)	408	(3,363)	403
Increase/ (Decrease) in other liabilities	(334)	154	239	127
Increase/ (Decrease) in provisions	517	(11)	(396)	(207)
<b>Net cash (used in) operating activities</b>	<b>43,355</b>	<b>(3,119)</b>	<b>42,549</b>	<b>(4,634)</b>

## Facilities

	Consolidated Entity		Parent Entity	
HRV has access to the following finance facilities	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Unsecured term facility	-	43,801	-	43,801
Business card limit	83	99	67	83
Gaming machine entitlements	2,343	2,790	-	-
<b>Total facilities available</b>	<b>2,426</b>	<b>46,690</b>	<b>67</b>	<b>43,884</b>
Amount of facility unused	83	15	67	15

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. On 20 March 2024, the Unsecured TCV Loan facility was repaid 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 2024 expenditure on the following projects was incurred. No comparative for 2023 is shown due to the nature of the program. Each year the projects receiving funding change therefore making any comparative not applicable.

		2024 \$'000
Terang	Terang Stabling Upgrade and Community	878
Cobram	Cobram Machinery Storage Shed	60
Cranbourne, Geelong and Kilmore	LED Lighting - Cranbourne, Kilmore& Geelong	3,882
Bendigo	Victorian Harness Racing Heritage - Bendigo	6
Kilmore	New Horse Barn - 200K HRV contribution	200
Cranbourne	Relocation cost - Cranbourne	18
Various Clubs	Bulk Purchase of Metal Halide Lamps	150
TBC	Water Truck	202
Maintenance & Repairs	MISC (Country Clubs Track Maintenance and repairs)	87
<b>Total development fund expenses</b>		<b>5,483</b>

### 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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Onyx gaming solutions service agreement</b>				
Not longer than 1 year	837	797	-	-
Longer than 1 year and not longer than 5 years	3,786	3,606	-	-
Longer than 5 years	-	1,017	-	-
<b>Total capital expenditure commitments (inclusive GST)</b>	<b>4,623</b>	<b>5,420</b>	<b>-</b>	<b>-</b>
Less GST recoverable from the Australian Taxation Office	(420)	(493)	-	-
<b>Total capital expenditure commitments (exclusive GST)</b>	<b>4,203</b>	<b>4,927</b>	<b>-</b>	<b>-</b>

On commencement of the gaming arrangements in 2012, the infrastructure, services and functions currently supplied by Onyx become the responsibility of the gaming venues.

## 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
2024	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contractual financial assets</b>					
Cash and deposits	8,376	-	-	-	8,376
Receivables	-	-	7,319	-	7,319
Investments	-	2,080	-	-	2,080
<b>Total contractual financial assets</b>	<b>8,376</b>	<b>2,080</b>	<b>7,319</b>	<b>-</b>	<b>17,775</b>
<b>Contractual financial liabilities</b>					
Payables	-	-	-	7,617	7,617
Interest bearing liabilities	-	-	-	-	-
Gaming machine entitlements loan	-	-	-	2,343	2,343
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,960</b>	<b>9,960</b>
<b>2023</b>					
<b>Contractual financial assets</b>					
Cash and deposits	10,426	-	-	-	10,426
Receivables	-	-	8,157	-	8,157
Investments	-	2,080	-	-	2,080
<b>Total contractual financial assets</b>	<b>10,426</b>	<b>2,080</b>	<b>8,157</b>	<b>-</b>	<b>20,663</b>
<b>Contractual financial liabilities</b>					
Payables	-	-	-	6,408	6,408
Interest bearing liabilities	-	-	-	42,314	42,314
Gaming machine entitlements loan	-	-	-	2,790	2,790
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,512</b>	<b>51,512</b>

- The amount of receivables and payables disclosed here exclude statutory amounts (e.g. GST).

### **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

2024	Financial institutions \$'000	Credit rating of financial institution	Other \$'000	Total \$'000
<b>Contractual financial assets</b>				
Cash and deposits	8,376	A-	-	<b>8,376</b>
Receivables	-	-	7,319	<b>7,319</b>
Investments	-	-	2,080	<b>2,080</b>
<b>Total contractual financial assets</b>	<b>8,376</b>	<b>-</b>	<b>9,399</b>	<b>17,775</b>

<b>2023</b>				
<b>Contractual financial assets</b>				
Cash and deposits	10,426	A-1+	-	<b>10,426</b>
Receivables	-	-	8,157	<b>8,157</b>
Investments	-	-	2,080	<b>2,080</b>
<b>Total contractual financial assets</b>	<b>10,426</b>	<b>-</b>	<b>10,237</b>	<b>20,663</b>

At balance date, HRV Group held cash with Westpac Banking Group. Standard and Poor's Credit Rating is the Short-Term Cash Rating for the Financial Institution as at 30 June 2024.

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

### Impairment of financial assets under AASB 9

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, making 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. The Groups exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

### **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	Carrying Amount	Interest Rate exposure		
			Variable interest rate	Non-interest bearing	Nominal Amount
2024	%	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cash and deposits	0.1%	8,376	8,189	187	8,376
Trade debtors	0.1%	1,309	-	1,309	1,309
Accrued income	0.0%	5,597	-	5,597	5,597
Investments – RISE	0.0%	663	-	663	663
Investments – 3UZ	0.0%	1,417	-	1,417	1,417
<b>Total financial assets</b>		<b>17,362</b>	<b>8,189</b>	<b>9,173</b>	<b>17,362</b>
<b>Financial liabilities</b>					
Trade creditors	0.0%	1,757	-	1,757	1,757
Other payables	0.0%	5,860	-	5,860	5,860
Gaming machine entitlements	0.0%	2,343	2,343	-	2,343
<b>Total financial liabilities</b>		<b>9,960</b>	<b>2,343</b>	<b>7,617</b>	<b>9,960</b>

	Weighted average effective interest rate	Carrying Amount	Interest Rate exposure		
			Variable interest rate	Non-interest bearing	Nominal Amount
2023	%	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cash and deposits	0.1%	10,426	9,743	683	10,426
Trade debtors	0.1%	2,858	-	2,858	2,858
Tabcorp distribution	0.0%	2,976	-	2,976	2,976
Accrued income	0.0%	2,323	-	2,323	2,323
Investments – RISE	0.0%	663	-	663	663
Investments – 3UZ	0.1%	1,417	-	1,417	1,417
<b>Total financial assets</b>		<b>20,663</b>	<b>9,743</b>	<b>10,920</b>	<b>20,663</b>
<b>Financial liabilities</b>					
Trade creditors	0.0%	2,692	-	2,692	2,692
Other payables	0.0%	3,716	-	3,716	3,716
Unsecured TCV loan	4.15%	42,314	42,314	-	42,314
Gaming machine entitlements	0.0%	2,790	2,790	-	2,790
<b>Total financial liabilities</b>		<b>51,512</b>	<b>45,104</b>	<b>6,408</b>	<b>51,512</b>

### 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 +1 per cent and -1 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%		-1%		1%	
		Net Result	Equity	Net Result	Equity	Net Result	Equity	Net Result	Equity
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contractual financial asset</b>									
Cash and cash Equivalents	8,376	5	5	(5)	(5)	84	84	(84)	(84)
Receivables	7,319	-	-	-	-	-	-	-	-
Investments	2,080	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>17,775</b>	<b>5</b>	<b>5</b>	<b>(5)</b>	<b>(5)</b>	<b>84</b>	<b>84</b>	<b>(84)</b>	<b>(84)</b>
<b>Contractual financial liabilities</b>									
Payables	7,617	-	-	-	-	-	-	-	-
Gaming machine entitlements	2,343	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>9,960</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2023</b>									
<b>Contractual financial asset</b>									
Cash and cash Equivalents	10,426	1	1	(1)	(1)	104	104	(104)	(104)
Receivables	8,157	-	-	-	-	-	-	-	-
Investments	2,080	-	-	-	-	-	-	-	-
<b>Total financial assets</b>	<b>20,663</b>	<b>1</b>	<b>1</b>	<b>(1)</b>	<b>(1)</b>	<b>104</b>	<b>104</b>	<b>(104)</b>	<b>(104)</b>
<b>Contractual financial liabilities</b>									
Payables	6,408	-	-	-	-	-	-	-	-
Interest bearing liabilities	42,314	-	-	-	-	423	423	(423)	(423)
Gaming machine entitlements	2,790	-	-	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>52,512</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>423</b>	<b>423</b>	<b>(423)</b>	<b>(423)</b>

Cash and cash equivalents includes AUD\$103,984 in cash held in a New Zealand bank account NZD\$113,930 @NZD/AUD 0.9127 at 30 June 2024).

## 7.2 CONTINGENT ASSETS AND LIABILITIES

Contingent assets and contingent liabilities are not recognised in the consolidated 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 2025. 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.

The Victorian Government at a Budget and Finance Committee on 12 December 2023 approved a solvency support package for HRV to assist in the implementation of HRV's restructuring strategy. This decision also required HRV to declare 75.1 hectares of vacant land at Melton surplus to HRV's requirements and referred to the Department of Transport and Planning to facilitate its sale in accordance with the Victorian Governments Landholding Policy and Guidelines and the Victorian Government Land Transactions policy. HRV was formally notified of the land decision in a letter from the Minister for Racing on 29 July 2024.

The 75.1 hectares of land is made up of:

A 45.6-hectare parcel of the 63 hectares at Lot 1 92 -134 Abey Road Melton (including the former landfill)

The full 29.5 hectares at Lot 2 at 92 -134 Abey Road Melton

HRV retains the title to the land until sold, and as at 30 June 2024 the 75.1 hectares of land is recorded as an asset on HRV's balance sheet at its market-value of \$65.9m. The proceeds of the sale will be returned to the State consolidated fund once the land is sold in accordance with the directions of the Minister for Racing.

A Contingent Liability has been recognised to the value of \$65.9m acknowledging that when the land is sold and transferred to its new owner at some point in the future, HRV has an obligation to return any and all sales proceeds to the consolidated fund. The timing of sale and value that will be received is not known as at 30 June 2024.

## 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;
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
  - o a reconciliation of the movements in fair values from the beginning of the year to the end; and
  - o 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:

- 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 2023-24 reporting period.

These financial instruments include:

#### Financial assets

Cash and deposits  
Investments  
Receivables

#### Financial liabilities

Payables  
Interest bearing liabilities

Fair value estimates recognised in respect of financial instruments in the balance sheet are all estimated and categorised as Level 3 as listed in the table below.

#### Financial assets and liabilities measured at fair value

	2024			2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment – RISE	-	-	663	-	-	663
Investment – Radio 3UZ Unit Trust	-	-	1,417	-	-	1,417
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,080</b>	<b>-</b>	<b>-</b>	<b>2,080</b>

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. Management completed a fair value assessment using consistent rationale with prior year and determined no movement was required to be taken up 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
<b>Unlisted security</b>				
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 \$7k
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 \$141k

Reconciliation of fair value movements	2024 \$'000	2023 \$'000
<b>Investment in RISE</b>		
Opening balance	663	663
Total gain or loss recognised	-	-
<b>Closing Balance</b>	<b>663</b>	<b>663</b>
<b>Investment in Radio 3UZ Ptd Ltd</b>		
Opening balance	1,417	1,417
Total gain or loss recognised	-	-
<b>Closing Balance</b>	<b>1,417</b>	<b>1,417</b>

## Fair value measurement hierarchy

At fair value 2024	Carrying Amount \$'000	Fair value measurement at end of reporting period		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Specialised land	94,195	-	-	94,195
Specialised buildings	39,890	-	-	39,890
Leasehold improvements	211	-	-	211
Plant and equipment	3,740	-	-	3,740
Specialised Melton track	3,507	-	-	3,507
Right of use motor vehicles	447	-	-	447

2023				
Specialised land	94,195	-	-	94,195
Specialised buildings	41,046	-	-	41,046
Leasehold improvements	412	-	-	412
Plant and equipment	3,217	-	-	3,217
Specialised Melton track	3,699	-	-	3,699
Right of use motor vehicles	222	-	-	222

### Description of Level 3 valuation techniques used and key inputs to valuation

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	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	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.
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 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 subject to agreement

HRV entered into a Section 173 agreement under the Planning and Environment Act 1987 with the Melton City 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 City Council at market value at the time of retransfer.

In November 2012, HRV and Melton City 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.

In 2024, the Melton City Council confirmed that a no further extensions to the 173 agreement would be provided, and that as it was likely that HRV would not have substantial commenced construction on lot 2 92-134 Abey Road by 30 June 2024.

At 20 June 2024 the Council was reviewing their right of retransfer. Any retransfer transaction would need to be transacted under the Victorian Governments Land Holding and Land Transactions policy, with any sales proceeds being retained by the consolidated fund.

## 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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Revaluation reserve</b>				
Balance at beginning of financial year	104,777	104,777	104,777	104,777
<b>Balance at end of financial year</b>	<b>104,777</b>	<b>104,777</b>	<b>104,777</b>	<b>104,777</b>

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:

- 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	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Transactions with MET</b>				
Rental income	-	-	795	750
<b>Balances:</b>				
Other financial assets	-	-	9,183	9,470
Other current liabilities	-	-	3,251	3,603

## 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 Hon. Anthony Carbines.

### Governing Board:

Dale G Monteith (Chairman) (Resigned 21 Mar 2024)

Adam Kilgour (Chairman) (28 March 2024 appointed Chairman)

Dr Catherine Ainsworth (Deputy Chair)

Jane Brook

Judy Rothacker

Dennis Bice (commenced 19 March 2024)

### Accountable Officer:

Matthew Isaacs – Chief Executive Officer

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: \$380,000 – \$389,999 (\$350,000 - \$359,999 in 2022-23).

## 8.4 REMUNERATION OF KEY MANAGEMENT PERSONNEL

	Consolidated Entity	
Consolidated remuneration by \$10,000 band For responsible persons	2024 \$'000	2023 \$'000
\$0 to \$9,999	1	1
\$20,000 to \$29,999	3	5
\$60,000 to \$69,999	1	1
\$120,000 to \$129,999	1	1
\$150,000 to \$159,999	-	1
\$160,000 to \$169,999	-	1
\$380,000 to \$389,999	1	-
<b>Total number</b>	<b>7</b>	<b>10</b>
<b>Total remuneration \$ ('000)</b>	<b>577</b>	<b>639</b>

Consolidated remuneration of executives	Consolidated Entity	
	2024 \$'000	2023 \$'000
Short-term benefits	1,549	2,033
Post-employment benefits	152	179
Termination benefits	257	53
Other long-term benefits	38	18
<b>Total remuneration of executives</b>	<b>1,996</b>	<b>2,283</b>
<b>Total number of executives</b>	<b>7</b>	<b>11</b>
<b>Total annualised equivalent</b>	<b>6</b>	<b>7</b>

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.

#### Key management personnel:

Luke Spano - Chief Operating Officer

Fiona Mellor - Chief Commercial Officer (ceased 30 June 2024)

Glenn Lee – Chief Racing and Commercial Officer (commenced 26 February 2024)

Natalie Wright-Boyd - General Manager People and Culture (ceased 29 January 2024)

Rhys Harrison- General Manager Integrity

Stephen Bell - General Manager Racing and Wagering (ceased 1 December 2023)

The key management personnel of the Group also include the list of responsible persons in note 8.3

## 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:

- Grant income received from Department of Justice and Community Safety (DJCS) for \$68.9m (2023: \$16.9m). Of the total grant monies, HRV recorded \$41.7m in grant income by way of debt repayment, facilitated via a third-party transaction between DJCS and Treasury Corporation Victoria to exhaust the full balance of the debt.

## 8.6 REMUNERATION OF AUDITORS

	Consolidated Entity		Parent Entity	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Victorian Auditor-General's Office – audit of the financial report	86	83	62	55
Internal audit	57	42	57	42
Other audit services	2	2	-	-
<b>Total remuneration of auditors</b>	<b>145</b>	<b>127</b>	<b>119</b>	<b>97</b>

## 8.7 SUBSEQUENT EVENTS

On the 29 July 2024, The Minister for Racing Anthony Carbines, wrote to the Chair of HRV to confirm that the Victorian Government at a Budget and Finance Committee on 12 December 2023 approved a solvency support package for HRV to assist in the implementation of HRV's restructuring strategy. This decision also required HRV to declare 75.1 hectares of vacant land at Melton surplus to HRV's requirements and referred to the Department of Transport and Planning to facilitate its sale in accordance with the Victorian Governments Landholding Policy and Guidelines and the Victorian Government Land Transactions policy.

The 75.1 hectares of land is made up of:

- A 45.6-hectare parcel of the 63 hectares at Lot 1 92 -134 Abey Road Melton (including the former landfill)
- The full 29.5 hectares at lot 2 at 92 -134 Abey Road Melton

HRV retains the title to the land until sold, and at 30 June 2024 the 75.1 hectares of land is recorded as an asset on HRV's balance sheet at its market-value of \$65.9m. The proceeds of the sale are expected to be returned to the States consolidated fund once the land is sold in accordance with the directions of the Minister for Racing.

The Board continue to have discussions with the Minister around the value of the solvency package and the requirement of HRV to declare 75.1 hectares of vacant land at Melton surplus to HRV's requirements. A contingent liability pertaining to the matter has been disclosed at note 7.2.

## 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 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.
- AASB 17 *Insurance Contracts*.

# 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
<b>Ministerial Directions &amp; Financial Reporting Directions</b>		
<b>Report of Operations</b>		
<b>Charter and purpose</b>		
FRD 22H	Manner of establishment and the relevant Ministers	118
FRD 22H	Purpose, functions, powers and duties	118
FRD 8D	Departmental objectives, indicators and outputs	13
FRD 22H	Key initiatives and projects	11-35
FRD 22H	Nature and range of services provided	45-111
<b>Management and structure</b>		
FRD 22H	Organisational structure	118
<b>Financial and other information</b>		
FRD 8D	Performance against output performance measures	10-31
FRD 8D	Budget portfolio outcomes	37
FRD 10A	Disclosure index	112-113
FRD 12B	Disclosure of major contracts	124
FRD 15E	Executive officer disclosures	107-108
FRD 22H	Employment and conduct principles	120
FRD 22H	Occupational health and safety policy	120
FRD 22H	Summary of the financial results for the year	32
FRD 22H	Significant changes in financial position during the year	32-35
FRD 22H	Major changes or factors affecting performance	32-35
FRD 22H	Subsequent events	110
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	124
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	124
FRD 22H	Statement on National Competition Policy	124
FRD 22H	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	125
FRD 22H	Application and operation of the <i>Carers Recognition Act 2012</i>	125
FRD 22H	Details of consultancies over \$10,000	123
FRD 22H	Disclosure of ICT expenditure	123
FRD 22H	Statement of availability of other information	126
FRD 24D	Reporting of office based environmental impacts	126
FRD 25D	Local Jobs First	123
FRD 29C	Workforce Data disclosures	121
SD 5.2	Specific requirements under Standing Direction 5.2	37

Legislation	Requirement	Page Reference
<b>Ministerial Directions &amp; Financial Reporting Directions</b>		
<b>Report of Operations</b>		
<b>Compliance attestation and declaration</b>		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	127
SD 5.2.3	Declaration in report of operations	5
<b>Financial statements</b>		
<b>Declaration</b>		
SD 5.2.2	Declaration in financial statements	37
<b>Other requirements under Standing Directions 5.2</b>		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	
SD 5.2.1(a)	Compliance with Ministerial Directions	
SD 5.2.1(b)	Compliance with Model Financial Report	
<b>Other disclosures as required by FRDs in notes to the financial statements <sup>(a)</sup></b>		
FRD B	Departmental Disclosure of Administered Assets and Liabilities by Activity	40-127
FRD 11A	Disclosure of Ex gratia Expenses	73
FRD 13	Disclosure of Parliamentary Appropriations	43 & 87-88
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	107-108
FRD 103H	Non Financial Physical Assets	89
FRD 110A	Cash Flow Statements	43
FRD 112D	Defined Benefit Superannuation Obligations	65

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; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- 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; or
  - 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; or

to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

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; or

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*; and

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; and
- other taxes, including landfill levies, license 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 Board that shall have a minimum of five and no greater than seven members which reports to the Minister for Racing and an Executive Management Team.

**Minister for Racing** – The Hon. Anthony Carbines, MP.

### Members of Harness Racing Victoria Board

Dale G Monteith (Chairman) (Resigned 21 Mar 2024)

Adam Kilgour (Chairman)

Dr Catherine Ainsworth (Deputy Chair)

Jane Brook

Judy Rothacker

Dennis Bice (commenced 19 March 2024)

### Members of Harness Racing Victoria Executive Management Team

Luke Spano - Chief Operating Officer

Fiona Mellor - Chief Commercial Officer (resigned 30 June 2024)

Glenn Lee - Chief Commercial Officer Racing (commenced 26 February 2024)

Natalie Wright-Boyd - General Manager People and Culture (resigned 29 January 2024)

Rhys Harrison - General Manager Integrity

Stephen Bell - General Manager Racing and Wagering (resigned 1 December 2023)

Gayle Harvey - General Manager Melton Venue

### **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:

- Oversee and advise the HRV Board on matters of accountability and internal control affecting the operations of HRV Group and registered Country Clubs;
- 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; and
  - o Business policies and practices and compliance with applicable laws, regulations, standards and best practice guidelines;
- Review results of the annual external audit and maintain effective communication with external auditors to ensure adequate resolution;
- Provide a structured reporting line for internal audit;
- Improve the quality of internal and external financial reporting for HRV and the industry as a whole;
- Monitor the financial position and financial performance of Country Clubs; and
- 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; and
  - o Compliance with applicable laws and regulations.

## OCCUPATIONAL HEALTH AND SAFETY

HRV is committed to ensuring the continuation of a pro-active 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	Melton	Consolidated
<b>Incidents</b>			
Number of incidents	26	29	52
Fatalities	-	-	-
Incidents Investigated	100%	100%	100%
Incidents reported to Regulator (WorkSafe)	-	-	-
Improvement notices issued by WorkSafe	-	-	-
Improvement notices issued by HSR	-	-	-
<b>Workcover</b>			
Claims raised	1	2	3
<b>Consultation</b>			
OHS Committee meeting	4	n/a*	4

\*Included with parent, HRV Group only have one committee for both entities.

## 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 (2024), and in the last full pay period of the previous reporting period (2023). The table also discloses the full-time equivalent (FTE) based on total working hours for the full pay period in 2024 and 2023.

Jun-24							
	All Employees (headcount)	On-going			Casual		
		FTE	Full-Time (headcount)	Part-Time (headcount)	FTE	Number (headcount)	FTE
Gender							
Women	121	65	43	14	51	64	14
Male	147	84	72	6	74	69	10
Age							
15-24	31	12	3	0	3	28	9
25-34	52	31	29	3	29	20	2
35-44	52	38	31	3	33	18	5
45-54	56	41	32	3	35	21	6
55-64	44	20	19	8	23	17	3
65+	33	12	1	3	1	29	11
Executives	12	7	7	5*	7	0	0
Management/Professional	44	38	35	7	38	2	0.4
Administrative	7	2	2	0	2	5	0.3
Hospitality	87	46	24	7	28	56	18
Raceday	118	54	47	1	50	70	4
Total Employees	268	148	115	20	125	133	23

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.

<b>Total remuneration, by \$20,000 band, for Executives and other senior non-executive staff</b>		
<b>Income band</b>	<b>2024</b>	<b>2023</b>
\$160,001 to \$180,000	3	3
\$180,001 to \$200,000	4	4
\$200,001 to \$220,000	-	-
\$220,001 to \$240,000	2	2
\$240,001 to \$260,000	-	-
\$260,001 to \$280,000	-	-
\$280,001 to \$300,000	-	-
\$300,001 to \$320,000	-	-
\$320,001 to \$340,000	1	1
\$340,001 to \$360,000	1	1
\$360,001 to \$380,000	-	-
<b>Total number</b>	<b>11</b>	<b>11</b>
<b>Total remuneration \$ ('000)</b>	<b>2,057</b>	<b>2,057</b>

#### **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 2023-24 is 45% 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 (VIPP) 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 was one contract **commenced** in 2023-24 to which VIPP applied.

There were no contracts **completed** in 2023-24 to which VIPP applied.

## CONSULTANCIES

During the year, HRV had eight consultancies that cost in excess of \$10,000 excluding GST. The total expenditure incurred during 2023-24 in relation to these consultancies is \$736,089 (excluding GST). Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Total approved project fee \$	Expenditure 2023/24 (excluding gst) \$	Future expenditure (excluding gst) \$
Ernst & Young	Organisation strategy	483,820	483,820	
Wrights	Organisation strategy	50,150	50,150	-
Capability Network	Organisation strategy	75,000	75,000	-
Cooke & Foley	Club governance	32,510	32,510	-
IR Result	Industrial relations Consultant	31,885	31,885	-
Jackie Booth Consulting	Venue operation strategy	13,600	13,600	-
Senet	Rights and Sponsorship advice	18,178	18,178	
Tonkin & Taylor	Ferris Road monitoring	30,946	30,946	-

## **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 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 2023-24, there were two requests received by HRV.

If an applicant is not satisfied by a decision made by the Department, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

## **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 19% 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 and/or
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act and/or
- considering the care relationships principles set out in the Act when setting policies and providing services; and/or
- 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.

*Inclusive Victoria: State disability plan for 2022-2026* 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 LED 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.

Staff that are required to travel to racetracks to administer races are provided low emission hybrid vehicles.

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, Adam Kilgour, 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.

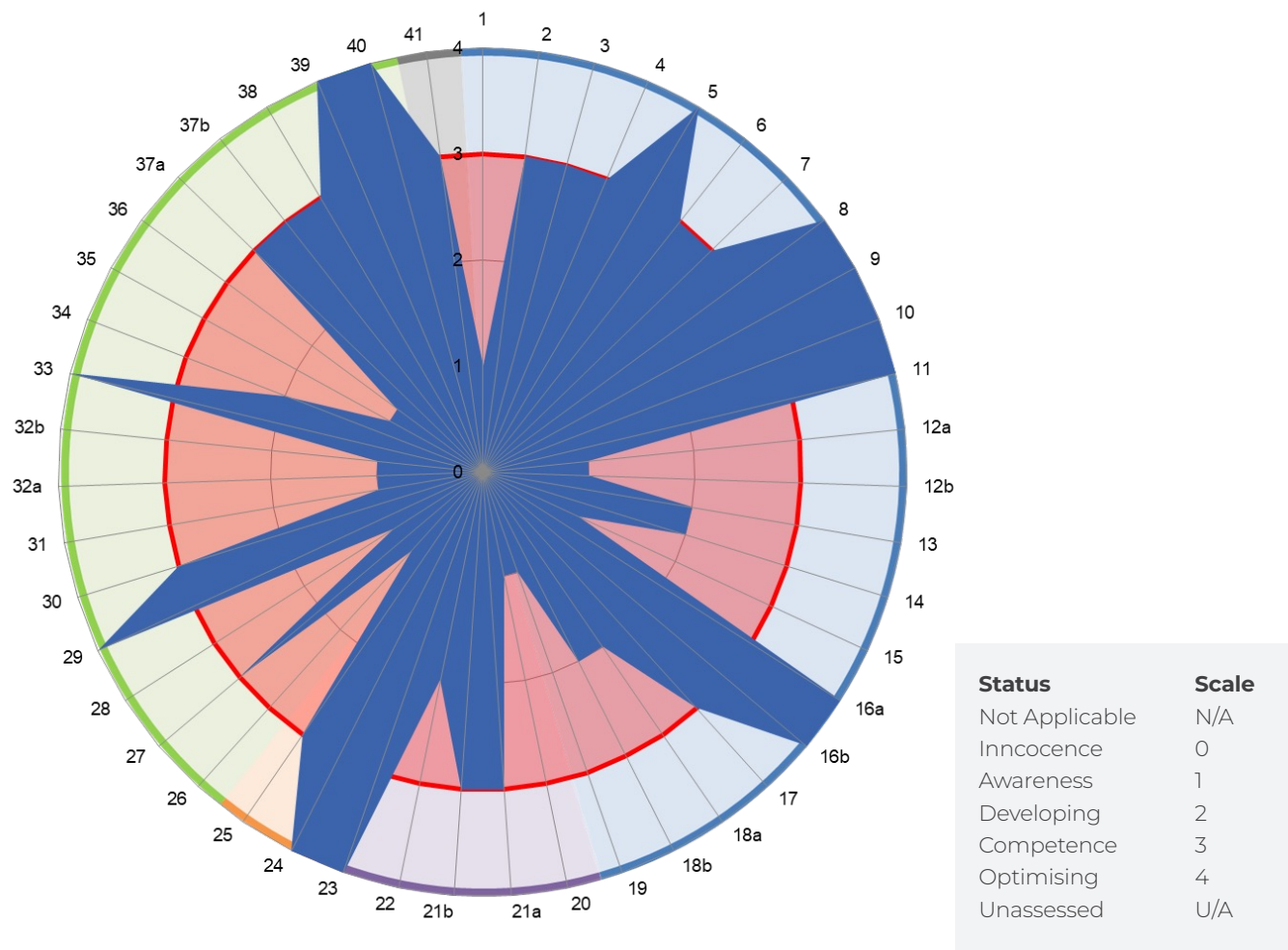
A handwritten signature in black ink, reading 'Adam Kilgour', with a stylized, cursive script.

Adam Kilgour  
Chairman  
Harness Racing Victoria  
4 October 2024

# 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 its target maturity level under most requirements within this category. HRV is compliant deficient with some requirements in the areas predominantly with regards to performance reporting. 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 its target maturity level in this category excluding requirement 20. HRV asset management strategy requires additional details pertaining to each life cycle of an asset.

**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.