

2024-2025

ANNUAL REPORT

HARNESS RACING VICTORIA



HARNESS
RACING
VICTORIA



Cover image: Elite Stride at Alabar Farms (Picture Stuart McCormick)
Page 2 image: A Larajay Farm horse at Melton (Picture Stuart McCormick)

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CHAIR'S REPORT



It is my privilege to present the Chair's Report for the 2024/25 financial year.

This past year has continued a significant era of change for harness racing in Victoria. From evolving industry dynamics to new leadership, our sport continues to adapt, getting fitter and more efficient, and creating a platform for growth.

Since being appointed to the role in October 2024, I have greatly valued the opportunity to speak with participants, stakeholders, and fans across the state. These conversations have been candid, insightful, and energising.

Attending feature race meetings, country cups, and roadshows have been highlights. I have been welcomed with a warm hand and open door in every town—proof of the passion and pride that lives in our harness racing community.

It was great to see so many of you in attendance as Swayzee won a great battle with Leap To Fame to claim our Sportsbet A G Hunter Cup, and then watch Watts Up Partytime shock the trotting world with a Yabby Dam Farms Great Southern Star triumph at any old odds. These were just two of many on-track highlights.

It was also a year in which we celebrated champions at the Hall of Fame and Victorian Harness Racing Awards, including Ted Demmler, who was elevated to Legend status, and Clinton Welsh, who was awarded a Gordon Rothacker Medal.

Throughout the year, I'm grateful to have been supported by strong and committed Board members. I would, first, like to acknowledge the contributions of our outgoing members whose terms concluded in FY25: former Chair Adam Kilgour, former Deputy Chair Dr Catherine Ainsworth, and member Jane Brook. We appreciate the leadership and dedication they gave to harness racing.

I also warmly welcome the incoming Board members, who—alongside long-serving Judy Rothacker—have joined Harness Racing Victoria over the past 18 months.

Dennis Bice, John Doherty, Adam Wallish, and Maxine Brain, who was appointed on 1 July 2025, complete a team that brings fresh perspective, deep experience, and a shared commitment to the future of harness racing in Victoria.

I thank the State Government and particularly the Minister for Racing, the Hon. Anthony Carbines, and his staff, for their ongoing support of harness racing in Victoria.

I also acknowledge the passion and dedication of our participants, including trainers, breeders, owners, drivers, and stablehands. Their commitment and support drive harness racing in Victoria, and it's for them that we are dedicated to building a prosperous and sustainable future.

I also thank and acknowledge the efforts of our clubs, their staff, and many volunteers, whose dedication to putting the show on, to celebrating with our winning owners, and to building communities around the sport is greatly valued.

The task ahead for all of us is significant. Much of the foundational work to place HRV on a sustainable footing has already been undertaken by the management and staff, and the challenge now is to extend that transformation across the broader industry. This is no small undertaking, and it will

require collaboration, resilience, and a willingness to embrace change. I wish to thank HRV CEO Matt Isaacs and his talented team for their ongoing commitment, expertise, and dedication.

Change is never easy. But it is essential. The need for reform has been a consistent theme throughout our March roadshows, in stakeholder meetings, at the Harness Racing Advisory Council, and in countless conversations with clubs and participants. Across every table, the message has been clear: to secure the future of our sport, we must evolve.

The opportunities before us are real, and together we will work to seize them. These opportunities include better leveraging our non-racing assets to support the industry, but more importantly, harnessing the energy and passion of our people. It is our people who will drive a positive spirit, broaden our reach, welcome both new and familiar faces into the sport, and celebrate all that makes harness racing in Victoria truly special.



Bernard Saundry
Chair, Harness Racing Victoria

REPORT ON OPERATIONS

In accordance with *Financial Management Act 1994*, I am pleased to present the Report of Operations for Harness Racing Victoria for the year ended 30 June 2025.



Bernard Saundry
Chair, Harness Racing Victoria
August 31, 2025

CEO'S REPORT



The 2024–25 financial year marked a pivotal period of transition and renewal for Harness Racing Victoria (HRV). It was a year in which we made tangible progress towards financial sustainability, operational efficiency, and more substantial alignment across our industry, while continuing to deliver on our core purpose — to sustain, grow, and celebrate harness racing across Victoria.

Two and a half years into my tenure as CEO, I am proud of the resilience and commitment demonstrated by our people and stakeholders in navigating a challenging environment. Harness racing in Victoria continues to contribute more than \$613 million annually to the state's economy and supports more than 4000 full-time equivalent jobs, predominantly in regional communities. That impact remains our motivation and our mandate.

Financially, FY25 represented a meaningful improvement. The HRV Group recorded an \$11.6 million operating loss before government grants, an improvement of \$14.2 million on the prior year — the second successive year of progress under our three-year cost-out program. Following the final tranche of solvency support funding from the Victorian Government (\$13.4 million), HRV achieved a net surplus of \$1.4 million, returning the organisation to a sustainable footing and aligning with the Government's directive to "live within our means."

These results were delivered through disciplined management, difficult but necessary decisions, and a relentless focus on efficiency. More than \$12 million in operational savings were implemented through calendar optimisation, headcount reductions, and streamlined race-day and administrative operations. Stake and bonus payments were reduced to rebalance cost pressures, while maintaining strong average race turnover performance through a more consistent racing calendar.

Revenue composition continues to evolve. While wagering income remains our primary source of

funding — with approximately \$900 million in turnover generating \$23.6 million in race field fees — broader market conditions and the structural decline in retail TAB performance continue to pressure the Victorian Racing Industry.

Encouragingly, domestic average race turnover increased by 0.6% year-on-year, reflecting the success of strategic initiatives in programming, field management, and wagering engagement. The 2025 Sportsbet A.G. Hunter Cup recorded the highest turnover ever achieved for a Victorian harness race, demonstrating the enduring appeal of our major events.

Operationally, the transformation of HRV's business model has continued. We extinguished all debt with the Treasury Corporation of Victoria, eliminating \$1.8 million in annual interest costs, while investment in people, digital capability, and integrity functions ensures a modern, accountable, and connected organisation.

The commitment of our participants, clubs, and staff remains the backbone of Victorian harness racing. From the successful completion of infrastructure projects such as the Kilmore Racing Club's \$5.7 million stable redevelopment and LED upgrades at Geelong, to the ongoing success of welfare programs like Hero, Team Teal, and Pacing for Pink, our community continues to demonstrate the strength and spirit that make this sport unique.

As we look ahead to FY26, HRV's priorities are clear — to complete our transformation program, deepen industry collaboration, and implement a sustainable racing model that balances competitiveness with commercial reality. We will continue to drive integrity, welfare, and community engagement at every level, ensuring harness racing remains an accessible and thriving part of Victoria's sporting and cultural fabric.

Victoria's harness racing industry has, and continues to, face challenges, but with them come opportunities. That includes using our racing and non-racing

assets to strengthen the future for all in harness racing, to broaden the sport's audience and increase its relevance to better sustain its industry, and to modernise its organisational structures, including clubs, to breed efficiency for its participants and passion for its communities.

That work is well in train. Already, we have seen valued Vicbred vouchers connect owners with breeders to put foals — our future champions — on the ground. We have seen innovative clubs work with HRV to revitalise their cup days and engage their regions with creative slot racing. And we have seen the best of our sport, the Summer of Glory, ring-circled and elevated with greater prize money, the spotlight of national free-to-air broadcasts, and valuable narrative through an innovative bonus, which will ensure harness racing shines brightly and grows its fan base.

I extend my sincere thanks to the HRV Board, our dedicated staff, the Victorian Government, and the thousands of participants who make this sport possible. Together, we are reshaping the future of harness racing — one defined by sustainability, integrity, and shared success.



Matt Isaacs
Chief Executive Officer,
Harness Racing Victoria

BOARD PROFILES



BERNARD SAUNDRY (Chair)

Appointed member and chair on October 15, 2024

Experience: Sports executive with more than 30 years' experience in racing and elite sports administration. Held Chief Executive Officer roles with Harness Racing Victoria, the Western Bulldogs Football Club, Racing Victoria, New Zealand Thoroughbred Racing, and RSN Racing & Sport, guiding the organisations through significant change.



JUDY ROTHACKER

Appointed member on November 1, 2019. Reappointed on July 1, 2025.

Experience: Has considerable executive experience in harness racing and education. That includes as a council member of the Australian Institute of International Affairs (2008); as Chair (2021), Vice-Chair (2022), and ongoing as a committee member of the Racing Education Centre; as President of the Angelique Club; and Chair of the Victorian Harness Racing Hall of Fame Committee. Ms Rothacker has a lifelong involvement in the harness racing industry, including as an owner and breeder.



DENNIS BICE

Appointed member on March 19, 2024.

Experience: Seasoned business professional with 40 years of finance experience with the Bendigo Bank, where he held an executive retail position, being responsible for the national retail network. Operations with AFL Central VIC, Chief Executive Officer of Be.Bendigo (Bendigo Business Council) 2018-2021, and Chief Executive Officer of Bendigo Stadium 2021-2024, where he engaged the community and managed elite sport, hospitality, gaming, and events. Thirteen years on Bendigo Harness Racing Club's committee, including six as president, nine on the country club's executive, and ran Yorkshire Park racing and breeding since 2005.



JOHN DOHERTY

Appointed member on December 17, 2024.

Experience: Experienced legal professional with more than 30 years in the Victorian Magistrates' Court, including 27 years as a full-time magistrate and ongoing service as a reserve magistrate since 2017. Extensive involvement in harness racing governance, serving on the Harness Racing Victoria Board (2001–2009, reappointed in 2024), the HRV Integrity Council (2010–2017), and the Racing Appeals and Disciplinary (RAD) Board. Held the position of Deputy Chair of the independent Victorian Racing Tribunal (2017–2022), contributing significantly to the sport's integrity and regulatory frameworks.



ADAM WALLISH

Appointed member on May 6, 2025.

Experience: A highly regarded senior commercial executive, recognised as a strong leader and known for successfully reshaping organisations. 30+ years' experience in racing and sport, including roles such as COO Racing Queensland 2018-2024, responsible for the racing operations of the three codes of racing, representing RQ at Harness Racing Australia and RISE Racing. Board Member/CEO Greyhound Racing Victoria 2011-2015, Executive Board Member and inaugural CEO Little Athletics Australia 2008-2012, inaugural CEO Hockey Victoria 2004-2008, and International Business Manager Sky Racing 2000-2002.



DR MAXINE BRAIN

Appointed member on July 1, 2025.

Experience: An equine veterinarian with more than 35 years of experience in the racing industry. She has established and grown two highly successful equine veterinary practices and continues to work actively as a veterinarian. Dr. Brain was a member of the Kilmore Harness Racing Club committee and later served on the Kilmore Racing Club board, including a term as president. That service culminated in her being presented with a life membership in 2023. Dr Brain was a key player in the concept and fulfillment of the club's large barn, which was built for the benefit of horses and participants in the standardbred and thoroughbred industries. She brings to the board that wealth of experience and a desire to grow the industry positively and profitably.

Board Attendance for 1st July 2024 - 30 June 2025

HRV Board Members 24/25	Number of Meetings Eligible	Number of Meetings Attended
Adam Kilgour (Chairman Apr 24 - Oct 24)	4	4
Bernard Saundry (Chairman Nov 24 - Current)	6	6
Jane Brook	4	4
Judy Rothacker	10	10
Dr Catherine Ainsworth	7	7
Dennis Bice	10	10
John Doherty	5	5
Adam Wallish	1	1

Attendance for 1st July 2024 - 30 June 2025

Audit & Risk Committee 24/25	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)	3	3
Bernard Saundry (Chairman Nov 24 - Current)	1	1

Board members whose terms ended during the financial year are as follows:

Adam Kilgour: Appointed in February 2018 and served until October 2024, including as Chair from April 2024 to October 2024.

Dr Catherine Ainsworth: Appointed in March 2016 and served until March 2025, including as Deputy Chair from October 2019 to March 2025.

Jane Brook: Appointed in March 2016 and served until October 2024.

RACING AND BREEDING

Key Indicators	2025	2024	2023	2022	2021	2020	2019	2018	2017
Meetings (TAB)	436	435	444	436	440	446	439	432	457
Meetings (non TAB)	-	-	-	-	-	1	1	1	2
Races	3,600	3,953	4,267	4,047	3,963	3,764	3,857	3,863	3,723
Horses raced	3,282	3,652	3,734	3,672	3,639	3,617	3,726	3,819	3,903
Nominations	52,025	59,416	56,261	52,321	50,016	48,627	47,713	50,360	48,777
Starters	32,737	36,096	37,492	35,567	35,198	31,971	32,324	32,902	33,081
Drivers	475	529	566	579	573	605	639	658	681
Trainers	896	939	959	987	994	1,006	1,046	1,090	1,141
Stablehands	857	922	968	1,130	1,159	1,126	1,085	1,154	1,168
Sires	34	52	49	47	60	50	73	78	67
Foals	1,306	1,396	1,609	1,691	1,550	1,698	1,904	1,784	1,908
Namings	953	1,044	1,083	1,017	1,059	1,125	1,185	1,145	1,178
Services	2,521	2,855	2,908	3,451	3,699	3,175	3,838	4,104	4,327



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%)

FINANCIAL OPERATIONS

Five-Year Financial Summary	2025 \$'000	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000
Tabcorp VRI revenue	14,463	27,134	28,414	30,327	33,161
Media rights revenue	1,907	1,338	1,466	1,434	1,394
Racefield fee revenue (excl Tabcorp)	20,575	21,303	24,768	26,094	23,234
POCT	21,000	10,513	10,705	10,875	4,333
Gaming and Hospitality revenue	16,540	15,342	15,028	9,586	6,785
Other revenue (Excl Operating Grants)	5,973	10,422	8,679	11,608	7,789
Total Revenue (Excl Operating Grants)	80,458	86,052	89,060	89,924	76,696
Stakemoney expense	(36,531)	(46,447)	(50,686)	(47,356)	(46,918)
Gaming and Hospitality expenses	(6,624)	(6,144)	(5,964)	(3,632)	(2,618)
Other operating expenses	(48,943)	(59,244)	(55,068)	(47,986)	(42,866)
Net Profit/(Loss) (Excl Operating Grants)	(11,640)	(25,783)	(22,658)	(9,050)	(15,706)
Operating Grant Income (inc Job Keeper)	13,276	66,848	16,000	4,910	18,622
Net Result from transactions	1,636	41,065	(6,658)	(4,140)	2,916
Cash assets	13,253	8,376	10,426	3,042	1,948
Total assets	170,631	164,464	168,542	155,560	137,047
Total liabilities	(17,085)	(16,838)	(61,872)	(42,200)	(36,507)

The HRV group's performance, before the receipt of Victorian Government operating grants, was a \$11.6 million loss, representing a \$14.2 million improvement on the pre-operational grants loss in 2024. The improved position was on budget and delivered year two of a three-year cost-out program, which brings the statutory authority back to break even and would see HRV adhere to the Government's directive to "live within our means".

Total revenue before operating grants was \$5.6 million lower than the prior year. This was in large part due to:

- A \$12.7 million reduction in Tabcorp VRI revenue distribution as a result of the former joint venture arrangement concluding in August 2024 and the inception of the new Tabcorp license arrangement between the VRI and the State Government. In FY25, HRV received 12% of a fixed \$90 million license.
- A \$0.7 million decline in race field fees due to the downturn in the wagering market, which has affected all racing industries, and 353 fewer races. This decline would have been greater had it not been for calendar changes, which introduced consistent scheduling and programming to

deliver strong average race turnover results.

- \$1.8 million less in futurity funding was received from partner Nutrien and through the Vicbred Platinum futurity scheme.
- \$2.2 million less was received in VRIF funding and capital contributions, with no significant projects commenced in FY25 in alignment with HRV's cost-out program.

The costs increases were partially offset by:

- \$10.5 million in point of consumption tax, which moved from 10% to 15% on Victorian net wagering revenue. The share to the VRI also increased from 3.5% to 7.5%.
- A \$0.5 million increase in media rights due to the inclusion of a new domestic revenue stream.
- A \$1.2m increase in gaming and food and beverage sales at Melton Entertainment Park.

Total operating costs decreased by \$19.7 million, predominantly driven by:

- A \$9.9 million reduction in stake money and bonuses. Prize money reduction in base stakes equates for about \$5.6m, while \$3.6m of the reduction is attributable to running fewer races in FY25. Vicbred and breeder bonuses were down \$0.7m on the prior year, predominantly due to the cessation of Vicbred Platinum VRIF funding.
- A \$1.2 million combined reduction in marketing, sponsorship, and vision and audio expenses, which resulted directly from the race meetings decrease, as well as continued refinement of the cost-saving initiatives previously announced.
- A \$5.3 million decrease in development fund expenses, which is attributable to the absence of major projects within FY25 (prior year commenced LED project finalised).
- A \$1.4 million decrease to race day operations across all major expenditure lines, including, but not limited to, ambulance, swabs, track maintenance, staff travel, and race form.
- A \$0.6 million decrease in consulting fees. Details on this can be found in the Annual Report's statutory information, provided after the financial statements.
- A \$0.5 million decrease in employment costs, due to

calendar efficiency and efficient rostering principles (\$0.3m) and salary savings due to prior year reductions in workforce (\$0.3m), which was offset by termination costs incurred in FY25 (\$0.6m). Headcount reductions announced in 2023, 2024, and 2025 will result in a \$6.2 million salary decrease on their previous trajectory.

- A \$1.8 million decrease in interest costs due to extinguishing all HRV debt with the Treasury Corporation of Victoria in FY24.

These were offset by:

- An increase to club funding of \$0.3m, which related to covering wage increases from awards and CPI on race day expenditure. Country clubs' race meetings increased by one over the previous year, resulting in comparable funding.

In the 2025 financial year, the Victorian Government provided \$13.4 million in operating grant income to support HRV's solvency and the implementation of a restructuring strategy. This funding was the final tranche of the solvency support package for HRV, which the Victorian Government Budget and Finance Committee approved at its meeting on 12 December 2023.

The receipt of these funds from the Government resulted in an overall profit for the year of \$1.4 million.

The net result from HRV's gaming and hospitality venue, Melton Entertainment Park (MEP), was a \$0.4 million profit. The result is driven by an increase in gaming revenues and food and beverage sales, offset by significant increases across all utilities. This profit is in addition to the \$0.8m in rent that the venue contributes to HRV annually, excluding depreciation as a non-cash item. Therefore, the overall contribution from MEP to the Victorian harness racing industry is \$2.8m.

Total assets have increased by \$6.1 million, predominantly as a result of a \$4.8 million increase in cash and cash equivalents.

Total liabilities are comparable to those of the prior year, with an increase in unearned revenue (resulting from a timing difference in VRI distribution) offset by a reduction in employee entitlements.

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

WAGERING

Total turnover for FY25 was \$904 million, representing a decline of 8.4% compared to FY24. This reduction was attributable to an 8.9% decrease in the number of races conducted. Pleasingly, domestic average race turnover (ART) increased by 0.6% year-on-year. This uplift highlights the effectiveness of a suite of strategic initiatives designed to enhance wagering engagement including the implementation of a consistent racing calendar, revised race programming to provide better shaped races, introduction of a minimum and maximum field size policy and modernisation of the Minimum Bet Liability (MBL) policy.

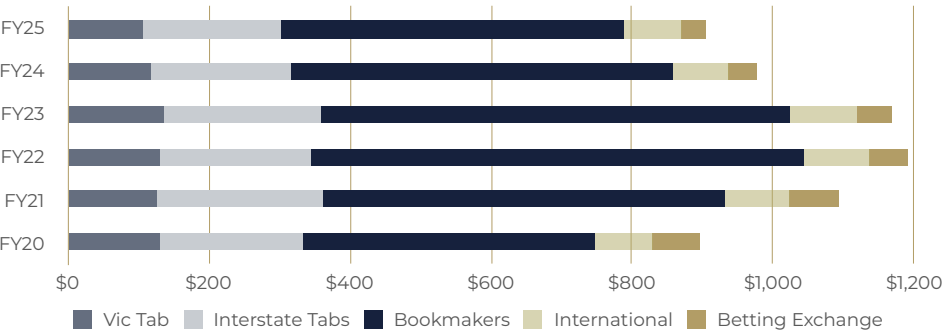
The ART growth was delivered despite continued macroeconomic headwinds and a broader industry shift among wagering service providers (WSPs) prioritising revenue over turnover. Against this backdrop, HRV's overall performance represents a comparatively resilient outcome and indicates that the initiatives implemented have helped mitigate the impact of prevailing market softness and have cushioned the business from more significant declines experienced in the wagering market.

Notable highlights include the 2025 AG Hunter Cup delivering the highest turnover ever recorded for a Victorian harness race whilst the Hunter Cup meeting itself also recorded a 14.7% uplift compared to the previous year. Eight consecutive months of ART growth from October through May was also a wagering highlight recorded during the year in Q4.

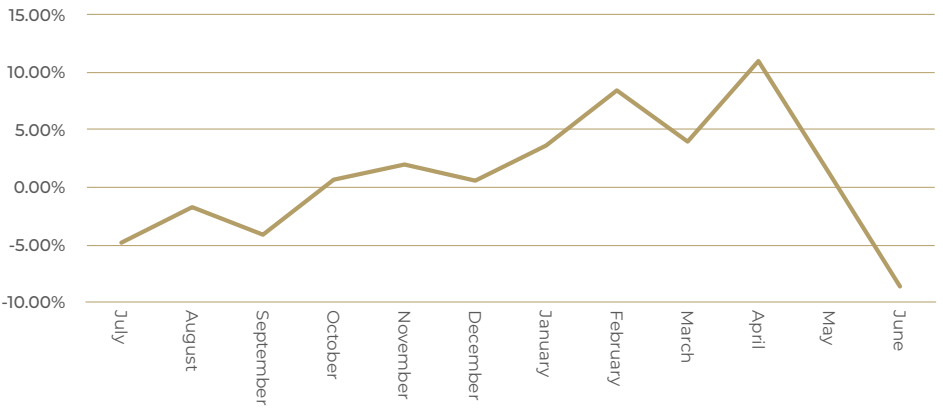




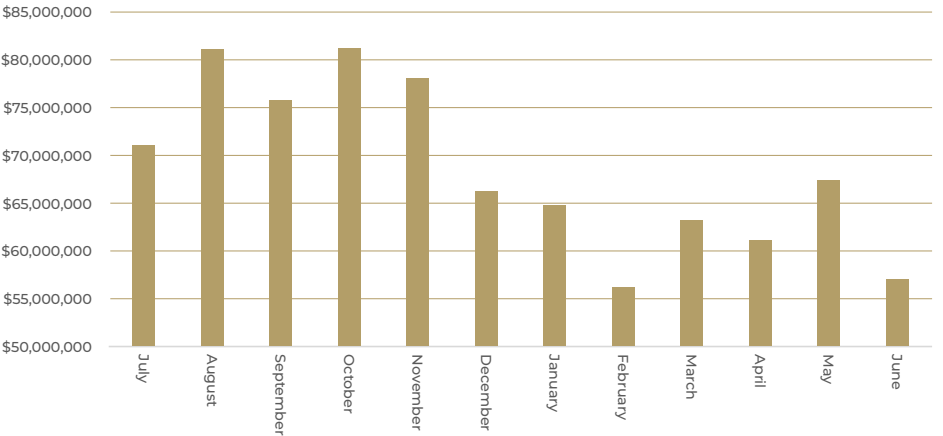
HRV TURNOVER



DOMESTIC AVERAGE RACE TURNOVER VARIANCE %



DOMESTIC TURNOVER



INTEGRITY REPORT

Upholding the highest integrity standards is fundamental to Harness Racing Victoria's role as both regulator and guardian of the sport. Integrity is the foundation of all our operations; it protects the industry's reputation, ensures fair and safe competition for everyone involved, and builds lasting public trust in harness racing across Victoria.

This year, HRV's integrity department reinforced the principles of integrity and equine welfare within the industry. It led targeted reforms aimed at modernising systems, improving early risk detection, and increasing accountability at all levels of harness racing in Victoria.

Among the key achievements were the rollout of a new stable inspection framework aligned with current equine welfare science and international best practices. This new approach evaluated stables against the five domains of animal freedom, fostering a more holistic, welfare-focused compliance model. It emphasised not only regulatory adherence but also the horses' quality of life. This enables stewards to identify and proactively mitigate welfare risks while offering participants clearer guidance and support.

Additionally, we enhanced our reporting and analysis of horse death notifications by implementing new procedures designed to improve data accuracy, transparency, and consistency. These updates facilitate better trend analysis and risk assessment, reinforcing HRV's commitment to public accountability and continual progress in equine welfare.

Further advances include the adoption of horse temperature monitoring systems to detect illness earlier, helping to prevent infectious outbreaks, strengthen biosecurity, and improve overall horse care.

Throughout these initiatives, HRV's integrity department has demonstrated dedication to innovation, transparency, and active engagement with participants and stakeholders. These accomplishments exemplify our ongoing commitment to fostering a culture of integrity, one that is not just enforced but also embraced, ensuring the long-term sustainability and public confidence in Victorian harness racing.



INTELLIGENCE-LED PROGRAM

This year, HRV reinforced its commitment to an intelligence-led swabbing and testing program, designed to uphold fairness, protect equine welfare, and safeguard the integrity of harness racing in Victoria.

To strengthen our deterrence-based approach, selected race meetings featured 100% participant swabbing based on targeted intelligence and risk profiling. This was complemented by our ongoing race-day and out-of-competition testing programs, which ensured wide-ranging and consistent coverage

across the industry. These combined measures allowed for more efficient use of resources and a sharper focus on areas of greatest risk.

Our anti-doping efforts were further supported through strong partnerships with Racing Analytical Services Limited and other jurisdictions, enhancing our ability to detect, deter, and respond to emerging integrity threats. Together, these initiatives demonstrate HRV's commitment to delivering a smarter, more responsive drug detection strategy that evolves in line with the sport and community expectations.

	TCO2	Urine	Blood Other	Hair	Other	Total	Starters	% to Starters
July	154	130	13	0	0	297	2914	10.19%
August	151	145	14	0	0	310	3060	10.13%
September	165	149	29	0	0	343	2907	11.80%
October	180	187	60	0	0	427	2894	14.75%
November	190	161	14	0	0	365	2964	12.31%
December	169	163	71	0	0	403	2709	14.88%
January	187	155	15	0	0	357	2559	13.95%
February	145	139	91	1	0	376	2143	17.55%
March	142	138	20	0	0	300	2732	10.98%
April	156	132	15	0	0	321	2558	12.55%
May	185	155	13	0	0	354	2815	12.58%
June	159	149	11	0	0	319	2482	12.85%
Total	1983	1803	366	1	0	4172	32737	12.74%

COMMUNITY

WOMENCan

team teal



KERRYNN MANNING

Final Tally

Congratulations

KERRYNN MANNING	11
KATE GATH	10
ELLEN TORMEY	9
EWA JUSTICE	6
REAGAN CLARKE	5
KYLIE SUGARS	4
JACKIE BARKER	3
TASMYN POTTER	3
LEILANI JUSTICE	3
ANNE-MAREE CONROY	2
LAURA WILSON	2
JODI QUINLAN	2
HANNAH PARISH	2
CHARLENE GUSMAN	1
REBECCA BARTLEY	1
MICHELLE WIGHT	1
AMY DAY	1
JUANITA BREEN	1



TEAM TEAL

Harness Racing Victoria's incredible female drivers wrapped up the 2025 Team Teal campaign in style, securing 67 wins and raising \$13,400 for WomenCan to support ovarian and gynaecological cancer research and education.

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

This year's campaign saw 18 female drivers in the winner's circle, with Kerryn Manning leading the charge with 11 wins.

"Victoria's reinswomen have been outstanding on and off the track since February 1, securing significant wins and raising awareness for the Team Teal movement," HRV CEO Matt Isaacs said.

"The teal pants have become such an iconic representation of the strength of female participation in Victorian harness racing, and that was only enhanced with the likes of Kerryn Manning, Kate Gath, Ellen Tormey, and their peers again producing such great success."

Founded in Victoria by Duncan McPherson in honour of his late wife Lyn, Team Teal has raised more than \$3.1 million to advance gynaecological cancer research, prevention, and education.

PACING FOR PINK

Harness racing's national Pacing for Pink campaign has smashed expectations in 2025, raising an incredible \$144,000 for the McGrath Foundation – a result that organiser Marg Watson describes as "quite amazing".

Launched in Victoria in 2011, Pacing for Pink has grown into a major nationwide initiative in the harness racing calendar, uniting clubs, trainers, drivers and supporters in the fight against breast cancer.



THANK YOU



Harness Racing Victoria

Thank you for your wonderful contribution of

\$24,576.96

to the 2025 Good Friday Appeal

You helped us raise

\$23,822,792

for The Royal Children's Hospital.

Rebecca

Rebecca Cowan
EXECUTIVE DIRECTOR



The 2025 campaign featured a record 210 sponsored drivers, 31 pony trots participants, seven clerks of the course, and five official ambassadors, all wearing pink in support.

The flagship event, Shepparton's Pacing for Pink Day, again set the tone for the month-long campaign.

"To me, the reward is seeing the support and knowing that the funds go where they matter," Watson said.

The McGrath Foundation funds breast care nurses and the money goes directly to ensuring that more women and families have access to that important support when they need it most.

Since its inception, Pacing for Pink has raised close to \$700,000, building steadily from humble beginnings.

GOOD FRIDAY APPEAL

The Royal Children's Hospital Good Friday Appeal holds deep personal significance for 21-year-old reinsman Connor Clarke, who faced a life-threatening diagnosis - Stage 4 Non-Hodgkin's Lymphoma - and received world-class care from a dedicated team of doctors and nurses.

"Apparently, they gave me a 30 per cent chance of making it, but they weren't about to tell that to a 14-year-old kid."

In honour of stories like Connor's, Harness Racing Victoria donated \$10,000 to the Good Friday Appeal, which helps ensure The Royal Children's Hospital continues to deliver world-class care to children across Victoria and beyond. The fundraiser was also celebrated at special Stawell and Cranbourne race days, where further funds were pledged.

WELFARE REPORT

HERO OPERATIONS

HRV's Hero program continued to play a pivotal role in promoting responsible retirement and rehoming outcomes for standardbred horses. The program remained a cornerstone of HRV's equine welfare strategy, connecting retired racehorses with approved retrainers to prepare them for life beyond the track.

Throughout the year, Hero maintained strong placement rates, supported a growing network of retrainers, and expanded its community engagement through education and promotion of the standardbred breed's versatility at events such as Equitana. From pleasure riding to competitive equestrian pursuits, standardbreds rehomed through Hero continued to demonstrate their adaptability and value in new roles.

HRV remains committed to building on this success, ensuring that every horse is given the opportunity for a meaningful life after racing. The program's enduring achievements reflect the collective efforts of participants, retrainers, and welfare advocates, and exemplify HRV's ongoing commitment to whole-of-life care for the standardbred.



THE NEXT GENERATION

YOUNG DRIVERS DEVELOPMENT PROGRAM

HRV continued its commitment to providing career pathways and opportunities for its young participants to foster long careers in harness racing.

Here are some of the initiatives:

The Young Drivers Development Program: Continued to provide specialist training, while the racing calendar provided opportunities for concession drivers across the state.

France: HRV's continued partnership with the French Trotting Association saw young driver James Herbertson become the second reinsman 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 two years with another driver competing at the end of November.

Young Guns Series: New Year's Eve saw the second Young Guns series for the top 10 drivers under 25 years of age run at Melton Entertainment Park. Each driver competed across the night for points, with James Herbertson taking out the series, winning a trip to Sweden sponsored by Garrard's Horse & Hound.

PONY TROTS VICTORIA

Pony Trots Victoria held more than 60 meets and took part in fundraising for Team Teal and Pacing for Pink, with many young drivers again attracting sponsorship.

Major race winners were:

PONY TROTS VICTORIA CUP:

Pixie Dust driven by Amelia Walliss

PONY TROTS HUNTER CUP:

Love Locket driven by Josie Williams (Division 1), Pride Of Petite driven by Addison Duryea (Division 2)

COUNTRY CUP CHAMPION PONY:

TP Manhattan

METROPOLITAN SERIES CHAMPION PONY:

Burnaholeinmybucket

Victoria sent six representatives to compete in the 2024 Mini Trots Inter Dominion at Menangle. Sophie Jack drove Super Mario to the Inter Dominion championship in the Shetland division, and Amelia Hodgson drove Burnaholeinmybucket to finish third in the Mini division.



INFRASTRUCTURE - TRACKS & DIGITAL



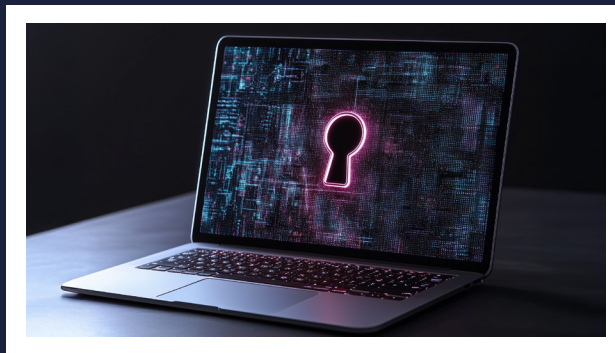
Harness Racing Victoria welcomed the opening of the Kilmore Racing Club's state-of-the-art stable facility in July last year, a highlight of the season's major infrastructure works.

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

The Kilmore track also had a significant LED lighting upgrade, which was also completed at Geelong in September 2024.

Other notable FY25 infrastructure improvements included a new mobile barrier and water truck.

HRV also co-ordinated the addition of track materials at Victorian tracks and undertook major resurfacing of the Melton, Bendigo, Shepparton, Mildura, Maryborough, and Terang tracks.



HRV Technology drove innovation to enrich the authority's offerings to its fans and industry, including improve and streamline participant engagement, and providing class-leading integrity and welfare solutions, while delivering operational efficiencies and key business analytics.

Highlights delivered in FY25 include:

Transactional digital streamlining:

- Licence management & renewal
- Betting declarations submission
- Split payments for owners & participants
- Foal notifications
- Futurities registration
- Lease surrender

Integrity, welfare, and intelligence mobility solutions:

- Meeting summary recording
- Horse temperature & environmental WBGT alerting
- Vet examinations processing

Administrational innovations:

- Performance management processing
- Digital agreement signing and storage
- Copilot AI for MS Office Suite transacting

Data and analytics collation, cleansing, and ingestion:

- Local & international wagering & invoicing
- Race, horse, participant, ownership, and winnings
- Horse sectional timing

Data security:

- Automation security patch management on all devices
- Application control
- 24/7 threat monitoring and real-time alerting

HARNESS RACING AWARDS

AWARD RECIPIENTS

Clinton Welsh Gordon Rothacker Medal

Marg Lee Pearl Kelly Award

Chris Lang Snr Caduceus Club of Victoria Living Legend

Alan Galloway, Duncan McPherson, Marg Watson,

Peter Wharton Lang Distinguished Service Award

Joelene McSwain, Kyle Galley, David Clausen

TCV Volunteer Award

Emma Stewart Victorian Trainer of the Year

Emma Stewart Metropolitan Trainer of The Year

James Herbertson Victorian Driver of The Year

Mark Pitt Metropolitan Driver of the Year

Ryan Sanderson Concession Driver of the Year



HORSES OF THE YEAR

Just Believe Victorian Horse of the Year

Let Her Roll 2YO Pacing Filly of the Year

The Highlight Reel 2YO Pacing Colt/Gelding of the Year

Very Pretty 3YO Pacing Filly of the Year

Bay Of Biscay 3YO Pacing Colt/Gelding of the Year

Major Delight 4YO Pacing Mare of the Year

Perfect Class 4YO Pacing Entire/Gelding of the Year

Rakero Rebel Aged Pacing Mare of the Year

Catch A Wave Aged Pacing Entire/Gelding of the Year

Gatesys Gem 2YO Trotting Filly of the Year

Vytis 2YO Trotting Colt/Gelding of the Year

Keayang Zahara 3YO Trotting Filly of the Year

Derek The Jet 3YO Trotting Colt/Gelding of the Year

Rockinwithattitude 4YO Trotting Mare of the Year

The Locomotive 4YO Trotting Entire/Gelding of the Year

Im Ready Jet Aged Trotting Mare of the Year

Just Believe Aged Trotting Entire/Gelding of the Year



BREEDERS OF THE YEAR

Coppagoodone, Benstud Standardbreds Victorian Pacing Broodmare of the Year

Heavens Above, Yabby Dam Farms Victorian Trotting Broodmare of the Year

Yabby Dam Farms Victorian Breeder of the Year

GROUP 1 WINNERS



14-Sep-24

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

Sweet Bella (Sweet Lou USA-Illawong Bella)

Trainer: Emma Stewart

Driver: Mark Pitt

Owner: B C Edward, V A Edward

Breeders: Estate of M L Hartnett, Estate of K P Hartnett

CAPTAIN CRUNCH VICBRED SUPER SERIES (2YO FILLIES) FINAL (GROUP 1)

Ivseenheavenslight (Bettors Delight USA-Heavens Trend)

Trainer: Emma Stewart

Driver: Jackie Barker

Owner: Aaron Bain Racing Pty Ltd, Summit Bloodstock Pty Ltd

Breeders: B C Edward, V A Edward

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

Heza Punk Rocker NZ (Rock N Roll Heaven USA-Rr Sand Dollar (NZ))

Trainer: Emma Stewart

Driver: James Herbertson

Owner: Aaron Bain Racing Pty Ltd, Summit Bloodstock Pty Ltd,

J S Browne, C M Scott, M M Scott, R L Scott, T I Lambourn, B P

Fitzgerald, J Gould, P G Hastie, W A Eade, N Rantanen-Reynolds, D

Reynolds, K A Tattoli, R T Curnow, B O'Keefe, A S Walsh,

Breeders: E L Daly, S P Daly

ALWAYS B MIKI VICBRED SUPER SERIES (2YO COLTS & GELDINGS) FINAL (GROUP 1)

Always Hot (Always B Miki USA-Our Celebrity)

Trainer: Emma Stewart

Driver: Greg Sugars

Owner: W T C Stewart, P S Gleeson

Breeders: P S (Peter) Gleeson

VINCENT VICBRED SUPER SERIES (3YO FILLIES) FINAL (GROUP 1)

Showsomejoy NZ (Art Major USA-Somejoy (NZ))

Trainer: Emma Stewart

Driver: Mark Pitt

Owner: Aaron Bain Racing Pty Ltd, Summit Bloodstock Pty

Ltd, Power Group, L J Batchelor, B Hughes, Three Wide Racing

Syndicate, D J Bruce, M Shuttleworth, K A Tattoli, B P Fitzgerald, B S

Hunter, F Pittelli, M Carter, N Rantanen-Reynolds, B O'Keef

Breeders: Miracle Lodge Syndicate

ART MAJOR VICBRED SUPER SERIES (3YO COLTS & GELDINGS) FINAL (GROUP 1)

Miki To Success (Always B Miki USA-Jo Louleonie)

Trainer: Emma Stewart

Driver: Jackie Barker

Owner: R J Sellwood, J Hommes, J Minutoli, B Boyer, K Powles

Breeders: R J Sellwood, N R Warnett, J Hicks, B E Sellwood

ON A STREAK VICBRED SUPER SERIES (2YO TROTting FILLIES) FINAL (GROUP 1)

Keayang Kurki (Royalty For Life (USA)-Hilary Hill)

Trainer: Antti Ruokonen

Driver: Jason Lee

Owner: M A Lee, T L Ross, Levarg Racing Group, A Ruokonen

Breeders: Staffordshire Park

CLASSIC CONNECTION VICBRED SUPER SERIES (3YO TROTting FILLIES) FINAL (GROUP 1)

Keayang Zahara (Volstead USA-Keayang Yankee)

Trainer: Margaret Lee

Driver: Jason Lee

Owner: Levarg Racing Group

Breeders: M A Lee, P D Lee

ALWAYS READY VICBRED SUPER SERIES (2YO TROTting COLTS & GELDINGS) FINAL (GROUP 1)

Commodus (Father Patrick (USA)-American Jewel NZ)

Trainer: Jayne Davies

Driver: Chris Alford

Owner: Jayne Davies

Breeders: Yabby Dam Farms Pty Ltd

E L TITAN VICBRED SUPER SERIES (3YO TROTting COLTS & GELDINGS) FINAL (GROUP 1)

Derek The Jet (Volstead USA-Cyclone Jeter NZ)

Trainer: Nathan Jack

Driver: Nathan Jack

Owner: R M O'Kane, G Montgomery, D A Jack

Breeders: Yabby Dam Farms Pty Ltd

BACK OF THE NECK VICBRED SUPER SERIES (4YO TROTting MARES) FINAL (GROUP 1)

Rapid Return (Orlando Vici (Fra)-Nieta)

Trainer: David Abrahams

Driver: Kerry Manning

Owner: Veritas Holdings Pty Ltd

Breeders: Yabby Dam Farms Pty Ltd

**ECURIE D VICBRED SUPER SERIES
(4YO TROTTING ENTIRES & GELDINGS) FINAL (GROUP 1)**

The Locomotive (Muscle Mass USA-La Coocaracha)

Trainer: Wayne Potter

Driver: Nathan Jack

Owner: G B Holland, W R Potter

Breeders: Yabby Dam Farms Pty Ltd

12-Oct-24

SPORTSBET VICTORIA CUP (GROUP 1)

Swayzee (Rock N Roll Heaven USA-Lettucereason)

Trainer: Jason Grimson

Driver: Cameron Hart

Owner: Boots Properties Racing Pty Ltd, L F Drake, N Jackson, J R

Grimson

Breeders: Redbank Lodge Standardbreds

WOODLANDS STUD VICTORIA DERBY FINAL (GROUP 1)

Best Deal (American Ideal USA-Starburst Girl)

Trainer: Emma Stewart

Driver: Mark Pitt

Owner: W T C Stewart, P S Gleeson

Breeders: P S Gleeson, B J Cameron, C W Cameron

PRYDE'S EASIFEED VICTORIA OAKS FINAL (GROUP 1)

Coastal Babe NZ (Downbytheseaside USA-Jessies Girl (NZ))

Trainer: Steven Reid

Driver: James Herbertson

Owner: Summit Bloodstock Pty Ltd, Aaron Bain Racing Pty Ltd, J

S Browne, M C Dedini, J G J Roberts, B P Fitzgerald, J De Mamiel, J

Kontis, M G Smith

Breeders: Woodlands Stud Ltd

BENSTUD QUEEN OF THE PACIFIC (GROUP 1)

Rakero Rebel NZ (Rock N Roll Heaven USA-Timeless Perfection NZ)

Trainer: Jess Tubbs

Driver: Greg Sugars

Owner: J & C Tubbs, G D Jarvis, R M Jarvis, B A Fullwood, N R Allen,

P D Allen

Breeders: Dancingonmoonlight Limited

ALDEBARAN PARK BILL COLLINS TROTTERS SPRINT (GROUP 1)

Just Believe (Orlando Vici (Fra)-Heavens Above USA)

Trainer: Jess Tubbs

Driver: Greg Sugars

Owner: Iona Trotter Syndicate

Breeders: Yabby Dam Farms Pty Ltd

CATANACH'S JEWELLERS VICTORIA TROTTERS OAKS (GROUP 1)

Keayang Zahara (Volstead USA-Keayang Yankee)

Trainer: Margaret Lee

Driver: Jason Lee

Owner: Levarg Racing Group

Breeders: M A Lee, P D Lee

27-Oct-24

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

Keayang Zahara (Volstead USA-Keayang Yankee)

Trainer: Margaret Lee

Driver: Jason Lee

Owner: Levarg Racing Group

Breeders: M A Lee, P D Lee

ALDEBARAN PARK REDWOOD CLASSIC (GROUP 1)

Vytis (Volstead USA-Reine Sereine)

Trainer: E Brosnan, R J Brosnan

Driver: Emmett Brosnan

Owner: B M Brosnan, G W McCallum, A J Lavrencic

Breeders: Brosnan Family & Friends Syndicate

4-Jan-25

ALDEBARAN PARK MAORI MILE (GROUP 1)

Arcee Phoenix (Trixtion (USA)-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

1-Feb-25

YABBY DAM FARMS GREAT SOUTHERN STAR FINAL (GROUP 1)

Watts Up Partytime (Majestic Son Ca-Watts Up Rainbow)

Trainer: Andy Gath

Driver: Kate Gath

Owner: Bradley Watts

Breeders: B J (Bradley) Watts

SPORTSBET A G HUNTER CUP (GROUP 1)

Swayzee (Rock N Roll Heaven USA-Lettucereason)

Trainer: Jason Grimson

Driver: Cameron Hart

Owner: Boots Properties Racing Pty Ltd, L F Drake, N Jackson, J R

Grimson

Breeders: Redbank Lodge Standardbreds

8-Feb-25

BLUE HILLS RISE CRANBOURNE TROTTERS CUP (GROUP 1)

Oscar Bonavena NZ (Majestic Son Ca-Nows The Moment (NZ))

Trainer: M Purdon, N Purdon

Driver: Anthony Butt

Owner: M Purdon, C J Ryder

Breeders: Grassy Meadows Farm Ltd, H C J Webber

22-Mar-25

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

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

Trainer: Andy Gath

Driver: Kate Gath

Owner: Yabby Dam Farms Pty Ltd

Breeders: Yabby Dam Farms Pty Ltd

BOARD OF DIRECTORS

The Harness Racing Victoria Board of Directors consists of:

- 1. **Adam Kilgour (Chairman)** (Resigned 31 October 2024)
- 2. **Bernard Saundry (Chairman)** (Commenced 15 October 2024)
- 3. **Dr Catherine Ainsworth (Deputy Chair)** (Term end 21 March 2025)
- 4. **Jane Brook** (Resigned 31 October 2024)
- 5. **Judy Rothacker**
- 6. **Dennis Bice**
- 7. **John Doherty** (Commenced 17 December 2024)
- 8. **Adam Wallish** (Commenced 6 May 2025)

BOARD MEETING AND COMMITTEE ATTENDANCE REGISTER

All directors attended the board meetings held during their term of office, with twelve meetings conducted in total. The Audit and Risk Committee met four times during the year.

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.

- Bernard Saundry, Chair/HRV Board
- Judy Rothacker, alternate HRV Board member
- Maurice Hanrahan, Harness Breeders Victoria
- Carol Bass, Victorian Harness Racing Sports Club (representing Owners)
- Anne-Maree Conroy, Victorian Square Trotters Association
- Paul Rowse, Trots Clubs Victoria
- Anthony Butt
- Bill Anderson
- Deb Quinlan
- David Scott

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

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 2025 and the Consolidated Financial Position of the entity as at 30 June 2025.

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 2025.



Elyse Drossinis
Chief Financial Officer
13 October 2025



Matthew Isaacs
Accountable Officer
13 October 2025



Bernard Saundry
Chairman
13 October 2025

INDEPENDENT AUDITORS REPORT



Independent Auditor’s Report

To the Board of Harness Racing Victoria

Opinion	I have audited the consolidated financial report of Harness Racing Victoria (the authority) and its controlled entities (together the consolidated entity), which comprises the: • consolidated balance sheet as at 30 June 2025 • consolidated comprehensive operating statement for the year then ended • consolidated statement of changes in equity for the year then ended • consolidated cashflow statement for the year then ended • notes to the financial statements, including material accounting policy information • declaration in the financial statements. 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 2025 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 – Simplified Disclosures.
Basis for opinion	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. 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board’s responsibilities for the financial report	The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures 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. In preparing the financial report, the Board is responsible for assessing the authority and the consolidated entity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

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

MELBOURNE
27 October 2025


Charlotte Jeffries
as delegate for the Auditor-General of Victoria

FINANCIAL STATEMENTS

CONSOLIDATED COMPREHENSIVE OPERATING STATEMENT

For the Financial Year Ended 30 June 2025

		Consolidated Entity		Parent Entity	
	Notes	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
CONTINUING OPERATIONS					
Revenue and income from transactions					
TABCORP income	2.1.1	16,370	28,472	16,370	28,472
Other revenue/income		77,364	124,428	61,529	109,786
Total revenue and income from transactions	2.1	93,734	152,900	77,899	138,258
Expenses from transactions					
Stakemoney expense	3.1.1	(36,531)	(46,447)	(36,531)	(46,447)
Employee expenses	3.2.1	(21,267)	(21,387)	(16,597)	(17,164)
Depreciation and amortisation	4.1.2 & 4.2	(3,600)	(3,575)	(2,961)	(2,967)
Interest expense	6.1	(104)	(1,927)	(25)	(1,834)
Racing expenses	3.1.2	(14,643)	(21,588)	(14,705)	(21,588)
Other operating expenses	3.3.1 & 3.3.2	(15,953)	(16,911)	(6,177)	(8,032)
Total expenses from transactions		(92,098)	(111,835)	(76,996)	(98,032)
Net result from transactions (net operating balance)		1,636	41,065	903	40,226
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT					
Loss allowance	8.1	(119)	(40)	(104)	(40)
Net gain/(loss) on disposal of property plant and equipment	8.1	-	(55)	-	-
Loss arising from revaluation of long service leave liability	8.1	(38)	(19)	(32)	(18)
Total other economic flows included in net result		(157)	(114)	(136)	(58)
Net result		1,479	40,951	767	40,168
OTHER ECONOMIC FLOWS – OTHER COMPREHENSIVE INCOME					
Changes in revaluation reserve	4.1.2 & 4.3	4,441	-	4,441	-
Total other economic flows – other comprehensive income		4,441	-	4,441	-
Comprehensive result		5,920	40,951	5,208	40,168

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

As at 30 June 2025

		Consolidated Entity		Parent Entity	
Assets	Notes	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
FINANCIAL ASSETS					
Cash and cash equivalents	6.3	13,253	8,376	11,244	6,353
Receivables	5.1	6,062	7,295	14,428	16,224
Total financial assets		19,315	15,671	25,672	22,577
NON-FINANCIAL ASSETS					
Property, plant and equipment	4.1	144,047	140,749	143,461	139,989
Investments	4.3	1,474	2,080	1,474	2,080
Intangible assets	4.2	3,603	3,904	1,274	1,246
Other non-financial assets		2,192	2,060	1,895	1,819
Total non-financial assets		151,316	148,793	148,104	145,134
Total assets		170,631	164,464	173,776	167,711
LIABILITIES					
Payables	5.3	7,464	7,694	10,027	10,089
Other provisions		15	72	12	27
Borrowings	6.1	2,370	2,784	473	441
Employee related provisions	3.2.2	3,105	3,297	2,604	2,897
Unearned revenue	5.4	3,685	2,263	3,649	2,229
Other liabilities		446	728	405	630
Total liabilities		17,085	16,838	17,170	16,313
NET ASSETS		153,546	147,626	156,606	151,398
EQUITY					
Contributed capital		9,174	9,174	9,174	9,174
Reserves		109,218	104,777	109,218	104,777
Accumulated surplus/(deficit)		35,154	33,675	38,214	37,447
Net worth		153,546	147,626	156,606	151,398

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED CASHFLOW STATEMENT

For the Financial Year Ended 30 June 2025

	Notes	Consolidated Entity		Parent Entity	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash flows from operating activities					
Receipts					
Receipts from operations		98,305	151,082	80,934	136,662
Goods and services tax received from the ATO		72	100	1	100
Total Receipts		98,377	151,182	80,935	136,762
Payments					
Payments to suppliers, employees & industry		(90,561)	(105,890)	(74,593)	(92,371)
Interest paid		(79)	(1,909)	-	(1,815)
Lease interest paid		(219)	(28)	(25)	(28)
Total Payments		(90,859)	(107,827)	(74,618)	(94,214)
Net cash from operating activities		7,518	43,355	6,317	42,548
Cash flows from investing activities					
Purchases of property, plant and equipment		(1,209)	(1,929)	(1,073)	(1,515)
Sales of property, plant and equipment		20	-	20	-
Loans granted		(64)	(413)	(64)	(413)
Net cash used in investing activities		(1,253)	(2,342)	(1,117)	(1,928)
Cash flows from financing activities					
Repayment of gaming machine entitlements		(446)	(447)	-	-
Receipts/payments for borrowings of interest-bearing liabilities		-	(42,314)	-	(42,314)
Repayment/proceeds of lease liabilities (principal)		(942)	(302)	(309)	(282)
Net cash used in financing activities		(1,388)	(43,063)	(309)	(42,596)
Net Increase/(decrease) in cash and cash equivalents held		4,877	(2,050)	4,891	(1,976)
Cash and cash equivalents at the beginning of the financial year		8,376	10,426	6,353	8,329
Cash and cash equivalents at the end of the financial year	6.3	13,253	8,376	11,244	6,353

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2025

Consolidated Entity	Notes	Reserves \$'000	Accumulated surplus \$'000	Contributed Capital \$'000	Total \$'000
Balance at 1 July 2023		104,777	(7,276)	9,174	106,675
Net Result for year		-	40,951	-	40,951
Balance at 30 June 2024		104,777	33,675	9,174	147,626
Net Result for year		-	1,479	-	1,479
Other comprehensive income for the year	4.1.2 & 4.3	4,441	-	-	4,441
Balance at 30 June 2025		109,218	35,154	9,174	153,546

Parent Entity	Notes	Reserves \$'000	Accumulated surplus \$'000	Contributed Capital \$'000	Total \$'000
Balance at 1 July 2023		104,777	(2,721)	9,174	111,230
Net Result for year		-	40,168	-	40,168
Balance at 30 June 2024		104,777	37,447	9,174	151,398
Net Result for year		-	767	-	767
Other comprehensive income for the year	4.1.2 & 4.3	4,441	-	-	4,441
Balance at 30 June 2025		109,218	38,214	9,174	156,606

The accompanying notes form part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

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 Tier 2 general purpose financial statements prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

The Group is a Tier 2 entity in accordance with FRD 101. These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. The Group's prior year financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards (Tier 1). As the Group is not a 'significant entity' as defined in FRD 101, it was required to change from Tier 1 to Tier 2 reporting effective from 1 July 2024.

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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 4.3 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 2025. 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 in accordance with the FMA and applicable Australian Accounting Standards (AASs), which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

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 asset position as at 30 June 2025 of \$154m (2024 net asset position: \$147m) for HRV (the consolidated entity) and \$157m (2024 net asset position: \$151m) for the authority (parent entity), the Board believe the going concern basis is appropriate based on the following factors:

- Cash and cash equivalents of \$13m (2024 Cash and cash equivalents: \$8m).
- 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.

- In May 2025 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.

The budget set for 2025/2026 has further cost reductions committed as part of the three-year program focused on bringing the business back to break even, and due to this a very lean operating model has been budgeted. 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.

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.

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 Licence distribution to the Victorian Racing Codes; 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). These funds are used to achieve the above stated objectives.

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

	Notes	Consolidated Entity		Parent Entity	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
TABCORP revenue	2.1.1	16,370	28,472	16,370	28,472
Racefield fees revenue (excl Tabcorp)	2.1.2	20,575	21,303	20,575	21,303
Grants	2.1.3	13,434	68,941	13,434	68,944
Other racing revenue	2.1.4	25,294	16,088	25,294	16,088
Gaming and Hospitality revenue	2.1.5	16,540	15,342	-	-
Other revenue	2.1.6	1,521	2,754	2,226	3,451
Total revenue and income from transactions		93,734	152,900	77,899	138,258

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.

2.1 REVENUE AND INCOME FROM TRANSACTIONS

2.1.1 TABCORP revenue	Notes	Consolidated Entity		Parent Entity	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Racing program fee		-	6,229	-	6,229
Racing products fee		3,063	4,446	3,063	4,446
Vic Racing Industry Benefit (VRIB)		-	2,791	-	2,791
Vic Racing joint venture profit		2,003	8,447	2,003	8,447
Vic Racing Industry Licence		9,397	-	9,397	-
International revenue		1,907	1,338	1,907	1,338
Other TABCORP revenue		-	5,221	-	5,221
Total TABCORP revenue		16,370	28,472	16,370	28,472

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.

2.1.2 Racefield fees income	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Racefield fees revenue	20,575	21,303	20,575	21,303
Total racefield fees income	20,575	21,303	20,575	21,303

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.

2.1.3 Grants	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Grants recognised as income of not-for-profit entities				
General purpose grants	13,434	68,941	13,434	68,944
Total grants	13,434	68,941	13,434	68,944

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.

2.1.4 Other racing revenue	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Point of Consumption Tax (POCT)	21,000	10,513	21,000	10,513
Registration & licencing Fees	1,090	1,041	1,090	1,041
Country club contributions to stakemoney	596	586	596	586
Race-day fees	325	362	325	362
Fines & appeals	109	180	109	180
Registered bookmakers' fees	-	1	-	1
Futurities revenue:				
- Vicbred	630	646	630	646
- Breeders Crown	646	641	646	641
- APG	260	260	260	260
- Nutrien	570	1,830	570	1,830
- Need for speed	68	28	68	28
Total other racing revenue	25,294	16,088	25,294	16,088

Point of Consumption Tax (POCT) was introduced from 1 January 2019 and applies at a rate of 15 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 2025, for futurity series to be conducted in 2025-2026 are brought to account as a current liability. Fees and contributions received for series to be run after 30 June 2026 have been recorded as a non-current liability.

2.1.5 Gaming and hospitality revenue	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Gaming commission	9,635	9,045	-	-
Food & beverage	5,066	4,695	-	-
Accommodation	1,367	1,216	-	-
Other venue revenue	472	386	-	-
Total gaming and hospitality revenue	16,540	15,342	-	-

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.

2.1.6 Other revenue/income	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Other revenue				
Sponsorship, advertising & events	763	1,329	763	1,329
Property	-	-	827	795
Management & service fee	40	27	40	27
Other revenue	259	1,131	194	1,033
Other income				
Interest	459	267	402	267
Total other revenue/income	1,521	2,754	2,226	3,451

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. THE 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	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Stakemoney expense	3.1.1	36,531	46,447	36,531	46,447
Employee benefit expense	3.2	21,267	21,387	16,597	17,164
Racing expenses	3.1.2	14,643	21,588	14,705	21,588
Administration expenses	3.3.1	9,329	10,767	6,177	8,032
Gaming and hospitality expenses	3.3.2	6,624	6,144	-	-
Total expenses incurred in delivery of services		88,394	106,333	74,010	93,231

	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
3.1.1 Stakemoney expense				
Feature race stakes	6,962	11,492	6,962	11,492
Metropolitan stakes	5,817	6,409	5,817	6,409
Country stakes	19,001	23,081	19,001	23,081
Compensation payments	28	29	28	29
Vicbred win bonuses	4,111	4,381	4,111	4,381
Vicbred breeder bonuses	466	913	466	913
Trophies	146	142	146	142
Total Stakemoney Payments	36,531	46,447	36,531	46,447

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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Country club funding	6,366	6,022	6,366	6,022
Vision & audio	4,509	5,011	4,571	5,011
Development fund (refer Note 6.4)	134	5,482	134	5,482
Fields & form comments	446	842	446	842
Swabs	553	751	553	751
Registration	559	553	559	553
Integrity & licensing	682	652	682	652
Race day operations	1,307	2,106	1,307	2,106
Other racing expense	87	169	87	169
Total Racing Expenses	14,643	21,588	14,705	21,588

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 EXPENSES

3.2.1 Employee expenses in Comprehensive Operating Statement	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Salaries, wages and long service leave	18,329	18,551	14,139	14,780
Termination benefits	627	487	619	487
Defined contribution superannuation expense	1,893	1,762	1,463	1,379
Defined benefits superannuation expense	30	58	30	58
Other employment costs	388	529	346	460
Total Employee expenses	21,267	21,387	16,597	17,164

Employee 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 superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable 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) discloses in their Annual Financial Statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Termination benefits are payable when employment is terminated before the 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 related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Current Provisions				
Annual leave	1,153	1,221	931	1,023
Long service leave	1,099	1,345	938	1,212
Provisions for on-costs	424	473	352	411
Total current provisions for employee benefits	2,676	3,039	2,221	2,646
Non-current Provisions				
Employee benefits	361	218	322	212
On-costs	68	40	61	39
Total non-current provisions for employee benefits	429	258	383	251
Total employee benefits provisions	3,105	3,297	2,604	2,897

Wages and salaries, annual leave and sick leave: Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Group does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Group expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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 Comprehensive Operating Statement 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.

Unconditional LSL is disclosed as a current liability, even where the Group does not expect to 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 either:

- undiscounted value – if the Group expects to wholly settle within 12 months
- present value – if the Group does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL 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.

3.3 OTHER OPERATING EXPENSES

	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
3.3.1 Administration Expenses				
Property costs	3,003	2,892	1,036	1,230
Marketing & sponsorship expenses	1,536	2,277	918	1,614
Insurance	1,112	1,334	1,046	1,275
Computer costs	1,556	1,335	1,462	1,241
Consulting	501	1,100	427	1,032
Staff travel and motor vehicle expense	625	749	579	741
Audit fees	186	149	153	116
Other expenses	810	931	556	783
Total Administration expenses	9,329	10,767	6,177	8,032

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

	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
3.3.2 Gaming and Hospitality Expenses				
Gaming costs	4,675	4,328	-	-
Cost of goods sold	1,568	1,443	-	-
Venue costs	381	373	-	-
Total Gaming and Hospitality expenses	6,624	6,144	-	-

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 TO SUPPORT SERVICE 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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Land at fair value	94,195	94,195	-	-	94,195	94,195
Buildings at fair value	43,660	42,436	(9)	(2,546)	43,651	39,890
Melton track at fair value	4,043	4,043	(727)	(536)	3,316	3,507
Leasehold improvements at fair value	1,678	1,698	(1,499)	(1,487)	179	211
Plant, equipment and vehicles at fair value	14,069	15,371	(11,438)	(12,430)	2,631	2,941
Work in progress at cost	75	5	-	-	75	5
Net carrying amount	157,720	157,748	(13,673)	(16,999)	144,047	140,749

Parent Entity	Gross carrying value		Accumulated depreciation		Net carrying amount	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Land at fair value	94,195	94,195	-	-	94,195	94,195
Buildings at fair value	43,660	42,414	(9)	(2,536)	43,651	39,878
Melton track at fair value	4,043	4,043	(727)	(536)	3,316	3,507
Leasehold improvements at fair value	1,257	1,256	(1,232)	(1,230)	25	26
Plant, equipment and vehicles at fair value	11,719	11,999	(9,518)	(9,621)	2,201	2,378
Work in progress at cost	73	5	-	-	73	5
Net carrying amount	154,947	153,912	(11,486)	(13,923)	143,461	139,989

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. Assets transferred as part of a machinery of government change are transferred at their carrying amount. The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The following tables are right-of-use assets included in the PPE balance, presented by subsets of buildings, and plant and equipment.

4.1.1 Total right-of-use assets: buildings and vehicles	Gross carrying value		Accumulated depreciation		Net carrying amount	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Motor vehicles	1,145	1,191	(673)	(744)	472	447
Net carrying amount	1,145	1,191	(673)	(744)	472	447

	Motor vehicles \$'000
Opening balance - 1 July 2024	447
Additions	341
Depreciation	(316)
Closing balance - 30 June 2025	472

Right-of-use asset acquired by lessees – Initial measurement

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
- any initial direct costs incurred
- 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.

Right-of-use asset – Subsequent measurement

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.

Impairment of property, plant and equipment

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.

4.1.2 Depreciation and amortisation

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	3 to 40
Melton Track	18 to 45
Plant, Equipment & Vehicles	1 to 40
Leasehold improvements	4 to 40
Intangibles	1 to 5

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

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

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.

Reconciliation of movement in carrying amount of property, plant and equipment

	Land at fair value	Buildings at fair value	Leasehold Improvement at fair value	Plant, equipment & vehicles at fair value	Melton track at fair value	Work in progress at cost	Total
2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	94,195	39,890	211	2,941	3,507	5	140,749
Additions	-	21	6	1,067	-	91	1,185
Depreciation	-	(1,296)	(71)	(1,355)	(191)	-	(2,913)
Transfers between classes	-	(11)	33	(22)	-	(21)	(21)
Revaluation	-	5,047	-	-	-	-	5,047
Closing balance	94,195	43,651	179	2,631	3,316	75	144,047

Fair value assessments have been performed for all classes of assets in this purpose group. 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 (VGV) as per the requirement of FRD 103.

The cumulative indices for land and building were as follows:

Land – (2.1%);

Buildings and Track – 13.1%.

Since the cumulative movement in land values was less than 10% since the last revaluation, a managerial revaluation using the Valuer-General's commercial land rates was not undertaken. However, as at 30 June 2025, the Group applied a managerial revaluation to Buildings, given the indexation movement exceeded the 10% limit set by FRD 103. The cumulative movement since the last full revaluation was below 40% for land and buildings, so no external revaluation requirement has been triggered.

The next scheduled full revaluation for this purpose group will be conducted in 2026.

4.2 INTANGIBLE ASSETS

	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Gross carrying amount				
Opening balance	6,244	3,288	2,956	-
Additions	386	-	386	-
Disposals	(363)	-	(363)	-
Transfers	(321)	2,956	(321)	2,956
Closing balance	5,946	6,244	2,658	2,956
Accumulated amortisation and impairment				
Opening balance	(2,340)	(301)	(1,710)	-
Amortisation of intangible assets	(687)	(329)	(358)	-
Disposals	363	-	363	-
Transfers	321	(1,710)	321	(1,710)
Closing balance	(2,343)	(2,340)	(1,384)	(1,710)
Net book value at end of financial year	3,603	3,904	1,274	1,246

Initial recognition

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.

4.3 INVESTMENTS

	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Investment in subsidiaries				
Investment in RISE - at fair value	663	663	663	663
Shares in radio 3UZ Pty Ltd - at fair value	811	1,417	811	1,417
Total non-current investments	1,474	2,080	1,474	2,080

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*.

At 30 June 2025, the Group's 29% investment was independently valued by professional valuers with suitable qualifications and experience in financial investment valuations. The fair value was based on net assets including intellectual property, and consistent with the prior valuation methodology in 2022.

Units in Radio 3 UZ Pty Ltd

The Group's investment in Radio 3UZ Pty Ltd consists of an 18% in this company, within the financial year it operates a commercial radio station Radio Sport National, formerly Sport 927, and a network of regional relay stations. The investment in Radio 3UZ Pty Ltd has been recognised at fair value as required by AASB 9 *Financial Instruments*.

As Radio 3UZ Pty Ltd is an unlisted company and its shares are not readily traded in an open market, the value of the shares have been revalued based on the sale price of assets held by the company. Management deemed that Radio 3UZ Pty Ltd valuation required impairment to align to an accurate value of \$5m.

	RISE \$'000	3UZ \$'000	Total \$'000
Reconciliation of movements in investments			
Opening balance	663	1,417	2,080
Net gains/(losses) from fair value adjustments	-	(606)	(606)
Net carrying amount	663	811	1,474

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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Contractual				
Trade receivables	465	1,285	484	1,114
Accrued income	2,082	5,597	2,053	5,514
TABCORP distribution receivable	3,038	-	3,038	-
Loans granted	477	413	477	413
Intercompany receivables	-	-	8,376	9,183
Total receivables	6,062	7,295	14,428	16,224
Represented by:				
Current receivables	6,062	7,295	6,052	7,041
Non-current receivables	-	-	8,376	9,183

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.

5.2 IMPAIRMENT LOSS

		Consolidated Entity		Parent Entity	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Impairment loss					
Impairment loss on contractual receivables					
<i>In other economic flows</i>	<i>Note 8.1</i>	(119)	(40)	(104)	(40)
		(119)	(40)	(104)	(40)

In accordance to FRD 114 Financial Instrument, all entities shall apply the simplified approach, which requires the loss allowance to always be measured at an amount equal to lifetime expected credit losses for all trade receivables, lease receivables and statutory receivables.

The loss allowances for receivables and contract assets are based on assumptions about risk of default and expected loss rates. The expected loss rates applied as at 30 June 2025 vary from 0 per cent for receivables that are more than 30 days past due to 96 per cent for receivables that are more than 120 days past due (30 June 2024 – from 0 per cent to 20 per cent).

Impairment of financial assets

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

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. The Group has grouped contractual receivables on 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 (refer to Note 8.1). 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.

5.3 PAYABLES

	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Contractual				
Trade creditors	1,619	1,757	1,420	1,633
Intercompany payables	-	-	3,440	3,251
Sundry creditors and accruals	5,673	5,837	5,067	5,104
Statutory				
Goods and services tax (GST) payable	172	100	100	101
Total payables	7,464	7,694	10,027	10,089
Represented by:				
Current payables	7,464	7,694	10,027	10,089

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.

The terms and conditions of amounts payable to government and agencies vary according to the particular agreements and as they are not legislative payables, they are classified as financial instruments.

5.4 UNEARNED REVENUE

	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Current unearned revenue				
Vicbred income invoiced in advance	883	755	883	755
Breeders Crown income invoiced in advance	249	699	249	699
Other revenue invoiced in advance	2,137	369	2,101	335
Total current unearned revenue	3,269	1,823	3,233	1,789
Non-current unearned revenue				
Vicbred income invoiced in advance	178	87	178	87
Breeders Crown income invoiced in advance	238	353	238	353
Total non-current unearned revenue	416	440	416	440
Total unearned revenue	3,685	2,263	3,649	2,229

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.

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 2025, for futurity series to be conducted in 2025-26 are brought to account as a current liability. Fees and contributions received for series to be run after 30 June 2026 have been recorded as a non-current liability.

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. Note 7.1 provides additional, specific financial instrument disclosures.

6.1 BORROWINGS

	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Current borrowings				
Gaming machine entitlements loan	446	446	-	-
Lease liabilities (a)	274	220	274	441
Total current borrowings	720	666	274	441
Non-current borrowings				
Gaming machine entitlements loan	1,451	1,897	-	-
Lease liabilities	199	221	199	-
Total non-current borrowings	1,650	2,118	199	-
Total borrowings	2,370	2,784	473	441

Note:

(a) Secured by the assets leased. Lease liabilities are effectively secured as the rights to the lessor in the event of default.

'Borrowings' refer to interest bearing liabilities mainly raised from, lease liabilities and other interest-bearing arrangements.

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.

Terms and conditions of borrowings

2025	Weighted average interest rate %	Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates			
				Less than 1 month \$'000	1 – 3 months \$'000	3 months – 1 year \$'000	1 – 5 years \$'000
Unsecured – Gaming machine entitlements loan	3.64%	1,897	1,897	-	112	335	1,450
Lease liabilities	4.73%	473	473	23	67	184	199
Total		2,370	2,370	23	179	519	1,649

2024							
Unsecured – Gaming machine entitlements loan	3.64%	2,343	2,343	-	112	335	1,897
Lease liabilities	4.73%	441	441	28	76	115	221
Total		2,784	2,784	28	188	450	2,118

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.

Interest expense	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Interest on loans	79	1,899	-	1,806
Interest on leases liabilities	25	28	25	28
Total interest expense	104	1,927	25	1,834

'Interest expense' includes costs incurred in connection with the borrowing of funds and includes interest on bank overdrafts and short-term and long-term borrowings, interest component of lease repayments and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest expense is recognised in the period in which it is incurred.

The Group recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

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

Recognition and measurement of leases as a lessee

For any new contracts entered into, the Group considers whether a contract is or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group and for which the supplier does not have substantive substitution rights
- whether the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Group has the right to direct the use of the identified asset throughout the period of use
- whether the Group has the right to make decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Lease liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or The Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Presentation of right-of-use assets and lease liabilities

The Group presents right-of-use assets as 'property plant equipment' (refer to note 4.1). Lease liabilities are presented as 'borrowings' in the balance sheet (refer to note 6.1)

	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Interest expense				
Not longer than one year	290	236	290	236
Longer than one year but not longer than 5 years	205	230	205	230
Minimum future lease payments	495	466	495	466
Less future finance charges	(22)	(25)	(22)	(25)
Present value of minimum lease payments	473	441	473	441

6.3 CASH FLOW INFORMATION AND BALANCES

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank. The Group's bank accounts are held in the Central Banking System (CBS) under the Standing Directions 2018.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet, as indicated in the reconciliation below.

	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Deposits at call	12,901	7,953	11,243	6,352
Cash on hand	352	423	1	1
Balance as per cash flow statement	13,253	8,376	11,244	6,353

Cash and deposits bear variable interest rate with a weighted-average interest rate of 4.38% during 2024-25.

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

6.4 COMMITMENTS FOR EXPENDITURE

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

Total commitments payable	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Onyx gaming solutions service agreement				
Not longer than one year	878	837	-	-
Longer than one year but not longer than 5 years	2,908	3,786	-	-
Total capital expenditure commitments (inclusive GST)	3,786	4,623	-	-
Less GST recoverable from the Australian Taxation Office	(344)	(420)	-	-
Total capital expenditure commitments (exclusive GST)	3,442	4,203	-	-

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 FINANCIAL INSTRUMENTS, CONTINGENCIES AND VALUATION JUDGEMENTS

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, 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.

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.

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 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.

Financial instruments – Net gain/(loss) on financial instruments by category

2025	Total interest		
	Carrying Amount	Total interest income/ (expense)	Impairment loss
Financial assets at amortised cost			
Cash and deposits	13,253	459	-
Receivables	6,062	-	(119)
Total financial assets at amortised cost	19,315	459	(119)
Financial liabilities at amortised cost			
Payables	7,464	-	-
Borrowings	2,370	(104)	-
Total contractual financial liabilities	9,834	(104)	-
2024			
Contractual financial assets			
Cash and deposits	8,376	267	-
Investments	7,295	-	(40)
Total contractual financial assets	15,671	267	(40)
Contractual financial liabilities			
Payables	7,694	-	-
Gaming machine entitlements loan	2,784	(124)	-
Total contractual financial liabilities	10,478	(124)	-

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

7.2 CONTINGENT ASSETS AND CONTINGENT 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 has an intercompany loan with Melton Entertainment Trust (HRV is the sole beneficiary) these funds will not be recalled as this will cause financial hardship. Under the current arrangement the loan is being repaid via monthly instalments back to HRV.

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 2025 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 2025.

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
- investments held at fair value through other comprehensive income

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 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:

- valuation techniques
- details of significant assumptions 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 2024-25 reporting period.

These financial instruments include:

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

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

Valuation techniques and significant assumptions of non-financial physical assets measured at fair value

The Group recognises its investments in RISE and Radio 3UZ as Level 3 financial assets, as neither entity has listed shares. This year, an independent valuation of RISE conducted by CFAS Advisory resulted in a \$0.6m increase adjustment taken up through the valuation reserve and other economic flows within consolidated comprehensive income.

Management completed a fair value assessment of Radio 3UZ, using consistent rational with prior year and determined no movement was required.

	Valuation technique	Significant assumptions	Assumption range %	Sensitivity of fair value measurement to changes in significant assumptions
Unlisted security				
RISE	Net realisable assets	Tangible asset value assessments	-	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

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 2025 and 30 June 2027.

In 2025, 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 2025.

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.

Fair value determination: Non-financial physical assets

ASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities amended AASB 13 Fair Value Measurement by adding Appendix F Australian implementation guidance for not-for-profit public sector entities.

Appendix F explains and illustrates the application of the principles in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation process (whichever is earlier).

The last scheduled full independent valuation of the Group's non-financial physical assets was performed by VGV in 2022. Annual fair value assessment for 30 June 2025 using VGV indices does not identify material changes in value. In accordance with FRD 103, the Group will reflect Appendix F in its next scheduled formal revaluation in 2026. All annual fair value assessments thereafter will continue compliance with Appendix F. For all assets measured at fair value, the Group considers the current use is the highest and best use.

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. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From this analysis, an appropriate rate per square metre has been applied to the subject asset.

Plant and equipment (including right-of-use assets) is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold, fair value is determined using the current replacement cost method.

Right-of-use vehicles are valued using the current replacement cost method. The Group acquires new vehicles and at times disposes of them before the end of their economic life.

For the Group's specialised buildings, specialised leasehold improvements and Melton Track the current replacement cost method is used, adjusting for the associated depreciations.

Description of significant assumptions applied to fair value measurement

Asset class	Valuation technique	Significant unobservable inputs	Assumption range
Specialised buildings	Current replacement cost	Direct cost per square metre and Useful life	\$2,400 per square metre 40 years
Specialised leasehold improvements	Current replacement cost	Direct cost per square metre and useful life	\$1,000 per square meter 40 years
Plant, Equipment	Current replacement cost	Cost per unit and useful life	Weighted average \$100 - \$500,000 per unit (\$3,000 per unit)
Melton track	Current replacement cost	Cost per metre	3 to 10 years \$1,800 per metre 25 years
Right-of-use vehicle	Value of lease	Cost per unit	Weighted average \$20,000 - \$30,000 per unit

8 OTHER DISCLOSURES

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

8.1 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Net gain/loss on non-financial assets				
Net gain/(loss) on disposal of property plant and equipment	-	(55)	-	-
Total net gain/(loss) on non financial assets	-	(55)	-	-
Net gain/(loss) on financial instruments				
Impairment of receivables	(119)	(40)	(104)	(40)
Total net gain/(loss) on financial instruments	(119)	(40)	(104)	(40)
Other gains/(losses) from other economic flows				
Net gain/(loss) arising from revaluation of long service liability	(38)	(19)	(32)	(18)
Total other gains/(losses) from other economic flows	(38)	(19)	(32)	(18)
Total other economic flows included in net result	(157)	(114)	(136)	(58)

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	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Transactions with MET				
Rental income	-	-	827	795
Balances:				
Other financial assets	-	-	8,376	9,183
Other current liabilities	-	-	3,440	3,251

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:

Adam Kilgour (Chairman) (Resigned 31 October 2024)

Bernard Saundry (Chairman) (15 October 2024 appointed Chairman)

Dr Catherine Ainsworth (Deputy Chair) (Term ended 21 March 2025)

Jane Brook (Resigned 31 October 2024)

Judy Rothacker

Dennis Bice

John Doherty (Commenced 17 December 2024)

Adam Wallish (Commenced 6 May 2025)

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: \$350,000 – \$359,999 (\$350,000 - \$359,999 in 2023-24).

8.4 REMUNERATION OF EXECUTIVES

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 (as defined in *AASB 119 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. Accordingly remuneration is recorded on an accruals basis.

Several factors affected total remuneration payable to executives over the year. A number of senior executive service members term ended or resigned in the past year.

Transactions with MET	Consolidated Entity	
	2025 \$'000	2024 \$'000
Total remuneration (a)	1,674	2,573
Total number of executives	13	7
Total annualised employee equivalents (b)	4	6

Notes:

(a) The total number of senior executive service members includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.5).

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

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.

This joint venture term came to an end on 15 August 2024 and replaced with a TABCORP Licence arrangement with the Victorian State Government. \$90m of licence agreement passes through to the three Victorian Racing codes at a share agreed by the codes. Within the financial year Harness Racing Victoria received 12% share, these sources are included as part of "TABCORP Income" in the Operating Statement and Note 2.2 to the financial statements.

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 \$13.4m (2024: \$68.9m). Of this amount, \$13.38 million relates to solvency funding provided to support HRV operational activities.

Key management personnel (KMP) of the Group includes the Portfolio Minister, the Hon. Anthony Carbines MP and members of the Senior Executive Team, which includes:

- Chief Commercial Officer, Glenn Lee
- Chief Operating Officer, Luke Spano
- Chief Financial Officer, Elyse Drossinis
- General Manager Integrity, Rhys Harrison

Remuneration of key management personnel

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.

Compensation of KMP's	Consolidated Entity	
	2025 \$'000	2024 \$'000
Total	1,503	1,996

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occurs on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Purchasing Board requirements.

Outside of normal citizen type transactions with the Technology Victoria, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.6 REMUNERATION OF AUDITORS

Victorian Auditor General's Office	Consolidated Entity		Parent Entity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Audit or review of the financial statements	91	86	61	57
Other non audit services (a)	95	59	92	57
Total remuneration of auditors	186	145	153	114

Notes:

(a) The Victorian Auditor-General's office is prohibited from providing non-audit services.

8.7 SUBSEQUENT EVENTS

No material subsequent events have occurred since balance date.

8.8 OTHER ACCOUNTING POLICIES

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.

APPENDIX A: DISCLOSURE INDEX

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

Legislation	Requirement	Page Reference
Ministerial Directions & Financial Reporting Directions		
Report of Operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	80
FRD 22H	Purpose, functions, powers and duties	80
FRD 8D	Departmental objectives, indicators and outputs	11
FRD 22H	Key initiatives and projects	10-27
FRD 22H	Nature and range of services provided	36-74
Management and structure		
FRD 22H	Organisational structure	80
Financial and other information		
FRD 8D	Performance against output performance measures	16-27
FRD 8D	Budget portfolio outcomes	29
FRD 10A	Disclosure index	75-76
FRD 12B	Disclosure of major contracts	85
FRD 15E	Executive officer disclosures	71
FRD 22H	Employment and conduct principles	82
FRD 22H	Occupational health and safety policy	81
FRD 22H	Summary of the financial results for the year	12
FRD 22H	Significant changes in financial position during the year	12-15
FRD 22H	Major changes or factors affecting performance	12-15
FRD 22H	Subsequent events	80
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	85
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	85
FRD 22H	Statement on National Competition Policy	85
FRD 22H	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	86
FRD 22H	Application and operation of the <i>Carers Recognition Act 2012</i>	86
FRD 22H	Details of consultancies over \$10,000	84
FRD 22H	Disclosure of ICT expenditure	
FRD 22H	Statement of availability of other information	87
FRD 24D	Reporting of office based environmental impacts	87
FRD 25D	Local Jobs First	84
FRD 29C	Workforce Data disclosures	82
SD 5.2	Specific requirements under Standing Direction 5.2	29

Legislation	Requirement	Page Reference
Ministerial Directions & Financial Reporting Directions		
Report of Operations		
Compliance attestation and declaration		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	87
SD 5.2.3	Declaration in report of operations	5
Financial statements		
Declaration		
SD 5.2.2	Declaration in financial statements	29
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	29
SD 5.2.1(a)	Compliance with Ministerial Directions	29
SD 5.2.1(b)	Compliance with Model Financial Report	29
Other disclosures as required by FRDs in notes to the financial statements ^(a)		
FRD B	Departmental Disclosure of Administered Assets and Liabilities by Activity	32-87
FRD 11A	Disclosure of Ex gratia Expenses	
FRD 13	Disclosure of Parliamentary Appropriations	34 & 60
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	71
FRD 103H	Non Financial Physical Assets	
FRD 110A	Cash Flow Statements	34
FRD 112D	Defined Benefit Superannuation Obligations	44

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, licence and concession fees.

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

STATUTORY INFORMATION

PURPOSE AND FUNCTIONS

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

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

SUBSEQUENT EVENTS

No material subsequent events have occurred since balance date.

ORGANISATIONAL STRUCTURE AND CORPORATE GOVERNANCE ARRANGEMENTS

HRV is led by a 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

- Adam Kilgour (Chairman) (Resigned 31 October 2024)
- Bernard Saundry (Chairman) (Commenced 15 October 2024)
- Dr Catherine Ainsworth (Deputy Chair) (Term end 21 March 2025)
- Jane Brook (Resigned 31 October 2024)
- Judy Rothacker
- Dennis Bice
- John Doherty (Commenced 17 December 2024)
- Adam Wallish (Commenced 6 May 2025)

Members of Harness Racing Victoria Executive Management Team

- Luke Spano - Chief Operating Officer (ceased 29 November 2024)
- Elyse Drossinis - Chief Financial Officer (commenced 1 October 2024)
- Glenn Lee – Chief Racing and Commercial Officer
- Rhys Harrison- General Manager Integrity

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) (Term end 21 March 2025)
Bernard Saundry	(Commenced 15 October 2024)

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:
 - The entity's reporting of financial information;
 - Application of accounting policies;
 - Internal controls;
 - Risk management; and
 - 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:
 - Effectiveness and efficiency of operations;
 - Reliability of financial reporting; and
 - 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
Incidents			
Number of incidents	40	77	117
Fatalities	-	-	-
Incidents Investigated	100%	100%	100%
Incidents reported to Regulator (WorkSafe)	-	-	-
Improvement notices issued by WorkSafe	-	-	-
Improvement notices issued by HSR	-	-	-
Workcover			
Claims raised	1	2	3
Consultation			
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 (2025). The table also discloses the full-time equivalent (FTE) based on total working hours for the full pay period in 2025.

	Jun-25						
	All Staff		Permanent/Fixed Term			Casual	
	All Employees (headcount)	FTE	Full Time (headcount)	Part Time (headcount)	FTE	Number (headcount)	FTE
Gender							
Female	106	54.23	35	10	42.73	61	11.5
Male	133	83.33	70	2	71.13	61	12.2
Age							
15-24	31	11.53	3	-	3	28	8.53
25-34	41	25.26	19	4	22.13	18	3.13
35-44	53	40.2	36	2	37.43	15	2.77
45-54	45	30.33	27	-	27	18	3.33
55-64	42	24.41	18	5	21.59	19	2.82
65+	27	5.83	2	1	2.71	24	3.12
Executives	5	5	5	-	5	-	-
Management/Professional	46	44.8	41	5	44.8	-	-
Administrative	5	2.36	1	1	1.8	3	0.56
Hospitality	87	43.88	25	6	29.26	56	14.62
Raceday	96	41.52	33	-	33	63	8.52
Total Employees	239	137.56	105	12	113.86	122	23.7

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

Total remuneration, by \$20,000 band, for Executives and other senior non-executive staff		
Income band	2025	2024
\$0 to \$20,000	-	-
\$20,001 to \$40,000	-	-
\$40,001 to \$60,000	-	-
\$60,001 to \$80,000	-	-
\$80,001 to \$100,000	-	-
\$100,001 to \$120,000	-	-
\$120,001 to \$140,000	-	-
\$140,001 to \$160,000	-	-
\$160,001 to \$180,000	-	3
\$180,001 to \$200,000	-	4
\$200,001 to \$220,000	2	-
\$220,001 to \$240,000	1	2
\$240,001 to \$260,000	-	-
\$260,001 to \$280,000	1	-
\$280,001 to \$300,000	-	-
\$300,001 to \$320,000	-	-
\$320,001 to \$340,000	-	1
\$340,001 to \$360,000	1	1
\$360,001 to \$380,000	-	-
Total number	5	11
Total remuneration \$ ('000)	1,285	2,057

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 2024-25 is 44.35% women and values staff of all gender identities at all levels of the organisation.

LOCAL JOBS FIRST

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

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

There was three contract commenced in 2024-25 to which VIPPP applied.

There were one contracts completed in 2024-25 to which VIPPP applied.

CONSULTANCIES

During the year, HRV had eight consultancies that cost in excess of \$10,000 excluding GST. The total expenditure incurred during 2024-25 in relation to these consultancies is \$350,042 (excluding GST). Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Total approved project fee \$	Expenditure 2024/25 (excluding gst) \$	Future expenditure (excluding gst) \$
Capability Network	Organisation strategy	123,750	123,750	-
Cooke & Foley	Club governance	29,932	29,932	-
DB Advisory	Melton land review	20,500	20,500	-
Gemba Group	Race meeting predictor	21,450	21,450	-
Global Laboratory & Environmental Services	Club asbestos audits	33,831	33,831	-
IR Results	Industrial relations	24,101	24,101	-
Johnson Winter	Staffing changes	21,857	21,857	-
Nine Yards	P&C policy	34,980	34,980	-
Workvergent	Industrial relations	21,568	21,568	-

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 2024-25, there were three 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. 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
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 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, Bernard Saundry, 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.



Bernard Saundry
Chairman
Harness Racing Victoria
13 October 2025