

HARNESS
RACING
VICTORIA



ANNUAL REPORT

2023



Front Cover:
Just Believe Inter Dominion Championship, Melton Race Track 2022

Brian Lincoln, Clerk of the Course

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Chairman's Report

On behalf of the Harness Racing Victoria Board I present this Annual Report and reflect on harness racing in Victoria in 2022-23.



As Chairman, it has been an honour to watch and observe the depth and breadth of talented participants, on-track deeds, volunteers and of course the magnificent horses which are the jewel in the crown of our beloved sport.

I write during a time of rapid change with the concerning decline in industry revenue post-COVID providing significant challenges. Harness racing in Victoria continues to look towards the future in all areas where it can leverage opportunities that grow the sport.

2022-23 was a racing season like few others with the time honoured SENTrack Inter Dominion coming to Victoria – a memorable celebration through our country town footprint of Ballarat, Shepparton and Geelong that led to an incredible Championships night at Melton. We saw deserving victors emerge in I Cast No Shadow and Just Believe, but we also saw harness racing widely embraced with healthy on-track attendance and significantly increased viewership via Racing.com and TrotsVision. In 2022-23 the latter investment provided 726,284 views and 10,312,088 viewed minutes via TrotsVision's live platform. There were a further 895,000 views for 2,103,145 viewed minutes on TrotsVision On Demand, consisting predominantly of race replays that are now housed at thetrotts.com.au.

What makes the year all the more remarkable was that ID22 was but one part of a five-month long harness racing celebration, that incorporated the Pryde's EasiFeed Victoria Cup, the much valued Breeders Crown and Vicbred Super Series, The TAB Summer of Glory featuring the Hunter Cup and Aurora Australis.

Notwithstanding the wonderful racing at the highest level, it has been at Victoria's remarkable country cups, where often the fondest memories were earned. It was a pleasure to attend so many of the state's cup days and significantly meeting the people who are our sport's greatest assets. I speak of the likes of Gunbower Harness Racing Club's Roger Brereton, into his seventh decade of service to the club and the sport, and Charlton Harness Racing Club's Joe Thompson, whose infectious positivity has helped create not just a club but a community. In these opportunities, where I can meet such dedicated volunteers, I am reminded that that we all share the same love of harness racing and are committed to securing and enhancing its future here in Victoria.

Part of the experience has also been to enjoy the differing country tracks and facilities, with multiple infrastructure improvements throughout Victoria that now benefit patrons and participants today and for years to come. In last year's Report, I outlined that HRV and the Victorian Government would invest further in our clubs and this was realised through the Victorian Transformation Fund which resulted in the construction of Shepparton and expansion of the Charlton and Cranbourne training centres. The outcome of these investments have yielded more benefits than could have

been imagined, with each location accommodating many new participants to Victoria and the local community.

Most notable was at Shepparton during the October 2022 floods, when the newly built training centre became a shelter for the region's greatly impacted horses. I was genuinely touched but not surprised by the harness racing community for its generous donations of money and support for those in need. It was a time that HRV, its associated clubs and participants can reflect on with pride, including Shepparton club manager Ian McDonald and his team, who were the boots on the ground, and then Interim CEO Fiona Mellor, who helped drive HRV's critical emergency response. Fiona was at the helm to assist all clubs throughout Victoria affected through this difficult time and then, in contrast, to celebrate at Shepparton as the Inter Dominion came to town, lifting the trots-loving community with the nation's greatest racing talent. I thank Fiona for her leadership during her time in 2022 as Interim CEO and now as Chief Commercial Officer, where with newly appointed CEO Matt Isaacs, the Executive Leadership Team (ELT) and HRV staff, they are guiding the industry into a new era.

Matt, now nine months into his new role, has led the team to put in place the foundations for the future, aided by an ELT that includes new General Manager of Integrity, Rhys Harrison. Rhys has led the development of regulatory responses to safeguard the integrity of Australian sport for over a decade. During his time at HRV, he has been instrumental in elevating the department with a skillset that he has developed across a diverse background. He has previously held integrity related positions with Tennis Australia and Gymnastics Australia and his prior experience with the Australian Federal Police and the Victorian Commission for Gambling and Liquor Regulation has provided significant practical experience.

The ELT are well placed to navigate this with Minister for Racing Anthony Carbines, who completed his first year in 2023. Minister Carbines has shown himself to be a great supporter of harness racing, having attended numerous functions and race meetings, a number of infrastructure announcements and cutting the ribbon with me at the official opening of The Club Lounge owners' facility at Melton.

The State Government has already led the reshaping of the landscape with its May announcement of the proposed changes to the Victorian Point of Consumption Tax, which will provide important long-term certainty for the Victorian Racing Industry and we look forward to working closely with the Minister in the year ahead.

I also wish to acknowledge my fellow Board Member, Peter Watkinson who retired in July. Peter, a harness racing devotee of more than 40 years has worked tirelessly for the sport. He has not only left it stronger for his excellence but also his passion and I thank him for his service and friendship.

Future looking is at the forefront of HRV, and significant financial investment in technology was made throughout 2022-23. These changes spanned the whole of HRV's operating model from digital efficiencies in the customer service department that included payment and process streamlining, through to data creation, like sectionals that easily inform punters, fans and participants. The latter also welcomed the move to digital check-in at our clubs and, most recently, digital horse swabbing by the integrity team, which launched in May this year.

While there are certainly challenges ahead, the sport will emerge stronger, stand on its own feet and be driven by the performances of its participants and their horses, which give such reason for optimism.

Have we seen such depth of talent before in our ranks? We've savoured brilliant two and three-year-olds the likes of Major Delight, The Lost Storm, School Captain, The Locomotive and Cravache Dor, and how about those four-year-olds? Catch A Wave, Captain Ravishing and Victoria Derby winner Leap To Fame have produced a sequence of stunning performances that have fans enjoying a golden generation. It has been a delight to watch our participants draw out their talent, including Andy and Kate Gath holding aloft the Miracle Mile, Emma Stewart's vast Vicbred Super Series, Breeders Crown and Hunter Cup success and, of course, Jess Tubbs and Greg Sugars' incredible season.

Across Australasia's major harness carnivals Victorian talent shone, but nothing emboldened our harness racing community with more pride than when Just Believe transformed his incredible local success into an outstanding Swedish performances against some of the world's best trotters. I have no doubt this changed perceptions about Australian trotters in what has been a previously sceptical audience. The rest of the world learnt that Australian and significantly Victorian horses can compete on the global stage. This was the reward of generations of breeding enhancement with the dedication from the likes of Pat Driscoll (Just Believe) and Duncan McPherson, whose Aldebaran Zeus is Yonkers-bound.

It is a timely reminder of the world of opportunities that lie in Victorian harness racing's path as the Board, HRV and its participants celebrate their great achievements and get ready for new dawns.

A stylized, handwritten signature in blue ink, likely belonging to Dale G Monteith.

Dale G Monteith
Chairman, Harness Racing Victoria

HRV Board



Dale Monteith
Chairman

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



Dr Catherine Ainsworth
Deputy Chair

Experience: Veterinarian with extensive Executive and Director experience. Held senior positions in the Victorian Government including Director; Stakeholder Relationships with the former Department of Environment and Primary Industries (2008–2015) and Director, State Veterinary Laboratory (1999–2008); CEO of Pony Club Australia and a Director of the Royal Agricultural Society of Victoria and Racing Analytical Services Ltd; Member of the Victorian Animal Welfare Advisory Council.



Jane Brook

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



Adam Kilgour

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



Judy Rothacker

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



Peter Watkinson

Experience: Executive experience at all levels of Government and consulting services in the areas of Planning and Crown Land Management. Current role as Deputy Chair of Australian Pacing Gold (APG), a standardbred sales company. A passionate owner and breeder within harness racing.

HRV Executive



Matt Isaacs
Chief Executive Officer



Luke Spano
Chief Operating Officer



Fiona Mellor
Chief Commercial Officer



Stephen Bell
General Manager Racing



Rhys Harrison
General Manager Integrity



Natalie Wright-Boyd
General Manager People and Culture



Gayle Harvey
General Manager Melton Entertainment Park

Board Attendance

Board Attendance for 1st July 2022 - 30 June 2023

HRV Board Members 22/23	Number of Meetings Eligible	Number of Meetings Attended
Dale Monteith (Chair)	11	11
Dr Catherine Ainsworth (Vice Chair)	11	11
Jane Brook	11	11
Adam Kilgour	11	11
Judy Rothacker	11	11
Peter Watkinson	11	10
Prof. Jack Anderson	1	1

Attendance for 1st July 2022 - 30 June 2023

Audit & Risk Committee 22/23	Number of Meetings Eligible	Number of Meetings Attended
David Logan (Chair)	6	6
John Wilkinson (Independent Committee Member)	6	6
Dr Catherine Ainsworth (HRV representative)	6	5



Melton Racetrack

CEO's Report

My appointment as CEO of Harness Racing Victoria (HRV) in January this year was a great honour and privilege. Our industry has significant importance for Victoria, contributing over \$600 million to the economy, providing employment for over 4,500 people, and connecting communities across the state.

In my first six months, I have spent time with various stakeholders, businesses, participants, and fans of our sport. This helped me to capture perspectives, understand the challenges and explore opportunities for the future of our industry.

What became clear is harness racing in Victoria is diverse and has varied and conflicting attitudes. However, the love of our sport, our horses, and a commitment to the futures of our next generations is universally shared by everyone.

I have joined HRV at a time of great change that comes with significant challenges, and I am working with all stakeholders to ensure the issues can result in a vibrant and sustainable future for harness racing in Victoria.

One of our immediate challenges is HRV's financial position which was weakened by recent declines in wagering market performance, which represents 95% of all revenues. This is impacting HRV's ability to maintain levels of prize money, investments, and services throughout the industry.

While wagering revenue declines over the 2023 financial year align with the broader market, contracting 6%, the reduction has occurred when Victorian Government Statutory Bodies, including HRV, have been challenged to work towards operating within their financial means.

Notably, the softening of the wagering market has only amplified our ongoing financial challenge, and since 2019, HRV has reported approximately \$13 million in operating losses per year, and the Board and Executive have worked collaboratively with the Government, securing \$55 million in operational grants during this period.



With the support of Minister Carbin's and the HRV Board, I aim to tackle our financial issues by exploring how to right-size the industry, innovate our racing product, grow our fan base, maintain a laser focus on operating efficiencies, and create new and improved income streams.

Since commencing, I have worked closely with Luke Spano, HRV's Chief Operating Officer, the other two racing codes and the Government to negotiate a new 10-year funding memorandum of understanding for POCT (Point of Consumption Tax for wagering service providers). This deal commences from August 2024 and will provide HRV with a mechanism for funding.

During the upcoming financial year, HRV will prepare to exit our existing, long-term vision rights agreement that expires in August 2024 and enter a partnership that supports HRV's objective to showcase harness racing, grow our fan base and share our love of the sport to a broader audience.

Fanbase growth is critical and any future vision partnership must ensure that HRV generates its rightful value for the industry by distributing our product via traditional, digital, or futuristic channels that engage our fans. HRV's future vision partnership will continue to be augmented with our TrotsVision platform, a cost-efficient harness industry service that remains unparalleled in the Australasian harness racing landscape.

Our racing will continue to be delivered with world-class integrity and horse welfare programs that maintain trust. Trust for participants, trust in each other, and the trust of our fans, providing racing without compromise, with the wellbeing of our stars (the horses) at the heart of everything we do. It's up to everyone to maintain this trust, to nurture it, and hold each other accountable and exceed the expectations of the communities we are part of. Our future depends on this.

Our challenges, whilst complex and immediate, cannot be overcome without all industry elements working and solving together. My commitment to harness racing in Victoria is that HRV works collaboratively with our industry stakeholders, utilising the collective experience to design and deliver exciting racing.

Our relationship with the Government is strong, and this essential partnership's enduring nature stands us in good stead for what lies ahead. These connections with the Premier, Cabinet, Minister for Racing Anthony Carbin's, and all Members of Parliament are integral to building significant pathways for our sport, clubs, and communities.

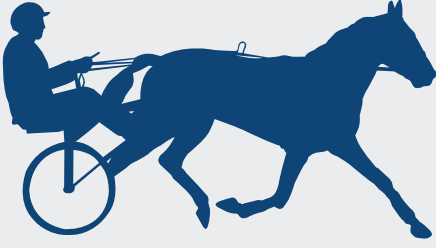
The first six months as CEO have been challenging, difficult decisions have been made, and the next twelve months will bring more headwinds but also opportunities. With the support of a committed Government, enthusiastic participants, and a dedicated team at HRV, harness racing in Victoria has a bright future.

Victorian Harness Racing

Industry Snapshot

27

Racing Clubs



18

Training Clubs



28

Race Tracks

10,162

Participants, Owners,
Volunteers



Direct
Spending:

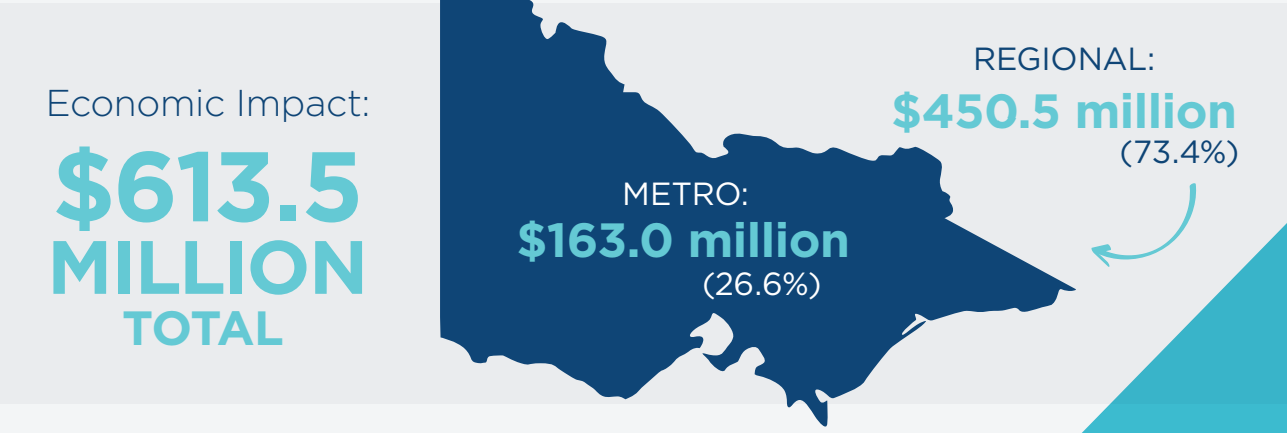


\$423.9
MILLION



4,469

Total Employment
(Full time equivalent)



Report on Operations

In accordance with *Financial Management Act 1994*, I am pleased to present the Report of Operations for Harness Racing Victoria for the year ended 30 June 2023.



Dale G Monteith
Chairman, Harness Racing Victoria
13 September 2023


Mission

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


Vision

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


Values

- 


Respect

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

Integrity

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

Safety and Wellbeing

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

Excellence

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

Financial Operations

Five Year Financial Summary	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Tabcorp Revenue	29,880	31,761	34,555	36,300	40,982
Other Revenue (excl operating grants)	59,180	58,163	42,141	38,611	43,917
Total Revenue (excl operating grants)	89,060	89,924	76,696	74,911	84,899
Stakemoney Expense	(50,686)	(47,356)	(46,918)	(41,554)	(41,605)
Other Operating Expenses	(61,032)	(51,618)	(45,484)	(45,281)	(47,797)
Sale of Assets	-	-	-	788	-
Net Profit/(Loss) (excl operating grants)	(22,658)	(9,050)	(15,706)	(11,136)	(4,503)
Operating Grant Income (inc Job Keeper)	16,000	4,910	18,622	10,702	4,900
Net Results	(6,658)	(4,140)	2,916	(434)	397
Cash Assets	10,426	3,042	1,948	514	2,430
Total Assets	168,542	155,560	137,047	87,407	90,767
Current Liabilities	(50,579)	(30,794)	(23,282)	(22,247)	(23,666)
Total Liabilities	(61,872)	(42,200)	(36,507)	(37,258)	(40,786)

The HRV group’s performance before operating grants received from the Victorian Government was a deficit of \$22.6 million, up \$13 million from the loss before operational grants in 2022.

This increase in operating loss was driven by several factors:

- \$1.9 million reduction in Joint Venture distributions from Tabcorp as a result from lower parimutuel wagering and Joint Venture profit.
- \$1.3 million decline in racefield fees attributable to the downturn in the wagering market affecting all racing industries.

Increase in operating costs predominantly driven by:

- \$3.3 million in Stake Money attributable to the full year impact of Stake Money increases announced in the prior year, plus additional races in 2023 and ID22.
- \$1.6 million in salaries attributable to CPI increases and the full year run rate of new/vacant roles in the prior year.

- \$1.5 million in increases for raceday operational costs predominately driven by CPI increases on vision, club funding, ambulance and other race day expenditure.
- \$1.0 million in interest costs driven by the increase in interest rates.

In the 2023 financial year, the Victorian Government provided HRV with \$16 million in operating grant income. This grant income was tagged to specific operating expenditure such as prizemoney and non-specific funding for solvency. A further \$1.4 million was provided in infrastructure grants that continue to support the upkeep of the industry’s tracks and racing assets.

The receipt of these funds from Government resulted in a loss of \$6.6 million after operating grants. This loss was funded by drawing down on HRV’s lending facility with Treasury Corporation Victoria, and reducing HRV’s net asset position to \$106.7 million.



Duncan McPherson (Owner)

Revenue from HRV’s gaming and hospitality venue at Melton increased \$5.4 million as the venue returned to normalised operation post COVID, however with increased costs also attributable to ID22, the venue made an operating loss of \$0.1 million.

Off the back of a softening wagering market that is affecting all wagering operators and all racing codes, HRV is forecasting further reductions to Joint Venture (JV) distributions and racefield fees in financial year 2024. As a result of these reductions in August 2023, HRV announced \$10 million in operational efficiencies and prizemoney reductions. This is the the first step in a series of actions to improve the longer-term financial sustainability of the Victorian Harness Racing Industry. Future steps include the renegotiation of vision rights and sponsorship revenues of which new / increased revenues are expected to commence from financial year 2025.

Other material movements:

- Cash and cash equivalents increased \$7.4 million and is the result of a drawdown from HRV’s loan facility in late June for payments due in early July.
- Borrowings increased \$19.6 million due to the increase in cash, operating losses, capital expenditure and lending for gaming machine entitlements.
- Property, plant and equipment increased \$2.5 million due to the installation of LED lights and the construction of the new owners room at Melton.
- Intangible assets increased \$3.0 million which relate to the new 10-year gaming machine entitlements.

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

Racing Operations

Meetings

DAY



154

NIGHT



290

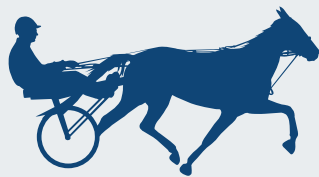
TOTAL



444

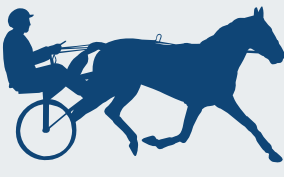
Day Races

PACERS



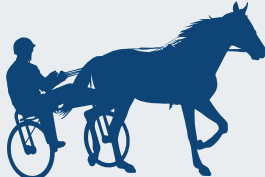
1073

TROTTERS



341

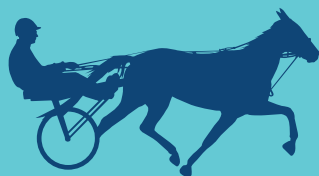
TOTAL



1414

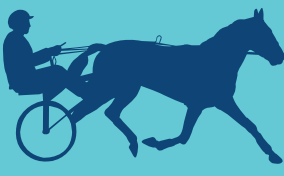
Night Races

PACERS



2208

TROTTERS



645

TOTAL



2853

Industry Insights

Key Indicators	2023	2022	2021	2020	2019	2018	2017
Meetings (TAB)	444	436	440	446	439	432	457
Meetings (non TAB)	0	0	0	1	1	1	2
Races	4,267	4,047	3,963	3,764	3,857	3,863	3,723
Horses raced	3,734	3,672	3,639	3,617	3,726	3,819	3,903
Nominations	56,261	52,321	50,016	48,627	47,713	50,360	48,777
Starters	37,492	35,567	35,198	31,971	32,324	32,902	33,081
Drivers	537	579	573	605	639	658	681
Trainers	959	987	994	1,006	1,046	1,090	1,141
Stablehands	938	1,130	1,159	1,126	1,085	1,154	1,168
Sires	47	47	60	50	73	78	67
Foals (i)	1,486	1,691	1,550	1,698	1,904	1,784	1,908
Namings	1,083	1,017	1,059	1,125	1,185	1,145	1,178
Services	2,491	3,181	3,461	2,964	3,644	3,932	4,074



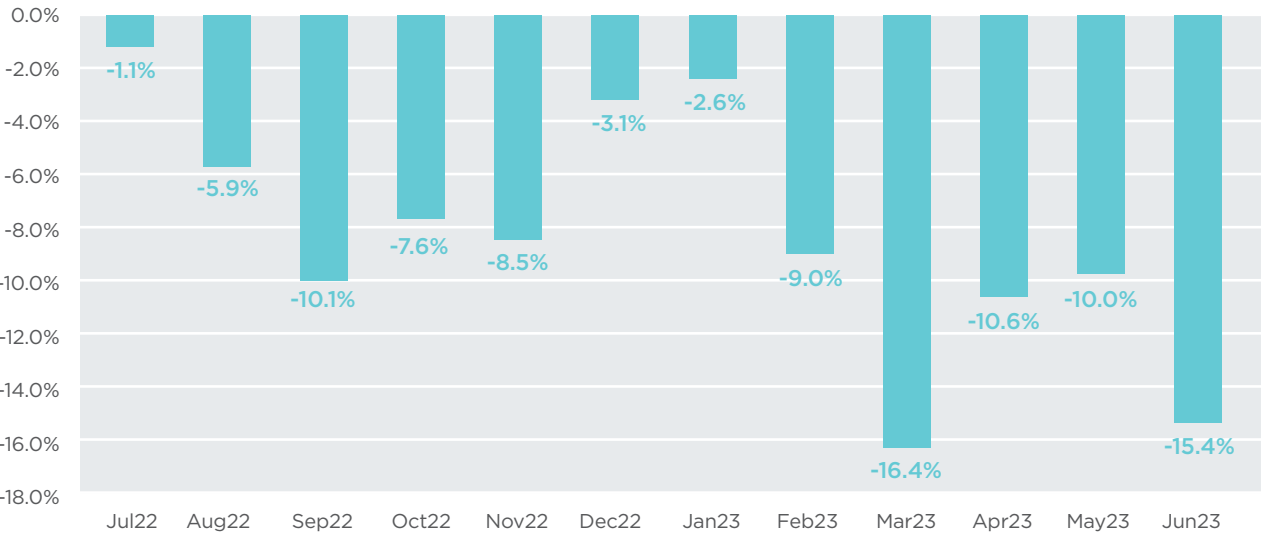
Wagering Performance

Wagering turnover declined by 3.1% in the FY23 despite an increase of 235 races (5%) across the financial year. The decline in turnover can be attributed to a downturn in wagering experienced across the sector post COVID. The second half of the year drove most of the decline, with macroeconomic pressures; inflation and cash rates, beginning to take a hold of household discretionary spend. HRV saw a 5.1% decline in corporate bookmaker turnover across the financial year, however approved 18 new wagering service providers to accept wagers on its product, thus growing the potential wagering audience and potential to facilitate greater turnover.

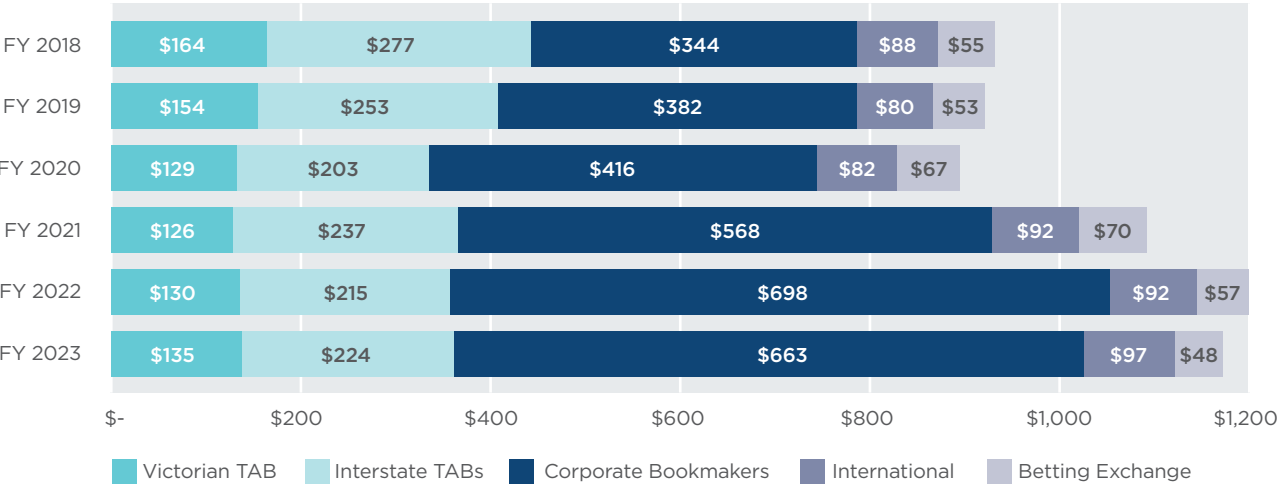
The Victoria Cup was a wagering highlight of the racing season with more than \$10 million in turnover, surpassing the previous high-water mark set in 2021.

HRV saw a rebound of TAB turnover, up 4% in FY23, mostly due to a cycling of COVID retail closures at different points in time compared to previous financial years. HRV also saw growth in its international wagering segment, up 5% vs FY22.

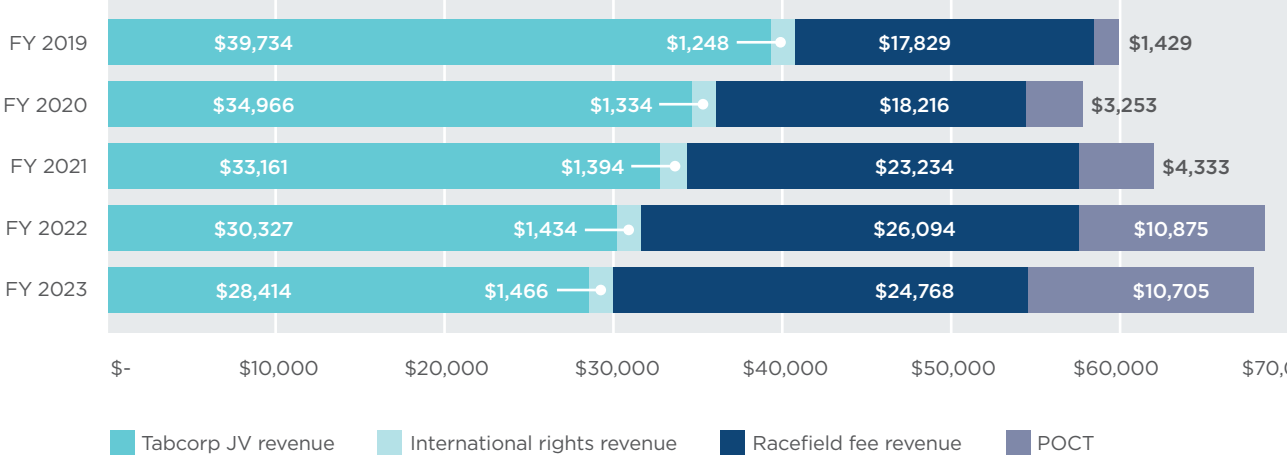
FY23 Average Turnover Per Race Growth Rates



HRV Turnover



Wagering Revenues



The shift in the wagering market from the Vic Tab to corporate bookmakers which was exacerbated due to COVID-19 has resulted in distributions from the JV reducing by \$11.3m in the past five years. For HRV to replace these distributions with revenue generated directly, turnover would have needed to increase by over \$400m per annum circa 50% above FY2019 turnover levels.





Driver Kerryn Manning and Father Peter Manning



Superstar

CATCH A WAVE

Trainer: Andy Gath

Driver: Kate Gath

Owner: Pauline Matthews

Breeder: Benstud Standardbreds, Peter O'Shea, Zilla O'Shea

Breeding: by Captaintreacherous out of Coppagoodone

FY 2022-23 record: 10 starts: 7 wins – 1 placing

Prizemoney: \$831,930

Major trophies:

1st: Garrards Miracle Mile

1st: Cordina Chicken Farms Chariots Of Fire

1st: Ride High Vicbred Super Series for three-year-old pacing colts and geldings

The moment:

Catch A Wave delivered, returning to something like his best after a shock semi-final flop to lead throughout in the Group 1 Ride High Vicbred Super Series 3YO colts and geldings' final.

Soon after they crossed the line the Matthews' Port Fairy 'gang' rang trainer Andy Gath to share the moment and express their gratitude. Gath didn't even bother trying to fight back the tears.

The moment transcended racing as this great sport so often does.

Superstar

CAPTAIN RAVISHING

Trainers: Ahmed Taiba/Emma Stewart

Drivers: Anthony Butt/Mark Pitt

Owner: Hassan Taiba

Breeder: Sloys Company

Breeding: by Captaintreacherous out of Ravishing Girl

FY 2022-23 record: 10 starts: 7 wins – 1 placing

Prizemoney: \$285,980

Major trophies:

1st: Woodlands Stud Australia Breeders Crown final for three-year-old pacing colts and geldings

That is one of the greatest performances I've ever seen.

The moment:

Those were the words of caller Dan Mielicki after Captain Ravishing produced one of the most remarkable Melton performances in winning the Woodlands Stud Australia Breeders Crown final for three-year-old colts and geldings. Despite sitting parked in the wet conditions, the Emma Stewart trained speed machine bettered Lochinvar Art and Hurricane Harley's joint 2240m track record with a stunning 28.8m win in 1 minute and 51 seconds.

Integrity & Welfare



Clerk of the Course Anthony O'Brien and Stormy

Integrity and Welfare are core foundations that are established through the HRV Strategic Framework and championed at all levels of the organisation. Maintaining integrity is crucial for building confidence and trust among the community, customers, participants, and the general public.

In 2022-23, a focus has been on continuous improvement through the development and implementation of new initiatives and strategies. This has been largely focused on two workstreams: technology advancements and the improved welfare of the standardbred horse.

Within the integrity technology space, HRV undertook the rollout of paperless swabbing, digital check-ins at racetracks and an enhanced case management system. The integrity and technology teams collaborated to develop innovative and effective solutions, which incorporate the use of mobility devices, QR code license recognition along with Bluetooth and App enabled Horse Microchip Identification. The team's ability to work together and leverage these technologies has led to improved efficiency in operations along with increased access to real time information and notifications. Their efforts demonstrate a commitment to excellence and a willingness to embrace new ideas to achieve success.

Harness racing tracks across Victoria now practice digital swabbing of horses with the inclusion of barcode recognition, horse microchip scanning and SMS/email alert. This initiative involving CGI, Rise Racing, Racing Victoria, HRV Technology and State Government feedback has been a 14-month project demanding rigorous trials. However, the on-track rollout has already been acknowledged as a valuable addition for not only HRV but also participants, providing efficiencies alongside longer-term ambitions of trust building via digital advances.

The focus of the second workstream has been on improving the welfare of standardbred horses through a risk-based intelligence led approach to testing and monitoring. In 2022-23, the team undertook the proactive swabbing of over 7000 horses, across 4000 harness race meetings in Victoria. In addition, welfare checks of over 2800 horses at meetings compared to 658 the year before meant HRV exceeded targets for assessing horse welfare throughout the region.



HRV Hero Graduates (L-R) GRESHAR, Paris, and Skip Along Harry

HRV Hero

In 2022-23, Harness Racing Victoria's flagship animal welfare program, HRV Hero, continued to make significant progress increasing re-homing rates through the introduction of The Direct Off the Track (DOTT) program, successfully implementing cost-saving measures within its ambassador program and increasing event attendance.

DOTT launched in August 2022 and provided a much-needed channel for retired racehorses to be sold directly from the track by their owners. This adjustment reduced the waitlist for horses requiring retraining and resulted in a 20% increase in horses rehomed through Hero's channels. Notably, 33% of all rehomed horses during the last financial year were facilitated through the DOTT program.

The Hero ambassador program took decisive steps to reduce costs by 67% through adjustments to ambassador horse ownership, favouring the inclusion of privately owned horses who had undergone the re-homing service over horses supported by the program who resided with high-profile equestrians.



Retrainers KARH Equestrian and Lets Strike the Gold NZ

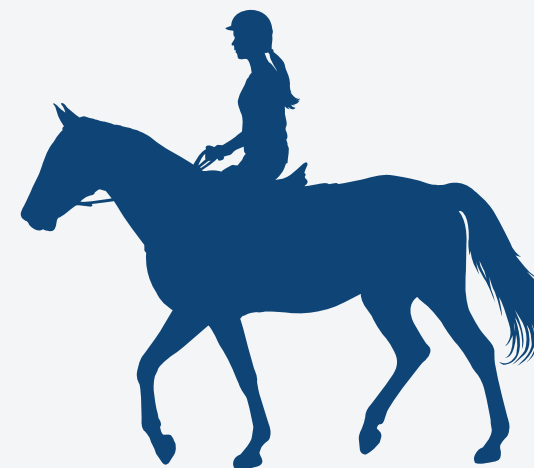
Throughout the year, the Hero program visited numerous clubs, attending 26 race meets to engage with harness racing fans and raise awareness for its services. This marked a substantial 100% increase compared to the previous financial year with the program sponsoring 85 Victorian equine events, including HRCV, PCAV, general clinics and agricultural shows, further cementing its presence in the equine industry.

HRV Hero

Hero Horse Sales and Rehoming

45
Sold Retrainers

23
Rehomed DOTT



14
In Training

60
Average Days to Rehoming DOTT



HRV Hero program graduate Its the Emblem

Year in Review: Racing



The 2022-23 harness racing season stood out for its exceptional quality and abundance of thrilling events, rivalling few in history.

A significant shift occurred due to Harness Racing Australia's calendar change, commencing the racing season on January 1, 2021. The change saw Victoria's rich futurity series relocated to November (Breeders Crown) and December (Vicbred Super Series), along with a wave of other aligned elite events.

Notable among these were pacing's Victoria Derby and Oaks, as well as trotting's Redwood Carnival, which found new places in the racing calendar in October. This restructured season provided an uninterrupted flow of high-calibre competitions, captivating both participants and fans alike with the abundance of top-tier harness racing events.

The calendar change led to elite racing from September's Kilmore Cup through to April's Mildura Cup, interspersed with the likes of TAB Summer of Glory and Aurora Australis. The season's climax was the return of the SENTrack Inter Dominion series to Victoria after four years, attracting significant attention and excitement.

For avid harness racing enthusiasts, it was an exhilarating journey, highlighted by Rock N Roll Doo's bold triumph in the Pryde's EasiFeed Victoria Cup, as three-year-olds Leap To Fame (Derby), Encipher (Oaks), and trotter Just Believe (Bill Collins) simultaneously showcased their talent, solidifying their standing in the sport. The remarkable performances of that night set an unprecedented benchmark for harness racing turnover.

Ladies In Red's victory in the Queen Of The Pacific and Cravache Dor's trotters Derby success propelled us forward to 19 November, when trainer Emma Stewart extended her remarkable Breeders Crown streak, securing an impressive six Group 1 victories, including a show-stopping performance with Captain Ravishing.

The state's most dominant stable would win a further three aged racing Group 1s on Vicbred Super Series final night, including with another 'next big thing', The Lost Storm, while Anton Golino's Cravache Dor and Andy Gath's Catch A Wave also delivered New Year's Eve fireworks.



Anthony Butt (Driver)



Separating them was the SENTrack Inter Dominion, spanning four thrilling nights from Ballarat to Shepparton and Geelong before culminating in two unforgettable Melton finals. Among the highlights was Larajay Farm's exceptional trotter Just Believe, who concluded a near-perfect championship with a well-deserved Group 1 victory, followed by I Cast No Shadow's sprint lane romp to deliver owner Diane Reilly, trainer Jason Grimson and reinsman Cameron Hart a momentous pacing triumph.

Lovers of harness racing had little time to catch their breath in January, as the month presented the Bendigo Cup, won by Major Meister, the Shepparton Cup, taken by Cranbourne, and the Ballarat Cup, claimed by Copy That, all building excitement for the TAB Summer of Glory.

The Woodlands Stud Great Southern Star's heats-into-final format reaffirmed Victoria had a horse, Just Believe who could compete on the global stage. On the following night, Honolua Bay achieved a significant milestone by becoming only the second Victorian-trained winner of

the prestigious Del-Re National A. G. Hunter Cup in its past eight stagings.

Trotting's Aurora Australis series witnessed Just Believe, under the guidance of Jess Tubbs and Greg Sugars, further enhance his reputation, earning a coveted spot in Elitloppet, a prestigious international event. Additionally, the young Victorian sensation, Catch A Wave, ventured beyond state borders and triumphed in the Chariots Of Fire and Miracle Mile.

The season's brilliance culminated in a fitting finale, as Just Believe demonstrated his resilience to the world. He bounced back from a moment of disappointment in Elitloppet by securing third and second-placed finishes in Sweden. These exceptional showings significantly impacted the perceptions of northern hemisphere observers, shedding new light on the calibre of Victorian racing and establishing the region as a force to be reckoned with on the global harness racing stage.

VICTORIA CUP



VICTORIA CUP NIGHT TO EXCEED TURNOVER RECORD

Anne James (Owner)

The Pryde's EasiFeed Victoria Cup launched the spectacular spring and summer season and generated overwhelming interest and excitement.

Broadcast on Racing.com's free-to-air TV channel and TrotsVision, the night garnered significant attendance and set new records, becoming Australia's most wagered-on harness racing card. The night's remarkable success resulted in an international and domestic turnover of \$10,398,539, with a notable amount of \$1,455,405 bet on the Cup alone.

For many it's become the most anticipated night on the calendar, featuring the Downbytheseaside Victoria Derby and Pryde's EasiFeed Victoria Oaks alongside the Cup.

Rock N Roll Doo was outstanding in winning the headline race, while Queensland's Leap To Fame and local filly Encipher claimed the three-year-old crowns.

TO DO IT TOUGH, TO COME AROUND AND SIT OUTSIDE THE BEST GROUP 1 HORSES IN THE LAND AND TO BE ABLE TO FINISH OFF LIKE THAT ... HE'S A BEAUTIFUL ANIMAL.

- ROCK N ROLL DOO'S JOINT OWNER BRENDAN JAMES



Mick Stanley and daughter Annabelle



Aaron Dunn (Driver)

BREEDERS CROWN

PACERS RAVISHING AS STEWART SMASHES RECORDS AT BREEDERS CROWN



Mark Pitt (Driver) and Hass Taiba (Owner)



Leigh Sutton (Driver)
Anton Golino (Trainer)

The storied TAB Breeders Crown again thrilled participants, breeders and owners and reminded us of its unique standing in Australasian harness racing. An irresistible allure for owners and harness racing enthusiasts alike, everyone savoured the thrill of racing in this prestigious event. On 19 November, the Melton straight witnessed an exhilarating spectacle, with eight Group 1s and two Group 2s taken home by Australasia's elite two and three-year-olds, earning their connections a glorious carriage ride up Melton straight. Ballarat trainer Emma Stewart extended her remarkable Breeders Crown streak, securing an impressive six Group 1 victories, including a show-stopping performance with Captain Ravishing.

The strategic three-week promotional campaign garnered significant interest in the high-profile racing event. Centred around the regal theme of the trophy's allure, the campaign inspired racegoers to experience the magic and 'view greatness' first-hand.

The series' success was undeniable, showcasing top-tier talent in thrilling races, and attracting an international and domestic turnover, that totalled \$5,791,994.

THAT IS ONE OF THE GREATEST PERFORMANCES I'VE EVER SEEN.

- DAN MIELICKI ON CAPTAIN RAVISHING

INTER DOMINION CHAMPIONSHIP



Cam Hart (Driver) and I Cast No Shadow

'THIS IS SOMETHING SPECIAL': JESS AND GREG CLAIM ID22 GLORY

The SENTrack Inter Dominion (ID22) was undoubtedly the highlight of the 2022-2023 season, representing the epitome of harness racing excellence.

This highly anticipated carnival captivated race-goers throughout Victoria, featuring heats in Ballarat, Shepparton and Geelong before culminating in the Melton final. I Cast No Shadow (trained by Jason Grimson and driven by Cam Hart) claimed the pacing crown, while Just Believe (trained by Jess Tubbs and driven by Greg Sugars) emerged victorious in the trotting title.

The ID22 series offered a captivating launch, an engaging golf day and a compelling barrier draw function to industry stakeholders, the latter of which was broadcast live on Sky Channel. Each race night received special attention on TrotsVision, with the finals' night also airing on Racing.com's free-to-air TV channel.

ID22 achieved remarkable success, drawing significant crowds and generating an impressive wagering turnover of over \$11 million across the entire series.

The resounding success of ID22 was a testament to the collective efforts of Harness Racing Victoria, its clubs and stakeholders, with their commitment and passion contributing to the event's elevated status and ongoing growth of harness racing in our region.

IT FEELS UNBELIEVABLE. YOU DREAM OF THESE THINGS AS A KID. IT'S SPECIAL TO DO IT WITH JASE AS WELL, HE'S SUCH A GOOD MATE.

- I CAST NO SHADOW'S DRIVER CAMERON HART

”



Kate Gath (Driver) with TrotsVision presenter Jason Bonnington

VICBRED SUPER SERIES

A STORM EXPLODES AS WE WAVE GOODBYE TO 2022



Emma Stewart, Mark Pitt and The Lost Storm



Kate Gath, Andy Gath and Catch a Wave



Anton Golino and Cravache Dor

New Year's Eve again drew a stellar crowd to Melton, resulting in a vibrant and bustling race night for the Vicbred Super Series, which was staged before a move back to September in 2023.

The remarkable 12 Group 1 races, boasting a substantial \$1.38 million prize pool, were promoted through an extensive and diverse marketing campaign. This strategic effort resulted in a highly successful night, generating more than \$5 million in international and domestic wagering turnover, reflecting the widespread interest and excitement surrounding the event.

To commemorate a year of exceptional racing achievements, a festive and celebratory cocktail function was held at Melton, drawing considerable attendance from both industry stakeholders and partners. The event culminated in a sensational midnight fireworks display, adding a memorable touch to an already exhilarating atmosphere.

The Group 1 spoils on the track were plentiful, with Emma Stewart (three titles) and Anton Golino (two titles) standing out as the multiple winners. The season saw the emergence of new stars, notably The Lost Storm, Catch A Wave, and Cravache Dor, who showcased their exceptional talent and secured their places in the spotlight.

SHE WAS JUST HAPPY SITTING AT THE SADDLE OF THE LEADER - JUST FLOPPING ALONG - AND WHEN IT WAS TIME TO GO, SHE REALLY WENT. - AMORE VITA'S DRIVER CHRIS ALFORD

”

SUMMER OF GLORY

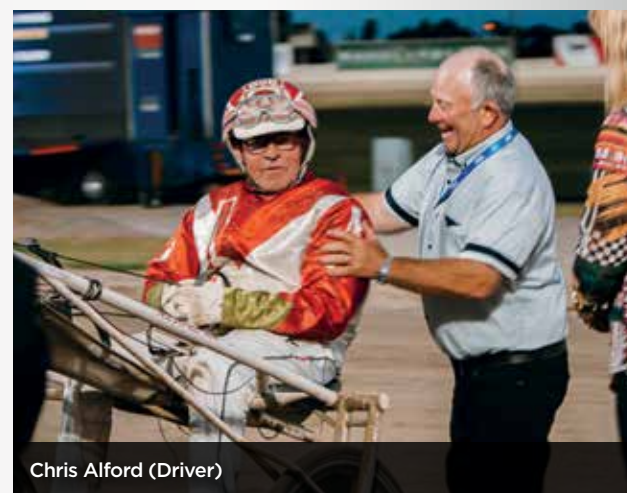


Kerryn Manning (Driver)



THESE RACES MEAN THE WORLD TO YOU AS A TRAINER AND DRIVER. THEY ARE VERY, VERY SPECIAL.

- HONOLUA BAY'S DRIVER DAVID MORAN



Chris Alford (Driver)

GREAT DRIVE CLINCHES HONOLUA BAY DRAMATIC HUNTER CUP

The Woodlands Stud Great Southern Star and Del-Re National A. G. Hunter Cup lived up to their esteemed reputations as the most prized trophies in Victorian harness racing.

With gripping drama, thrilling racing and deserving champions, these races stood as the centerpiece of the TAB Summer of Glory, a four-night celebration commencing in Ballarat and concluding in Melton.

First there was the unique drama of the Woodlands Stud Great Southern Star, with its heats-into-finals format again producing a captivating Friday night and the brilliant Just Believe emerging victorious, booking a ticket to international stardom.

Less than 24 hours later, Emma Stewart's talented Honolua Bay swept to victory for reinsman David Moran and owner-breeders Anne and Bill Anderson of Lauriston Bloodstock, producing only the second local winner in eight stagings of the Del-Re National A. G. Hunter Cup.

Wagering partner Tabcorp once again stepped forward as the proud sponsor of the TAB Summer of Glory, while the Ballarat Cup barrier draw announcement and series launch took place during a special Tuesday program on RSN 927AM at Ballarat.

The four-night series achieved wagering turnover of more than \$18 million, encompassing both domestic and international markets. The A. G. Hunter Cup alone generated an impressive \$1,129,805 in turnover.

Overall, the TAB Summer of Glory proved to be a highlight of the harness racing calendar, drawing substantial attention and participation from both industry insiders and racing enthusiasts.



Superstar

HONOLUA BAY

Trainer: Emma Stewart

Drivers: David Moran, Amanda Turnbull, Mark Pitt, Nathan Jack

Owner-breeder: Lauriston Bloodstock

Breeding: By Somebeachsomewhere out of National Gallery

FY 2022-23 record: 15 starts: 8 wins – 6 placings

Prizemoney: \$661,340

Major trophies:

1st: Del-Re National A. G. Hunter Cup

1st: SENTrack Inter Dominion heats 1, 2 and 3

3rd: Garrards Miracle Mile

“It’s amazing to be honest,” Tonkin said. “It’s one of those things, you just want to stand up and be counted on a night like this, and we’ve had an awesome night and it’s been special.”

The moment:

Trainer Emma Stewart and partner Clayton Tonkin captured one of the few crowns to have escaped their team’s grasp at Melton when Honolua Bay and reinsman David Moran swooped late to win the nation’s unofficial heavyweight championship.

Harness Racing Awards

Victorian Harness Racing Awards

On 30 April 2023, Harness Racing Victoria hosted its premier gala dinner, the Victorian Harness Racing Awards, formerly known as the Night of Nights, at Crown Palladium for 350 guests from the harness racing industry.

The memorable event, hosted by Jaimee Rogers of Sky Racing and Jason Bonnington, recognised 29 deserving award winners and cemented Harness Racing Victoria’s commitment to elevating and rewarding talent throughout the industry.

Award Recipients

Chris Alford	Gordon Rothacker Medal
James Herbertson	Garrards Victorian Driver of the Year
James Herbertson	Victorian Concession Driver of the Year
Mark Pitt	Metropolitan Driver of the Year
Emma Stewart	Victorian Trainer of The Year
Emma Stewart	Metropolitan Trainer of the Year
Demon Delight	Trots Country Cups Champion
Havehorsewilltravel	Maori’s Idol Trotting Champion
Gay Donnelly	Lang Distinguished Service Award
Graham Prosser	Lang Distinguished Service Award
Richard Cust	Lang Distinguished Service Award
Margaret Watson	Pearl Kelly Award
Majestuosos	Victorian Horse of the Year



“I’m sure there’s plenty of people that deserve it more than I do, but big thrill. I can’t remember the last time I cried but I did tonight.”
- Chris Alford, Gordon Rothacker Medallist



Graham Prosser, Lang Distinguished Services Award



James Herbertson, Driver of the Year & Concession Driver of the Year



Margaret Watson (right), Pearl Kelly Award recipient, and daughter Adele (left)



Country Clubs



Horsham Cup



Birchip Cup

Country Cups

The Country Cups Carnival took place from September to April and encompassed all 27 cups across regional Victoria.

HRV extended support through diverse channels including marketing subsidies, RAP (Victorian Racing Industry Fund's Raceday Attraction Program) Funding endorsement, pre and post cup marketing meetings, graphic design assistance, radio advertising guidance, owner subsidies and presence on the Big Screen.

Templated artwork was provided to clubs to maintain a consistent brand image and messaging for their regional marketing efforts. To mark the beginning of the new season, HRV organised a successful launch function in Mt Macedon, which was well attended by club representatives.

The Mildura Harness Racing Club received significant support during 2023 to ensure the successful delivery of its annual cup event. The club faced operational challenges after the impacts of the Victorian flood crisis. In response, additional event and marketing assistance was provided, which played a crucial role in helping the club overcome obstacles and maintain the integrity and overall success of the event, with wagering exceeding previous years.

The off-track fun on country cup days was more than matched by the on-track brilliance, including from Emma Stewart's pacer Demon Delight and Andy Gath's trotter Havehorsewilltravel, who respectively won their gait's 2022 country cup championships. The good times continued in the first half of 2023, with Stewart's Cant Top This (pacing) and Jess Tubbs' One Over All (trotting) standouts.



Country Club representatives at the Country Cup season launch

Clubs Sessions

Throughout the 2022-23 season, HRV remained dedicated to supporting clubs in achieving growth and financial success. To assist clubs in exploring commercial opportunities, social media strategies, conducting SWOT analysis and managing finance and governance, HRV conducted an all-clubs training and development day.

A digital and print version of a new country cups booklet was provided to aid clubs in cup delivery and included valuable information on RAP funding, case studies, budget templates, checklists, sponsorship, marketing, finance and governance, promoting best practices among clubs.

A new consultation process was also implemented to enhance coordination between HRV marketing and clubs. Two weeks before each country cup, a session was held to ensure that every club was on track and aligned with their marketing plans and objectives. This proactive approach aimed to maximise the success of each event.

Superstar JUST BELIEVE

Trainers: Michael Hughes/Jess Tubbs

Drivers: Rod Petroff/Greg Sugars

Owner-breeder: Yabby Dam Farms

Lessee: Iona Trotter Syndicate

Breeding: By Orlando Vici out of Heavens Above

FY 2022-23 record: 19 starts: 10 wins – 8 placings

Prizemoney: \$625,745

Major trophies:

1st: SEN Track Inter Dominion Trotting Championship

1st: Woodlands Stud Great Southern Star

CONTESTED: Elitloppet

2nd: Norrbottens Stora Pris

The moment:

Just Believe is a "top 10" trotter in the world who has changed perceptions about Australian harness racing in the northern hemisphere, according to Solvalla's racing manager.

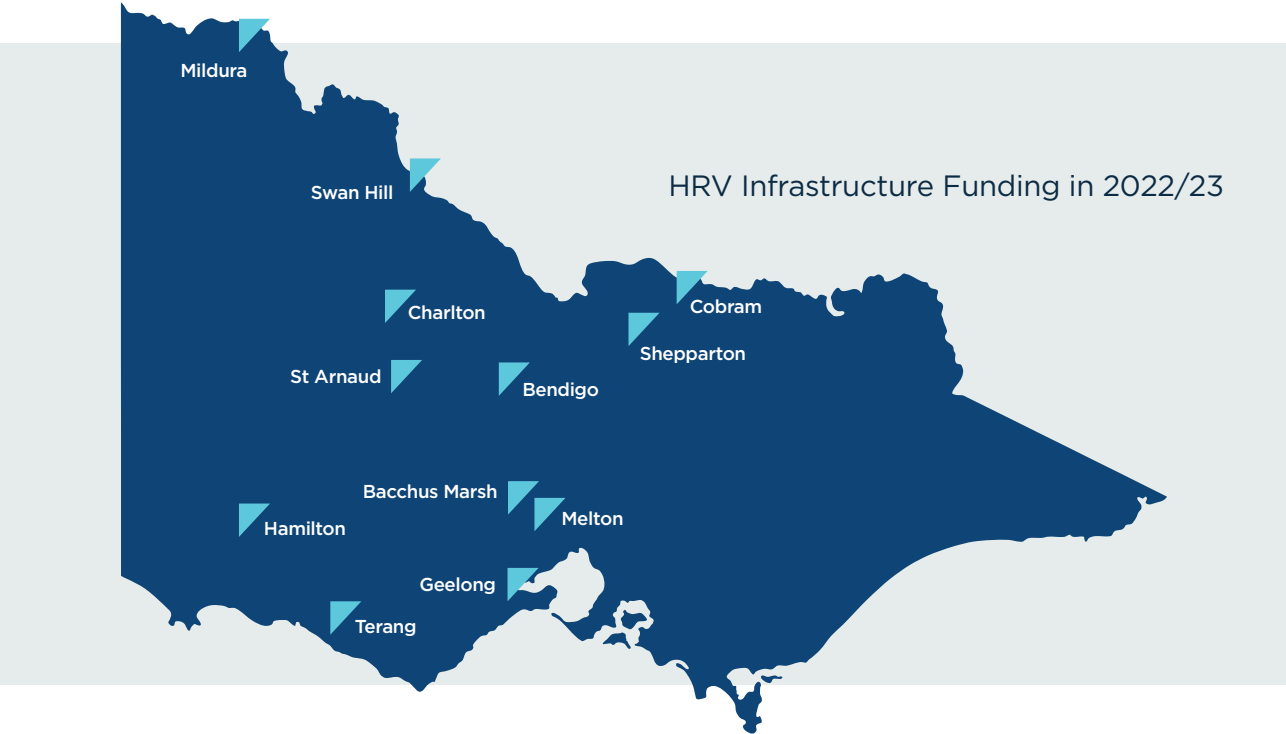
Anders Malmrot says Victorian driver Greg Sugars and trainer Jess Tubbs had drastically altered pre-conceived ideas with their beloved Harry, who placed twice in three Swedish starts after a luckless Elitloppet heat.

"I'm so impressed about Harry, I knew he was a good horse but I didn't expect him to be this good," Malmrot told TrotsVision's Ryan Phelan.

He said while it was a "disappointment" to see Just Believe's misfortune in the Elitlopp, "after Ostersund and Boden everyone is 'wow, what a horse we have seen'".

Infrastructure

Harness Racing Victoria alongside federal, state and local government funding saw more than \$6.9 million in enhancements through infrastructure projects completed in 2022-23.



The last year of a four-year VRIF cycle led to the completion of The Club Lounge owners’ room (Melton), training centre (Shepparton) and relamping at tracks throughout Victoria, including Mildura, Terang and Ararat.

The expansion of Shepparton Training Centre highlighted how HRV’s racing department and Shepparton’s club committee successfully identified a need for further training resources in the local area and, by working closely together, secured funding including from Victorian Transformation Budget; VRIF and HRV. The works carried out included additional stabling for 63 horses, improved training facilities and a horse walker. Within months of the project being finished and opened, the training centre was at full occupancy with more than 130 horses now being housed. The new centre has helped the Shepparton area maintain a thriving horse population directly involved in the harness racing industry.

The Owners Room at Melton was opened by Minister for Racing Anthony Carbines, HRV Chairman Dale Monteith and VHRC President Emmy Mazzetti on 6 May 2023. A 12-month project, the room is perfectly positioned to enhance ownership experience at Melton with stunning views of the racetrack and a private space for winning owners to celebrate in style. The stunning architecture

was designed by Brazel & Haley Architecture with construction company O’Neills Design and Construction successfully winning the tender to construct the building. This new space since opening has been successfully utilised by VHRC members and provided a much-needed viewing platform to escape the outdoor elements at Melton.

Side by side with the larger infrastructure works, HRV also invested in two new water trucks, two new mobile barriers, Bendigo infrastructure improvements and St Arnaud’s multi-purpose facility. Major resurfacing and regular top ups of tracks were also carried out at Charlton, Cobram, Geelong, Hamilton, Mildura, Shepparton, Swan Hill, Melton and Bacchus Marsh.

In response to the floods during October 2022, participants and clubs that were affected were able to apply for up to \$50,000 of funding through the Small Business Immediate Flood Relief Program or the Community Sport Emergency Flood Assistance Program. In addition to this, HRV and the Victorian government partnered together to provide an additional \$350,000 of funding to clubs not covered by these grants. This latter initiative was successfully used by clubs to provide them with the financial support to recover in a safe and timely manner.



L-R Minister for Racing Anthony Carbines MP, HRV Board Chairman Dale Monteith, VHRC President Emmy Mazzetti



Aerial view of Melton lights

Digital Technology

The technology roadmap at HRV offers a clear pathway to plan and focus the technological improvements that are being planned for harness racing in Victoria. Beginning in April 2022, with a two-year cycle for delivering technical value across the organisation, there are four main streams of work that focus on maintenance; foundation, productivity and edge, allowing the team to segment and provide key reporting metrics and highlights.

During 2022-23, the technology team mapped out 25 key projects that fell into these four key areas with a focus on Integrity, Customer Service, Melton, Media and Commercial.

Sectional Timing Publication & Graphs

A cross departmental project that incorporated Racing, Integrity, Media and Commercial, Technology, key broadcast partners and racing participants across eight Victorian racetracks. The use of Sectional Timing (ST) and Sectional Timing Graphs (STG) aim at enhancing HRV's data insights, providing a more comprehensive and robust data-driven experience for the harness racing industry. Specifically, it caters to punters and online viewership on platforms such as TrotsVision and thetrotts.com.au. The publication of ST allows for horse specific sectionals using Triple S GPS technology alongside lead sectionals across the key racetracks. STG provides up to the minute visuals with a new level of horse performance tracking, improved viewing experience and punting insights. STG is able to graphically identify real time horse positioning on track during races with live official lead time (for 1st, 2nd, 3rd and 4th quarter time). This information has been officially sanctioned and digitally provided on thetrotts.com.au for approximately 200 race meets over the 22/23 season. It is a landmark project for HRV providing real organisational improvement that can be realised across multiple departments and significantly to online punters and harness racing viewership.

Harnessweb Digital Forms for Participants

Emphasizing an online approach and transitioning away from paper forms, the implementation of Harnessweb digital forms has facilitated the development and expansion of two crucial functionalities in 22/23: Naming Application and Lease Notification Online. Naming Application provides real-time integration and validation with HaRVEY, while Lease Notification streamlines lease agreements and ownership percentages.

This project, a collaborative effort between the customer service and technology departments, has produced user-friendly online forms with easy access, digitised payment processing, and expeditious traceability, significantly enhancing overall completion times.

HRV Data Store Build (Phase 1)

As an organization-wide endeavour, the HRV data store's development spans a two-year roadmap, aiming to establish the capability to intake data from a variety of internal and external sources via a suite of underlying technologies. The initial phase commenced in March 2023, launching the AWS data store with a specific focus on integrating Brightcove viewing data live in FY23. Subsequent FY24 releases will extend integration to include WSP Statistics and Wagering, Sectional Data, Google Analytics, and BOM data.

This strategic development will enable all departments to undertake data analysis and content sharing, and the opportunity of creating linked, accessible, and user-friendly data.

The transformation empowers HRV to become an organisation driven by data-led decision-making, offering the potential to share insights with the industry, WSPs, and other vital stakeholders.



Superstar

QUEEN ELIDA

Trainer: Brent Lilley

Drivers: Chris Alford

Owner-breeder: Lauriston Bloodstock

Breeding: By Love You out of Queen Kenny

FY 2022-23 record: 19 starts: 11 wins – 7 placings

Prizemoney: \$302,300

Major trophies:

1st: Aurora Australis

1st: Garrards Macarthur Trotters Mile

1st: Aldebaran Park Sumthingaboutmaori Trotters Free For All

1st: Hylands Breeders Crown Championship for four-year-old trotting mares

3rd: SENTrack Inter Dominion Trotting Championship

“She’s just great to drive,”
reinsman Chris Alford
said. “She adapts to
any situation.”

”

The moment:

Brent Lilley-trained Queen Elida prevailed in the Group 1 Aldebaran Park Sumthingaboutmaori Trotters Free For All, and with that secured overall honours in the Kerryn Manning Trotting Mares Triple Crown.





Owners

Throughout the 2022-23 season, HRV's aim was to enhance the ownership experience at major race meets and tap into the thrill of 'owning a winner'.

This was achieved by providing a private owner hospitality area at major Melton races with a dedicated space for owners to enjoy exclusive amenities.

To further elevate the ownership experience, complimentary owner packs were offered at all four nights of the Inter Dominion, culminating in a lively VIP industry party held at the Scotch Notch Café in Melton on the night of the finals. This offering was replicated at the Vicbred Super Series on New Year's Eve, further enhancing the overall ownership experience.

Recognising the value of owners, Regional Clubs also contributed by subsidising various hospitality offerings during the Country Cups Carnival. HRV remains committed to collaborating closely with clubs to establish ownership-based initiatives that promote regional engagement with trainers and prospective owners.

HRV and VHRC collaborated on the development of a state-of-the-art owners and members area at Melton. This exciting project for the industry has given owners and VHRC members a designated area on-course to enjoy the trots and be close to the action and excitement of the finishing post.



Breeders



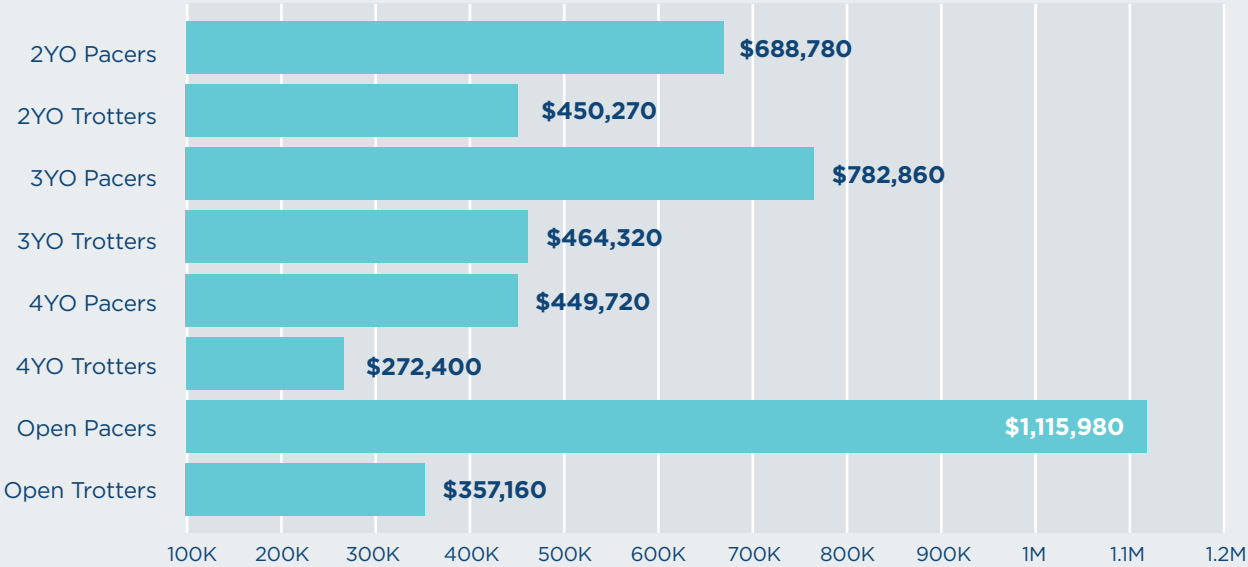
First Win Bonuses



Vicbred Breeders Bonuses
803 Payments
\$1.071 million



Vicbred Restricted Races



Vicbred Platinum Races

Maidens: **\$383,800**
Pacing Mares' Sprint Championship: **\$118,000**
Trotting Mares' Sprint Championship: **\$531,800**
Home Grown Classic: **\$67,400**
Other races: **\$272,200**

Total: \$1,373,200

Elitloppet

Solvalla chief on how Just Believe ‘shocked’ the world



Just Believe changed perceptions about Australian harness racing in the northern hemisphere with extraordinary performances in Sweden during an Elitloppet campaign.

Victorian driver Greg Sugars and trainer Jess Tubbs’ trotter placed twice in three Swedish starts, rebounding from a luckless Elitloppet heat with a brilliant third at Ostersund and then an outstanding second at Boden, when he sat outside next-big-thing Francesco Zet and challenged Sweden’s talented trotter all the way to the line.

Solvalla racing manager Anders Malmrot said perceptions Just Believe had “no chance” were changed and now “everyone here in Sweden ... will be watching the Inter Dominion and the Great Southern Star with much bigger interest now when they see how good your horses are”.

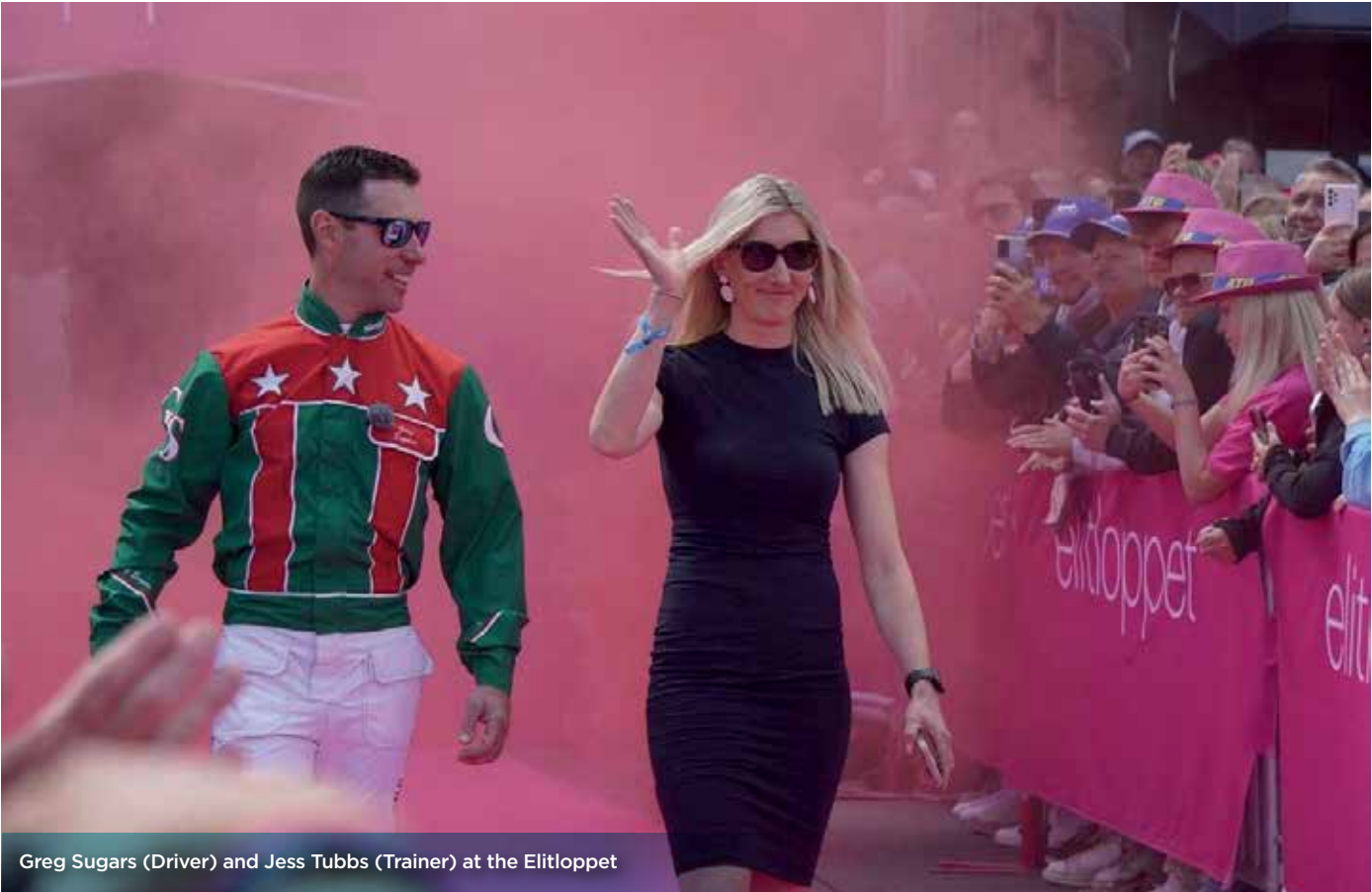
Just Believe’s performances were celebrated across Harness Racing Victoria’s digital channels, with his final run only viewable live in Australia on TrotsVision, drawing 1178 viewers for a collective 16,978 minutes. Replays and celebrations of his final run were also watched more than 100,000 times on Harness Racing Victoria’s Facebook page.

It’s fantastic that so many people here have already said ‘well done’ and said ‘the horse went super’. I’m very proud of him. He did a great job, he tried so hard and I’m very happy.

- Just Believe’s driver Greg Sugars on his third at Ostersund.

From now on, and I believe it for everyone here in Sweden, they will be watching the Inter Dominion and the Great Southern Star with much bigger interest now when they see how good your horses are.

- Solvalla racing manager Anders Malmrot..



Elitloppet Highlights:

- Ryan Phelan produced a seven-part video series, a collaboration between Harness Racing Victoria, Harness Racing Australia and Sky Racing.
- Thetrots.com.au’s Just Believe landing page drew more than 1300 visitors.
- HRV race caller Luke Humphreys did an outstanding job carrying the Sky Racing coverage and TrotsVision Elitloppet coverage, with 1800+ viewers tuning into TrotsVision for the race and 3200+ watching via Sky Racing.
- Just Believe’s second placing was only viewable in Australia live on TrotsVision. The hour-long coverage drew 1178 viewers for 16,978 minutes.
- Just Believe’s replays and celebrations drew more than 110,000 views on Facebook.

Performance

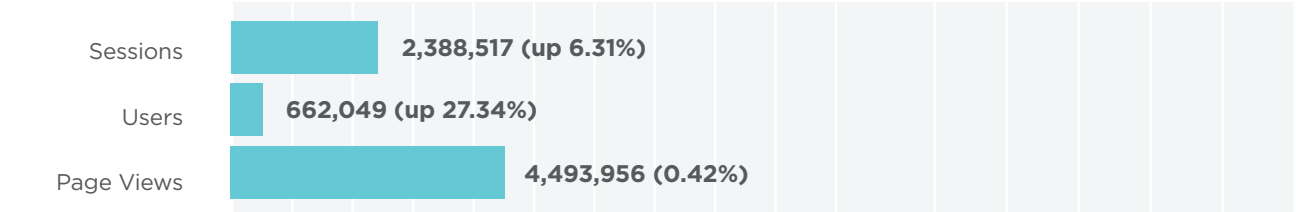
Elitloppet Heat 1
Stockholm, Sweden
Placed Eighth

Jämtlands Stora Pris
Ostersund, Sweden
Placed Third

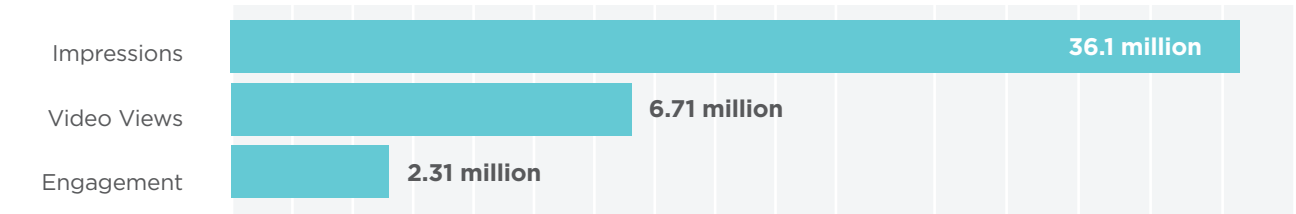
Norrbottnens Stora Pris
Boden, Sweden
Placed Second

Digital Presence

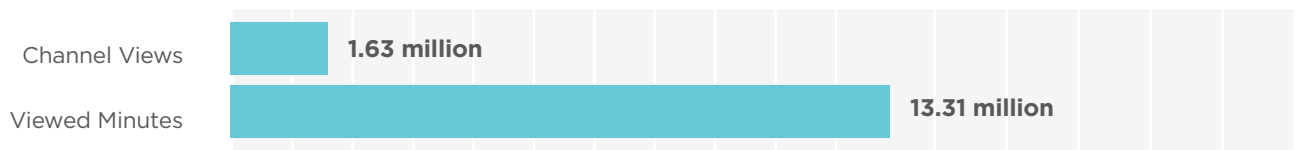
Thetrots.com.au



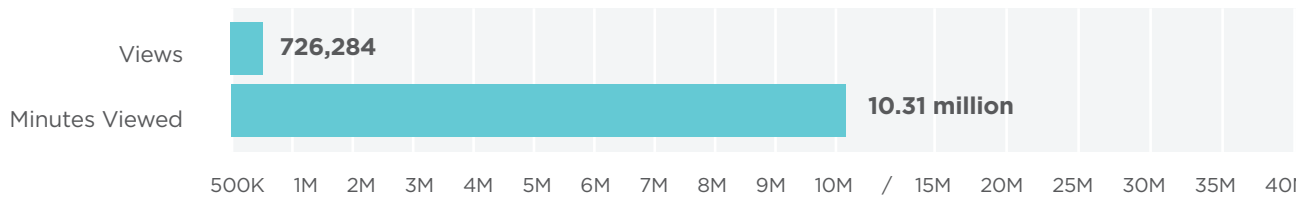
Social Media



TrotsVision / On Demand



TrotsVision / Live



Ryan Phelan, Adam Hamilton and Michael Guerlin in the Rainmaker studio for live coverage on Racing.com of the SENTRY Inter Dominion



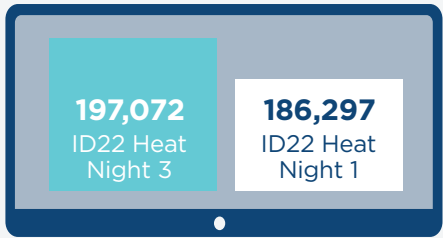
Ryan Phelan, Adam Hamilton and Michael Guerlin in the Rainmaker studio for live coverage of the Pryde's EasiFeed Victoria Cup

TrotsVision Highlights

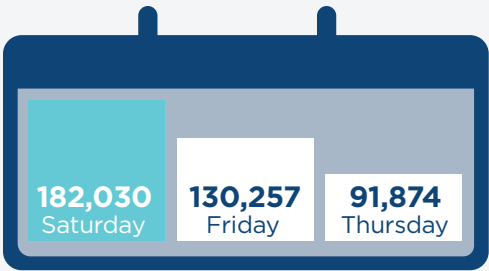
Meeting - most views



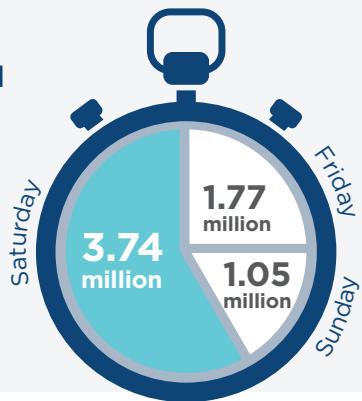
Meeting - most viewed mins: ID22 Heat 3



Most viewers day of week



Most viewed minutes day of week



Driver Kate Gath being interviewed by TrotsVision presenter Jason Bonnington

Community

Charity Partners

HRV actively supported several charities over the past 12 months, with a focus on raising awareness and fundraising for the following important causes:

Prostate Cancer Foundation of Australia: In September 2022, HRV organised Prostate Cancer Awareness month, during which three ambassadors, David Aiken, Greg Sugars, and Chris Alford, actively participated. David Aiken, who was battling prostate cancer himself, served as a truly inspirational addition to our ambassadors. Through generous donations and a fundraising event called the Long Run, HRV and the Harness Racing community collectively raised \$22,460.

Team Teal, Gynaecological Cancer Awareness: The Team Teal campaign ran for six weeks, starting on 1 February 2023, with HRV profiling four female driver ambassadors Jackie Barker, Jodi Quinlan, Kerry Manning, and Kate Gath. In collaboration with the official Team Teal partner TAB, HRV contributed to raising \$46,000. Furthermore, our club communities, particularly Charlton, Birchip, Bendigo, Cranbourne, and Horsham, played a significant role in generating \$23,043 in donations. The annual event, “A Night at The Tots,” dedicated to Team Teal, successfully raised \$91,232, surpassing the previous year’s amount of \$81,696. Total raised for Team Teal was \$160,275.

Good Friday Appeal: HRV extended support to the Good Friday Appeal, with numerous clubs throughout the state participating in events. The Stawell club held its annual Good Friday race meeting, and together with HRV, and contributions from clubs such as Maryborough, Kilmore, Shepparton, Hamilton, Charlton, Geelong, and Melton, a total of \$22,360 was raised.

Pacing for Pink - Breast Cancer Awareness: The Pacing for Pink campaign, which takes place throughout the month of May, witnessed remarkable success in 2023. This year, the campaign went national, and a total of over \$126,000 was raised across Australia. Since its inception in Cobram in 2011, Pacing for Pink has raised nearly \$450,000. HRV would like to acknowledge the contributions made by the Ararat, Bendigo and Shepparton clubs during the campaign. The Victorian harness industry raised an impressive \$72,434 to support McGrath Breast Care Nurses.

HRV continues to support these incredible charitable endeavours and relishes the opportunity to amplify the incredible work carried out by the Harness Racing community here in Victoria. The opportunity to partner with these charities shows HRV’s commitment to making a positive impact in our communities and advancing the important causes supported by these charities.



Team Teal Founder Duncan McPherson and HRV CEO Matt Isaacs



Driver and Prostate Cancer Foundation Ambassador David Aiken



Melton Gate Attendant Dianne Shelly



Pacing for Pink Founder Margaret Watson and female ambassador drivers at Shepparton Harness Club



Development

HRV

As HRV emerged from the pandemic, hybrid working arrangements have continued, with a focus on supporting the continued introduction of digital systems and processes for operational efficiency, with a clear roadmap for delivery and implementation into the future. A range of workforce development and safety programs have been delivered including defensive driving, equine safety, RU OK education sessions related to sharing or supporting a colleague, along with continuing ongoing leadership coaching and development programs across the organisation.

Workforce Development – Racing Industry

HRV worked collaboratively as a member of the Racing Integrity Education Program - Advisory Panel which delivered a racing industry wide integrity education program. The program consists of two components a Vocational Education Package and a Graduate Certificate in Sports Integrity delivered by Victoria University, with year one of the program supported by VRIF. Participants have commenced studies with further enrolments to occur in subsequent years.

Young Driver Development Program

Fifty-eight category A, B and C grade drivers (aged 16 to 26) joined the Young Driver Development Program pilot launched in May 2023. The program was piloted following significant consultation with industry participants and stakeholders with the aim of building out trust between HRV, young drivers and industry but also significantly providing better foundations to build a career within harness racing that is educated and informed. Initial workshop sessions focussed on integrity, mental health and wellbeing and were delivered across regional Victoria. The workshops were also facilitated with subject matter experts including the Racing Integrity Commissioner Sean Carroll, GM of Integrity Rhys Harrison and the Victorian Trainers and Drivers Association.

Wellbeing sessions have also been delivered as part of this pilot underpinned by the Industry Assistance Program (IAP) with mental health and wellbeing workshops



Young Driver participants (L-R) Sam Thornley, Tayla French and Emily Suvaljko

delivered by Tomorrow Architects. The IAP, available to all industry participants and their families, is promoted broadly and confidentially accessible across a range of mediums. The program has been well received and will be further built out in 2023-24 with the addition of horse welfare, media, business, race driving and form analysis making up an enhanced program.

Learning the perspectives of the other girls and knowing you are not isolated has very much changed my attitude towards the sport, and having those similarities makes you stronger and more determined.

- Olivia Jardine

The session was great to get an understanding that we are all in the same boat, and that we have a whole community behind us. By building on the relationships from the session we learnt that we all want to achieve our goals and be successful, not just for ourselves but for each other and the benefit of the industry as a whole.

- Shannon O'Sullivan



Josh Holmes driving Ruby



Darcie Fisher with Light the Fuse

Pony Trots

Following the successful reintroduction of Pony Trots (sponsored by Hygain), the 2022-23 season saw 17 new members enter the sport, 5 new to harness racing. The development for this cohort saw the pathway of an education program including racing integrity, pony welfare and care, personal brand and driving rolled out.

The competition incorporated 17 Country Cups, a 5 race metropolitan series and the opportunity to participate in the Victorian ID22 series. Victoria was represented by 11 drivers, with an additional 18 from New South Wales (NSW), Queensland, Tasmania and South Australia (SA), and 3 from New Zealand. The Pony Trots ID22 program included visits to Yabby Dam Farm and the stables of Anton Golino, a dinner hosted by Ballarat Harness Racing Club and culminated in the opportunity to race at the Inter Dominion Finals Night at Melton. The occasion to bring together pony trots drivers from across Australia and New Zealand was a moment to celebrate the vibrancy and excellence of the Victorian Pony Trots program and HRV support team (led by Workforce Development Manager Jennifer Lewis and Community Engagement and Development Partner Kima Frenning), but also the cross-border discussions that followed with NSW and SA to encourage more inter-state participation by pony trots drivers. The competition additionally drove

cross-border discussions with NSW and SA to encourage more inter-state participation by Pony Trots drivers which culminated in higher levels of Pony Trots drivers attending 22/23 racing events in Victoria..

Social media was a key area for Pony Trots in 22/23 with its wider appeal outside of the harness racing community and new audiences being attracted to their dedicated Facebook; Instagram and TikTok feed. This amplification and appeal was evident in the metrics on Tiktok alone with audiences achieving 209,700 unique views during the racing season. Facebook also became a hub of interest for potential young participants and the HRV team carved out content and an information platform to the Pony Trots website which was content rich with on demand race replays, nominations, fields and a calendar of events. Media training was also provided to the younger participants encouraging a level of expectation in conduct and professionalism which was put on display when the young drivers were interviewed on Trotsvision by the panel and presenters.

Having fun and enjoying the races that's what I love most about Pony Trots.

- Matilda Pengelly

FY23 Racing Highlights

13-Aug-22

Australasian Premier Trotting Sale (3YO trotting colts & geldings) Final
Winner: More Wanted (by Creatine out of Muscle Ruby).
Trainer: Chris Lang.
Driver: Daryl Douglas.
Owner-breeder: P Matthews, R J Matthews.

Australasian Premier Trotting Sale (3YO trotting fillies) Final
Winner: Used To Be A Maid (by Used To Me out of Maidstone Miss).
Trainer-driver: Rodney Petroff.
Owner: Wells Family Group, B W Armstrong, T K Browne, S J Hurles, M S Lowe, D J Pike, M Ramstein, M Ramstein, B Walters, D W Wells, R J Pywell.
Breeder: Yabby Dam Farms.

2-Sep-22

TAB Need For Speed Princess Final
Winner: Amandine (by Village Mystic out of Mybrotherwasastar).
Trainer: Anton Golino.
Driver: Nathan Jack.
Owner-breeder: Yabby Dam Farms.

TAB Need For Speed Prince Final
Winner: Cravache Dor (by Orlando Vici out of Muscles N Blues).
Trainer: Anton Golino.
Driver: Nathan Jack.
Owner-breeder: Yabby Dam Farms.

10-Sep-22

VHRC Caduceus Classic
Winner: Rock N Roll Doo (by Rock N Roll Heaven out of Long Live Lana).
Trainer-driver: Michael Stanley.
Owner: BFJ Bloodstock Trust.
Breeder: Kelvin Home Holdings.

Opus Group Australasian Trotting Championship.
Winner: Aldebaran Zeus (by Muscle Hill out of Zoia Boko).
Trainer: Brent Lilley.
Driver: Chris Alford.
Owner: Aldebaran Lodge, T Cullen, D Thackeray, M J Thackeray.
Breeder: Aldebaran Lodge.

8-Oct-22

Pryde’s EasiFeed Victoria Cup
Winner: Rock N Roll Doo (by Rock N Roll Heaven out of Long Live Lana).
Trainer-driver: Michael Stanley.
Owner: BFJ Bloodstock Trust.
Breeder: Kelvin Home Holdings.

Downbytheseaside Victoria Derby Final
Winner: Leap To Fame (by Bettors Delight out of Lettucereason).
Trainer-driver: Grant Dixon.
Owner: Solid Earth.
Breeder: Redbank Lodge Standardbreds.

Aldebaran Park Bill Collins Trotters Sprint
Winner: Just Believe (by Orlando Vici out of Heavens Above).
Trainer: Brent Lilley.
Driver: Greg Sugars.
Owner: Iona Trotter Syndicate.
Breeder: Yabby Dam Farms.

Pryde’s EasiFeed Victoria Oaks Final
Winner: Encipher (by Captaintreacherous out of Our Cavort).
Trainer: Emma Stewart.
Driver: Kate Gath.
Owner-breeder: T R (Tyson) Linke.

15-Oct-22

Catanach’s Jewellers Victoria Trotters Oaks
Winner: Aldebaran Keepa (by Kadabra out of Another Love).
Trainer: M J Wallis, B P Hackett.
Driver: Chris Alford.
Owner: Aldebaran Lodge, T J Hackett.
Breeder: Aldebaran Lodge.

29-Oct-22

Benstud Standardbreds Queen Of The Pacific
Winner: Ladies In Red (by Mach Three out of Kabbalah Karen B).
Trainer: Emma Stewart.
Driver: David Moran.
Owner-breeder: Lauriston Bloodstock.

30-Oct-22

Aldebaran Park Redwood Classic
Winner: Cognati (by Majestic Son out of Elusive Charm).
Trainer: Jess Tubbs.
Driver: Greg Sugars.
Owners: J A Tubbs, D J Smith, A E Tubbs.
Breeder: D A (David) Scott.

On A Streak @ Haras des Trotteurs Victoria Trotters Derby Final
Winner: Cravache Dor (by Orlando Vici out of Muscles N Blues).
Trainer: Anton Golino.
Driver: Nathan Jack.
Owner-breeder: Yabby Dam Farms.

19-Nov-22

On A Streak @ HDT Breeders Crown (3YO trotting colts & geldings) Final
Winner: Harry Stamper (by Majestic Son out of Dwindle Mist).
Trainer: Joe Pace.
Driver: Anthony Butt.
Owner: S (Sam) Castro, B A Williamson.
Breeder: C S R Porter, A G Porter.

Alabar Breeders Crown (2YO fillies) Final
Winner: Major Delight (by Bettors Delight out of Lady Euthenia).
Trainer: Emma Stewart.
Driver: Mark Pitt.
Owner-breeder: P F (Peter) Lewis.

Aldebaran Park Breeders Crown (2YO trotting colts & geldings) Final
Winner: The Locomotive (by Muscle Mass out of La Coocaracha).
Trainer: Wayne Potter.
Driver: Nathan Jack.
Owner: G B Holland, W R Potter.
Breeder: Yabby Dam Farms.

Aldebaran Park Breeders Crown (2YO trotting fillies) Final
Winner: Susan Is Her Name (by Sebastian K out of Hands Of A Star).
Trainer: Emma Stewart.
Driver: Mark Pitt.
Owner-breeder: B J (Bruce) Wyborn.

A Rocknroll Dance Breeders Crown (3YO fillies) Final
Winner: Encipher (by Captaintreacherous out of Our Cavort).
Trainer: Emma Stewart.
Driver: Kate Gath.
Owner-breeder: T R (Tyson) Linke.

Woodlands Stud Australia Breeders Crown (3YO colts & geldings) Final
Winner: Captain Ravishing (by Captaintreacherous out of Ravishing Girl).
Trainer: Emma Stewart.
Driver: Mark Pitt.
Owner: H (Hassan) Taiba.
Breeder: Sloys Company.

IRT Australia Breeders Crown (2YO colts & geldings) Final
Winner: School Captain (by Captaintreacherous out of Yankee Showgirl).
Trainer: Russell Jack.
Driver: Nathan Jack.
Owner-breeder: Lauriston Bloodstock.

Woodlands Stud Australia Breeders Crown (3YO trotting fillies) Final
Winner: Egret (by Father Patrick out of Moyabamba).
Trainer: Anton Golino.
Driver: Leigh Sutton.
Owner: Yabby Dam Farms Pty Ltd, A M Morris.
Breeder: A M (Angela) Morris.

10-Dec-22

SENTrack Inter Dominion Pacing Championship Grand Final
Winner: I Cast No Shadow (by Shadow Play out of Ragazza Bromac).
Trainer: Jason Grimson.
Driver: Cameron Hart.
Owner: D E (Diane) Reilly.
Breeder: Bromac Lodge.

SENTrack Inter Dominion Trotting Championship Grand Final
Winner: Just Believe (by Orlando Vici out of Heavens Above).
Trainer: Jess Tubbs.
Driver: Greg Sugars.
Owner: Iona Trotter Syndicate.
Breeder: Yabby Dam Farms.

17-Dec-22

Betavet Bruce Skeggs Memorial Cranbourne Trotters Cup

Winner: Majestuoso (by Majestic Son out of Rosemaryz Luck).
Trainer: Andy Gath.
Driver: Kate Gath.
Owner: N R (Norm) Jenkin.
Breeder: Alabar.

Decron Cranbourne Pacing Cup

Winner: Major Meister (by Art Major out of Lite Jagermeister).
Trainer: Jason Grimson.
Driver: Cameron Hart.
Owner: F Barone, T Kilkelly, G P Argiro, E Mazzarella, R G Weightman, J Canestra, P J Ladd.
Breeder: T (Tom) Kilkelly.

31-Dec-22

Rock N Roll Heaven Vicbred Super Series (4YO entires & geldings) Final

Winner: Captain Bellasario (by Captaintreacherous out of Bellasario).
Trainer: Jayne Davies.
Driver: Jack Laughher.
Owner: S Munnerley-Jose, G Jose.
Breeder: J N (John) Munnerley.

Vincent Vicbred Super Series (4YO mares) Final

Winner: Dougs Babe (by Western Terror out of Dougs Courage).
Trainer: Geoff Webster.
Driver: Anthony Butt.
Owner: S L (Sonya) Smith.
Breeder: D L (Douglas) Webster.

Aldebaran Park Aldebaran Eagle Vicbred Super Series (3YO trotting fillies) Final

Winner: Revelstoke (by Quaker Jet out of Miss Manitoba).
Trainer: Anton Golino.
Driver: Daryl Douglas.
Owner-breeder: Yabby Dam Farms.

Aldebaran Park Aldebaran Eagle Vicbred Super Series (3YO trotting colts & geldings) Final

Winner: Cravache Dor (by Orlando Vici by Muscles N Blues).
Trainer: Anton Golino.
Driver: Nathan Jack.
Owner-breeder: Yabby Dam Farms.

Always B Miki Vicbred Super Series (3YO fillies) Final

Winner: Amore Vita (by Art Major out of Castellina Lover).
Trainer: Emma Stewart.
Driver: Chris Alford.
Owner: S A Dolan, estate of G R Adamson.
Breeder: S A Dolan, estate of Grant Ronald Adamson.

Aldebaran Park Skyvalley Vicbred Super Series (4YO trotting entires & geldings) Final

Winner: Locksley Lover (by Love You out of Elusive Charm).
Trainer: John Nissen.
Driver: Rebecca Bartley.
Owner: J W (John) Nissen.
Breeder: D A (David) Scott.

Aldebaran Park Dancinginthedark Vicbred Super Series (2YO trotting fillies) Final

Winner: Rockinwithattitude (by Aldebaran Eagle out of Rockin Shiraz).
Trainer-driver: David Miles.
Owner: M E Arnott, J D Stewart, K Holzberger, J Ryan, A M Webb, A Wyllie, A Kingston, C Holloway, M D Drady.
Breeder: M E Arnott, K Holzberger, J Ryan, J D Stewart, A M Webb, A Kingston, C Holloway, M D Drady, T Russell, A Wyllie.

Art Major Vicbred Super Series (2YO fillies) Final

Winner: Joyful (by Always B Miki out of Joyfuljoy).
Trainer: Emma Stewart.
Driver: Mark Pitt.
Owner: C M Brown, C M Dalgety, D M Brown.
Breeder: Alabar Bloodstock.

Aldebaran Park Dancinginthedark Vicbred Super Series (2YO trotting colts & geldings) Final

Winner: The Locomotive (by Muscle Mass out of La Coocaracha).
Trainer: Wayne Potter.
Driver: Nathan Jack.
Owner: G B Holland, W R Potter.
Breeder: Yabby Dam Farms.

Ride High Vicbred Super Series (3YO colts & geldings) Final

Winner: Catch A Wave (by Captaintreacherous out of Coppagoodone).
Trainer: Andy Gath.
Driver: Kate Gath.
Owner: P (Pauline) Matthews.
Breeder: Benstud Standardbreds, P M O'Shea, Z D O'Shea.

Aldebaran Park Skyvalley Vicbred Super Series (4YO trotting mares) Final

Winner: Visionary (by Orlando Vici out of Commander Jewel).
Trainer: Jess Tubbs.
Driver: Greg Sugars.
Owner: Iona Trotter Syndicate.
Breeder: Yabby Dam Farms.

Captain Crunch Vicbred Super Series (2YO colts & geldings) Final

Winner: The Lost Storm (by Captaintreacherous out of Ayshe Whitby).
Trainer: Emma Stewart.
Driver: Mark Pitt.
Owner: J S Baker, C R Tonkin.
Breeder: J S (Justin) Baker.

7-Jan-23

Aldebaran Park Maori Mile

Winner: Aldebaran Zeus (by Muscle Hill out of Zoia Boko).
Trainer: Brent Lilley.
Driver: Chris Alford.
Owner: Aldebaran Lodge Pty Ltd, T Cullen, D Thackeray, M J Thackeray.
Breeder: Aldebaran Lodge.

21-Jan-23

PETstock Ballarat Pacing Cup

Winner: Copy That (by American Ideal out of Lively Nights).
Trainer: Ray Green.
Driver: Blair Orange.
Owner: M W Butterworth, M T Butterworth.
Breeder: Woodlands Stud.

3-Feb-23

Woodlands Stud Great Southern Star Final

Winner: Just Believe (by Orlando Vici out of Heavens Above).
Trainer: Jess Tubbs.
Driver: Greg Sugars.
Owner: Iona Trotter Syndicate.
Breeder: Yabby Dam Farms.

4-Feb-23

Del-Re National A G Hunter Cup

Winner: Honolua Bay (by Somebeachsomewhere out of National Gallery).
Trainer: Emma Stewart.
Driver: David Moran.
Owner-breeder: Lauriston Bloodstock.

25-Feb-23

TAB Australian Trotting Grand Prix

Winner: Just Believe (by Orlando Vici out of Heavens Above).
Trainer: Jess Tubbs.
Driver: Bailey McDonough.
Owner: Iona Trotter Syndicate.
Breeder: Yabby Dam Farms.

25-Mar-23

Aldebaran Park Sumthingaboutmaori Trotters Free For All

Queen Elida (by Love You out of Queen Kenny).
Trainer: Brent Lilley.
Driver: Chris Alford.
Owner: G J McKenzie, G J McKenzie, B A Mckenzie, B E McKenzie, T R Barron, C L Barron.
Breeder: G J McKenzie, R Dixon.



Board of Directors

The Harness Racing Victoria Board of Directors consists of:

- 1. Dale G Monteith (Chairman)
- 2. Dr Catherine Ainsworth (Deputy Chair)
- 3. Jane Brook
- 4. Adam Kilgour
- 5. Judy Rothacker
- 6. Peter Watkinson (resigned 30 June 2023)
- 7. Prof. Jack Anderson (resigned 29 July 2022)

Board meeting and committee attendance register

All directors attended ten of the eleven board meetings with one apology at one meeting. The Audit and Risk Committee met six times during the year with one apology at one meeting.

Consultation

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

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

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

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

- Adam Kilgour, Chair and HRV Board Member
- Peter Watkinson, alternate HRV Board Member
- Tim Scala, President, Trots Clubs Victoria (resigned February 2023)
- Kath McIntosh, Harness Breeders Victoria
- Carol Bass, Victorian Harness Racing Sports Club, representing Owners
- Lance Justice, Victorian Harness Racing Trainers and Drivers Association
- Anne-Maree Conroy, Victorian Square Trotters Association
- Maxine Brain
- Terry Suhan (resigned April 2023)
- Clinton Welsh
- Anthony Butt

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

The members of the HRAC provided significant input and feedback on strategic and tactical decision making for HRV.

Financial Statements

Statement of Expectations

The period covering HRV's Ministerial Statement of Expectations from 1 January 2018 to 30 June 2019 has come to an end, with HRV implementing a number of initiatives that have led to improved administrative timelines, greater frequency of communications and a healthier interaction between HRV and industry participants. HRV is currently working with the Office of Racing to renew HRV's Ministerial Statement of Expectations. In the interim, HRV will continue to operate in accordance with the previous Statement of Expectations.

Declaration in the Financial Statements

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

We further state that, in our opinion, the information set out in the consolidated Comprehensive Operating Statement, consolidated Balance Sheet, consolidated Statement of Changes in Equity, consolidated Cash Flow Statement and accompanying notes, presents fairly the consolidated financial transactions during the year ended 30 June 2023 and the consolidated Financial Position of the entity at 30 June 2023.

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 13 September 2023.



Luke Spano
Chief Operating Officer
13 September 2023



Matthew Isaacs
Accountable Officer
13 September 2023



Dale G Monteith
Chairman
13 September 2023

Independent Auditors Report

To the Board of Harness Racing Victoria

Opinion

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

- consolidated balance sheet as at 30 June 2023
- 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 significant accounting policies
- declaration in the financial statements.

In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the authority as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion

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

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

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

Board’s responsibilities for the financial report

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

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

Auditor’s responsibilities for the audit of the financial report

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

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

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

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



Simone Bohan
as delegate for the Auditor-General of Victoria

MELBOURNE
18 September 2023

Financial Statements

Consolidated Comprehensive Operating Statement For the Financial Year Ended 30 June 2023

		Consolidated Entity		Parent Entity	
		Notes	2023 \$'000	2022 \$'000	2023 \$'000
Continuing Operations					
Revenue and income from transactions					
Tabcorp income	2.2.1	29,880	31,761	29,880	31,761
Other revenue / income	2.1	75,180	63,073	60,709	53,374
Total revenue and income from transactions	2	105,060	94,834	90,589	85,135
Expenses from transactions					
Stakemoney expense	3.1.1	(50,686)	(47,356)	(50,688)	(47,356)
Employee benefits	3.2.1	(20,295)	(17,684)	(15,743)	(14,132)
Depreciation and amortisation expense	4.1.2	(3,647)	(2,886)	(3,088)	(2,456)
Finance costs	3.3.1	(1,325)	(363)	(1,315)	(363)
Other operating expenses	3.1	(35,765)	(30,685)	(26,280)	(24,801)
Total expenses from transactions	3	(111,718)	(98,974)	(97,114)	(89,108)
Net result from transactions (net operating balance)		(6,658)	(4,140)	(6,525)	(3,973)
Other Economic Flows Included In Net Result					
Loss allowance		(7)	31	(10)	31
Loss arising from revaluation of long service leave liability		(25)	(23)	(22)	(22)
Total other economic flows included in net result		(32)	8	(32)	9
Net result		(6,690)	(4,132)	(6,557)	(3,964)
Other Economic Flows – Other Comprehensive Income					
Changes in revaluation reserve	8.1	-	16,952	-	16,952
Total other economic flows – other comprehensive income		-	16,952	-	16,952
Comprehensive result		(6,690)	12,820	(6,557)	12,988

The accompanying notes form part of these consolidated financial statements.

Consolidated Balance Sheet As at 30 June 2023

		Consolidated Entity		Parent Entity	
		Notes	2023 \$'000	2022 \$'000	2023 \$'000
Current Assets					
Cash and cash equivalents	6.3	10,426	3,042	8,329	1,722
Receivables	5.1	8,157	8,098	7,907	7,666
Inventories	5.3	123	105	-	-
Other assets		1,918	1,780	1,785	1,718
Total current assets		20,624	13,025	18,021	11,106
Non-Current Assets					
Property, plant and equipment	4.1	142,629	140,092	142,024	139,494
Right of use assets	4.1.1	222	174	222	174
Receivables		-	-	9,470	8,688
Investments		2,080	2,080	2,080	2,080
Intangible assets	4.3	2,987	25	-	-
Other non-current assets		-	164	-	-
Total non-current assets		147,918	142,535	153,796	150,436
TOTAL ASSETS		168,542	155,560	171,817	161,542
Current Liabilities					
Payables	5.2	6,655	7,256	8,762	9,182
Provisions	5.6	3,388	3,327	2,856	2,975
Borrowings	6.1	35,452	15,289	35,006	15,289
Right of use liabilities	6.2	175	71	175	71
Unearned revenue	5.4	3,731	3,323	3,698	3,295
Other liabilities	5.5	1,358	1,528	1,354	1,551
Total current liabilities		50,759	30,794	51,851	32,363

The accompanying notes form part of these consolidated financial statements.

Consolidated Balance Sheet (continued)

As at 30 June 2023

		Consolidated Entity		Parent Entity	
		Notes	2023 \$'000	2022 \$'000	2023 \$'000
Non-Current Liabilities					
Borrowings	6.1	9,652	10,231	7,308	10,231
Right of use liabilities	6.2	52	43	52	43
Provisions	5.6	479	526	446	512
Other liabilities	5.5	930	606	930	606
Total non-current liabilities		11,113	11,406	8,736	11,392
TOTAL LIABILITIES		61,872	42,200	60,587	43,755
NET ASSETS		106,670	113,360	111,230	117,787
Equity					
Contributed capital		9,174	9,174	9,174	9,174
Reserves	8.1	104,777	104,777	104,777	104,777
Accumulated (deficit)/surplus		(7,281)	(591)	(2,721)	3,836
TOTAL EQUITY		106,670	113,360	111,230	117,787

The accompanying notes form part of these consolidated financial statements.

Consolidated Cashflow Statement

For the Financial Year Ended 30 June 2023

		Consolidated Entity		Parent Entity	
		Notes	2023 \$'000	2022 \$'000	2023 \$'000
Cash flows from operating activities					
Receipts					
Receipts from operations		114,797	100,183	97,756	88,794
Total Receipts		114,797	100,183	97,756	88,794
Payments					
Payments to suppliers, employees & industry		(112,869)	(99,352)	(98,316)	(89,193)
Goods and services tax paid to the ATO		(3,722)	(3,660)	(2,759)	(3,033)
Interest paid		(1,312)	(363)	(1,302)	(363)
Lease interest paid		(13)	-	(13)	-
Total Payments		(117,916)	(103,375)	(102,390)	(92,589)
Net cash (used in) / from operating activities		(3,119)	(3,192)	(4,643)	(3,795)
Cash flows from investing activities					
Purchases of property, plant and equipment		(5,478)	(2,539)	(5,238)	(2,080)
Net cash used in investing activities		(5,478)	(2,539)	(5,238)	(2,080)
Cash flows from financing activities					
Repayment of lease liabilities (principal)		(315)	(292)	(315)	(289)
Repayment of gaming machine entitlements		(498)	-	-	-
Borrowings of interest-bearing liabilities		16,794	7,117	16,794	7,117
Net cash from financing activities		15,981	6,825	16,497	6,828
Net increase in cash and cash equivalents held		7,384	1,094	6,607	953
Cash and cash equivalents at the beginning of the financial year		3,042	1,948	1,722	769
Cash and cash equivalents at the end of the financial year	6.3	10,426	3,042	8,329	1,722

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2023

	Notes	Reserves \$'000	Accumulated surplus \$'000	Contributed capital \$'000	Total \$'000
Consolidated Entity					
Balance at 1 July 2021		87,825	3,541	9,174	100,540
Net result for the year		-	(4,132)	-	(4,132)
Other comprehensive income for the year	8.1	16,952	-	-	16,952
Balance at 30 June 2022		104,777	(591)	9,174	113,360
Net result for the year		-	(6,690)	-	(6,690)
Other comprehensive income for the year	8.1	-	-	-	-
Balance at 30 June 2023		104,777	(7,281)	9,174	106,670
Parent Entity					
Balance at 30 June 2021		87,825	7,800	9,174	104,799
Net result for the year		-	(3,964)	-	(3,964)
Other comprehensive income for the year	8.1	16,952	-	-	16,952
Balance at 30 June 2022		104,777	3,836	9,174	117,787
Net result for the year		-	(6,557)	-	(6,557)
Other comprehensive income for the year	8.1	-	-	-	-
Balance at 30 June 2023		104,777	(2,721)	9,174	111,230

The accompanying notes form part of these consolidated financial statements.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2023

1. About this report

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

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

Its principal address and registered office is:

Harness Racing Victoria
400 Epsom Road
Flemington VIC 3031

Basis of preparation

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

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

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

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to

be reasonable under the circumstances. Actual results may differ from these estimates.

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

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

The consolidated financial statements comprise the financial statements of the Parent entity and its subsidiaries (refer to the Financial Statements notes above) as at 30 June 2023. Where control of an entity is obtained during the financial period, its results are included in the comprehensive operating statement from the date on which control is demonstrated. Where control ceases during a financial period, the entity’s results are included for that part of the period in which control existed. Where entities adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements. In preparing consolidated financial statements for the Group, all material transactions and balances between consolidated entities are eliminated.

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

Compliance information

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

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

Going concern information

These consolidated financial statements are prepared on a going concern basis. Whilst the net current liability position as at 30 June 2023 of \$30.1m (2022: \$17.8m) for HRV (the consolidated entity) and \$33.8m (2022: \$21.3m) for the authority (parent entity), the Board believe the going concern basis is appropriate based on the following factors:

- The Treasurer has provided an irrevocable and unconditional guarantee of up to \$40.2m that guarantees TCV the due and punctual payment of obligations as set out in the loan agreement if HRV are unable to meet its loan repayment obligations. This guarantee remains in full force and effect until all monies due and payable or contingently due or liable to be paid have been paid or satisfied in full.
- In August 2023 the Minister for Racing provided HRV with a “Letter of support” that:
 - The Government is committed to providing funding support to ensure HRVs ongoing financial sustainability.
 - Provide the Board confidence that it can prepare the HRV Annual Financial Report for FY23 on a going concern basis.
 - That the Department of Justice and Community Service (DJCS) will work with Department of Treasury and Finance and HRV to identify options and actions to improve financial sustainability.

- In the event that HRV may require additional Government support during 2023-24 this will be considered, in consultation with DTF, on the basis of adherence to the following principles:
 - Discretionary expenditure is minimised while maintaining core activities, programs and services;
 - Revenue is maximised through adopting appropriate operational strategies over the short to medium term;
 - Existing sources of funding are drawn down, including uncommitted cash reserves and liquidating tradeable equity investments (unless significantly disadvantageous);
- HRV have announced \$10.0m in operational efficiencies and prizemoney reductions commencing FY24, the first step in a series of actions to improve longer term financial sustainability.

2. Funding delivery of our services

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

The Group is predominantly funded by TABCORP distributions as part of an agreement entered into between the Racing Codes in 2012; Racefields fees from wagering service providers, a share of the Point of Consumption Tax collected from a wagering activity on Victorian residents and grant income for solvency from the Victorian Racing Industry Fund (VRIF) contributions to infrastructure. These funds are used to achieve the above stated objectives.

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

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
TABCORP revenue	29,880	31,761	29,880	31,761
Racefield Fees revenue	24,768	26,094	24,768	26,094
Grant income	17,761	10,632	17,621	10,531
Other Racing revenue	15,270	14,776	15,270	14,776
Gaming and Hospitality revenue	15,028	9,586	-	-
Other revenue	2,353	1,985	3,050	1,973
Total revenue and income from transactions	105,060	94,834	90,589	85,135

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

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

Performance obligations and revenue recognition policies

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

2.2 Revenue and income from transactions

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
2.2.1 TABCORP Revenue				
Racing Program fee	7,395	7,263	7,395	7,263
Racing Products fee	8,917	8,813	8,917	8,813
Vic Racing Industry Benefit (VRIB)	4,812	5,233	4,812	5,233
Vic Racing Joint Venture Profit	1,748	3,578	1,748	3,578
International revenue	1,466	1,434	1,466	1,434
Other TABCORP revenue	5,542	5,440	5,542	5,440
Total TABCORP revenue	29,880	31,761	29,880	31,761

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.

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
2.2.2 Racefield Fees Revenue				
Racefield Fees revenue	24,768	26,094	24,768	26,094
Total Racefield Fee revenue	24,768	26,094	24,768	26,094

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.

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
2.2.3 Grant Income				
Infrastructure VRIF contribution	1,326	2,747	1,326	2,747
Other VRIF contribution	1,785	409	1,785	409
Other Grant income	14,650	7,476	14,510	7,375
Total Grant income	17,761	10,632	17,621	10,531

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.

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
2.2.4 Other Racing Revenue				
Point of Consumption Tax (POCT)	10,705	10,875	10,705	10,875
Registration & licensing fees	1,201	1,154	1,201	1,154
Country club contributions to stakemoney	532	178	532	178
Race-day fees	349	371	349	371
Fines & appeals	153	186	153	186
Industry programs	-	2	-	2
Registered bookmakers' fees	3	3	3	3
Interdominion Levy	400	-	400	-
Futurities revenue:				
- Vicbred	671	613	671	613
- Breeders Crown	743	879	743	879
- Race series subsidies	330	515	330	515
- Need for speed	183	-	183	-
Total Other Racing revenue	15,270	14,776	15,270	14,776

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

Industry contributions received relating to a particular futurity series are carried forward in the consolidated Balance Sheet until the year that each final series is conducted when they are brought to account in the consolidated Comprehensive Operating Statement as revenue. Fees and contributions received prior to 30 June 2023, for futurity series to be conducted in 2023-2024 are brought to account as a current liability. Fees and contributions received for series to be run after 30 June 2024 have been recorded as a non-current liability.

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
2.2.5 Gaming and Hospitality Revenue				
Gaming commission	8,702	5,989	-	-
Food & beverage	4,845	2,681	-	-
Accommodation	1,135	663	-	-
Other venue revenue	346	253	-	-
Total Gaming and Hospitality revenue	15,028	9,586	-	-

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.

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
2.2.6 Other Revenue				
Sponsorship, advertising & events	1,511	1,531	1,511	1,531
Property	-	-	750	-
Management & service fee	27	27	27	27
Other revenue	815	427	762	415
Total Other Revenue	2,353	1,985	3,050	1,973

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

Amounts received but not earned at year end are recognised as unearned revenue in the consolidated Balance Sheet. These amounts relate predominantly to Sponsorship agreements where monies are received but rights and benefits not yet delivered.

3. Cost of delivering our services

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

3.1 Expenses incurred in delivery of services

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Stakemoney payments	50,686	47,356	50,688	47,356
Employee benefits	20,320	17,707	15,765	14,154
Racing expenses	17,953	16,954	17,953	16,954
Administration expenses	13,180	9,624	9,652	7,373
Gaming and hospitality expenses	5,964	3,632	-	-
Transformation expense	-	806	-	806
Total expenses incurred in delivery of services	108,103	96,079	94,058	86,643

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

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
3.1.1 Stakemoney Payments				
Feature race stakes	12,582	11,558	12,582	11,558
Metropolitan stakes	6,741	6,687	6,741	6,687
Country stakes	25,722	23,535	25,722	23,535
Compensation payments	18	27	18	27
Vicbred win bonuses	4,386	4,266	4,386	4,266
Vicbred breeder bonuses	1,073	1,108	1,073	1,108
Trophies	164	175	164	175
Total Stakemoney payments	50,686	47,356	50,686	47,356

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

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
3.1.2 Racing Expenses				
Country club funding	6,156	5,585	6,156	5,585
Vision & audio	5,220	4,180	5,220	4,180
Development fund (refer Note 6.4)	2,088	3,092	2,088	3,092
Fields & form comments	1,070	970	1,070	970
Swabs	864	813	864	813
Timing & photo finish	21	15	21	15
Registration	629	587	629	587
Integrity & licensing	550	620	550	620
Race day operations	1,025	781	1,025	781
Horse welfare program	291	277	291	277
Other racing expense	39	34	39	34
Total Racing expenses	17,953	16,954	17,953	16,954

Racing expenses consists of the costs to administer, develop and promote harness racing. Development fund grants and other payments to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or become payable.

3.2 Employee benefits

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
3.2.1 Employee benefits in Comprehensive Operating Statement				
Salaries, wages and long service leave	18,630	16,357	14,470	13,091
Post employee benefits				
Defined contribution superannuation expense	1,622	1,285	1,230	999
Defined benefits superannuation expense	43	42	43	42
Total Employee expenses	20,295	17,684	15,743	14,132

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

The amount recognised in the consolidated Comprehensive Operating Statement in relation to employer contributions for members of defined benefit superannuation plans is simply the employer contributions that are paid or payable to these plans during the reporting period. The level of these contributions will vary depending upon the relevant rules of each plan and is based upon actuarial advice. The Department of Treasury and Finance (DTF) in their Annual Financial Statements recognises on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans.

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

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
3.2.2 Employee benefits in the balance sheet				
Current Provisions				
Employee benefits				
Annual leave				
Unconditional and expected to wholly settle within 12 months	727	734	568	605
Unconditional and expected to wholly settle after 12 months	655	674	574	634
Long service leave				
Unconditional and expected to wholly settle within 12 months	1,415	1,211	1,236	1,109
Provisions related to employee benefit on-costs				
Unconditional and expected to wholly settle within 12 months	383	338	322	297
Unconditional and expected to wholly settle after 12 months	116	116	102	110
Total current employee benefits provision	3,296	3,073	2,802	2,755
Non-current				
Employee benefits	406	447	378	435
Provisions related to employee benefit on-costs	73	79	68	77
Total non-current employee benefits provision	479	526	446	512
Total employee benefits provisions	3,775	3,599	3,248	3,267

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Reconciliation of movement in provision				
Opening balance	3,599	3,267	3,267	3,267
Additional provisions recognised	697	419	419	419
Reductions arising from payments/other sacrifices of future economic benefits	(546)	(460)	(460)	(460)
Unwind of discount and effect of changes in the discount rate	25	22	22	22
Closing balance	3,775	3,248	3,248	3,248
Current	3,296	2,802	2,802	2,802
Non-current	479	446	446	446
	3,775	3,248	3,248	3,248

Wages and salaries, annual leave and sick leave

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

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

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

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

Long service leave

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

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

The components of this current LSL liability are measured at:

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

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

3.2.3 Superannuation contributions

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

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Defined benefit plans				
State superannuation fund	43	42	43	42
Defined contribution plans				
Victorian superannuation fund	288	360	280	352
Host plus superannuation fund	368	270	122	73
Australian Super	245	176	188	129
Various other funds as nominated by the employee	747	629	635	541
Total contributions	1,691	1,477	1,268	1,137

3.3 Administration, gaming and hospitality expenses

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
3.3.1 Administration Expenses				
Property costs	3,159	2,518	1,159	1,050
Marketing & sponsorship expenses	3,186	2,521	2,255	2,033
Insurance	1,346	1,301	1,283	1,395
Computer costs	1,490	909	1,363	818
Consulting / legal fees	853	617	793	610
Staff travel and motor vehicle expense	789	560	758	513
Printing and stationary costs	109	40	71	5
Audit fees	126	166	96	132
Communication costs	80	77	54	50
Bank fees	62	53	22	25
Finance costs	1,312	358	1,302	358
Donations	52	30	51	30
Other expenses	596	500	422	380
Loss allowance	7	(31)	10	(31)
Interest on lease liabilities	13	5	13	5
Total Administration expenses	13,180	9,624	9,652	7,373

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

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
3.3.2 Gaming and Hospitality Expenses				
Gaming costs	4,072	2,547	-	-
Cost of goods sold	1,495	847	-	-
Venue costs	397	238	-	-
Total Gaming and Hospitality expenses	5,964	3,632	-	-

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

When inventories are sold, the carrying amount of those inventories shall be recognised as an expense in the period in which the related income is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

4. Key assets available to support output delivery

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

4.1 Property, plant and equipment

Gross carrying amount and accumulated depreciation

Consolidated Entity	Gross carrying value		Accumulated depreciation		Net carrying amount	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets at Fair Value						
Freehold land	94,195	94,195	-	-	94,195	94,195
Buildings	42,298	40,659	(1,252)	-	41,046	40,659
Melton track	4,043	1,817	(344)	(225)	3,699	1,592
Total	140,536	136,671	(1,596)	(225)	138,940	136,446

Assets at Cost						
Leasehold improvements	1,664	1,604	(1,252)	(1,247)	412	357
Plant and equipment	15,379	13,059	(12,162)	(10,597)	3,217	2,462
Work in progress	60	827	-	-	60	827
Total	17,103	15,490	(13,414)	(11,844)	3,689	3,646
Total Property, Plant and Equipment	157,639	152,161	(15,010)	(12,069)	142,629	140,092

Parent Entity	Gross carrying value		Accumulated depreciation		Net carrying amount	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets at Fair Value						
Freehold land	94,195	94,195	-	-	94,195	94,195
Buildings	42,298	40,659	(1,252)	-	41,046	40,659
Melton track	4,043	1,817	(344)	(225)	3,699	1,592
Total	140,536	136,671	(1,596)	(225)	138,940	136,446

Assets at Cost						
Leasehold improvements	1,249	1,251	(1,227)	(1,224)	22	27
Plant and equipment	13,142	11,046	(10,135)	(8,801)	3,007	2,245
Work in progress	55	776	-	-	55	776
Total	14,446	13,073	(11,362)	(10,025)	3,084	3,048
Total Property, Plant and Equipment	154,982	149,744	(12,958)	(10,250)	142,024	139,494

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

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

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

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

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

4.1.1 Right-of-use assets

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

Gross carrying amount and accumulated depreciation	Gross carrying value		Accumulated depreciation		Net carrying amount	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Motor vehicles	934	396	(712)	(222)	222	174
Total	934	396	(712)	(222)	222	174

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

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

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

4.1.2 Depreciation and amortisation

Charge for the period:	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Buildings at fair value	1,257	1,257	1,253	1,257
Leasehold improvements at fair value	55	16	1	-
Plant and equipment at fair value	1,510	1,190	1335	974
Melton complex at fair value	119	225	119	225
Gaming entitlements amortisation	326	198	-	-
Right of use asset at fair value	380	-	380	-
Total	3,647	2,886	3,088	2,456

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

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

Charge for the period:	Useful life (years)
Buildings	40
Roads	40
Track	17 to 25
Plant & equipment	3
Motor vehicles	5
Computer hardware	3
Computer software	3 to 5
Furniture & fittings	5 to 40
Leasehold improvements	7
Office improvements	7

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

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

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

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

	PPE WIP	Freehold Land	Building	Leasehold Improvement	Plant and Equipment	Melton Track	Total
2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	827	94,195	40,659	357	2,462	1,592	140,092
Additions	60	-	1,629	60	1,890	1,843	6,245
Depreciation	-	-	(1,252)	(5)	(1,565)	(119)	(2,941)
Transfers between classes	(827)	-	14	-	430	383	-
Closing balance	60	94,195	41,046	412	3,217	3,699	142,629

2022							
Opening balance	-	80,100	38,943	307	2,122	1,817	123,289
Additions	827	-	116	66	1,530	-	2,539
Revaluations	-	14,095	2,857	-	-	-	16,952
Disposals	-	-	-	-	(4)	-	(4)
Depreciation	-	-	(1,257)	(16)	(1,190)	(225)	(2,688)
Accumulated Depreciation disposal	-	-	-	-	4	-	4
Closing balance	827	94,195	40,659	357	2,462	1,592	140,092

At 30 June 2023, HRV were not required to obtain a full valuation for the parcels of land being 28 - 52 Ferris Rd Melton and Lot 1 and 2 at 2 -134 Abey Road Melton (as the last formal valuation was undertaken as at 30 June 2021). Management was required to conduct fair value assessments to assess whether the asset's carrying value still materially reflects its fair value. Fair value assessments for land and buildings for HRV were accordingly made using separate annual indices for land and buildings supplied by Valuer-General Victoria. The following indices were less than 10% variance year on year and a revaluation of Land and Buildings using the Valuer-General's commercial rates was not applied:

Land – 2%;

Buildings and Track – 8.6%.

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

4.2 Property

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Value of freehold land				
Freehold land - 28 - 52 Ferris Rd Melton	9,627	9,627	9,627	9,627
Freehold land - 92 -134 Abey Rd Melton (Lot 1)	49,089	49,089	49,089	49,089
Freehold land - 92 -134 Abey Rd Melton (Lot 2)	35,479	35,479	35,479	35,479
Total	94,195	94,195	94,195	94,195

Property is initially recognised at cost. Subsequent to initial recognition at cost, properties are revalued to fair value with changes in the fair value recognised as other economic flows in the comprehensive operating statement in the period that they arise. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties.

4.3 Intangible assets

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Gross carrying amount				
Opening balance	1,983	1,983		
Additions	3,288	-	-	-
Disposals	(1,983)	-	-	-
Closing balance	3,288	1,983	-	-
Accumulated depreciation, amortisation and impairment				
Opening balance	(1,958)	(1,760)	-	-
Amortisation of intangible produced assets	(326)	(198)		
Disposals	1,983	-	-	-
Closing balance	(301)	(1,958)	-	-
Net book value at end of financial year	2,987	25		

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 produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between three and ten years.

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

4.4 Investments and other financial assets

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-Current Investments				
Investment in RISE - at fair value	663	663	663	663
Shares in radio 3UZ Pty Ltd - at fair value	2	2	2	2
Units in radio 3UZ unit trust - at fair value	1,415	1,415	1,415	1,415
Total non-current investments and other financial assets	2,080	2,080	2,080	2,080

Investment in subsidiaries

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

Units in Radio 3 UZ unit trust

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

As Radio 3UZ unit trust is an unlisted trust and its units are not readily traded in an open market, an independent valuation has been obtained as at 30 June 2023. Management assessed the existing valuation and deemed that Radio 3UZ unit trust valuation remained accurate of between \$9m and \$10m.

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

- There were no material cashflow changes in 2023 compared with 2022 reporting period;
- The sale of the property and realisation of cash holdings; and
- The operations remaining consistent year on year and projected revenues to remain comparable.

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

Reconciliation of movements in investments	RISE	3UZ	Total
2023	\$'000	\$'000	\$'000
Opening Balance	663	1,417	2,080
Net gains / (losses) from fair value adjustments	-	-	-
Closing Balance	663	1,417	2,080
2022			
Opening Balance	663	1,417	2,080
Net gains / (losses) from fair value adjustments	-	-	-
Closing Balance	663	1,417	2,080

At 30 June 2022, an independent valuation was received across the Group's investments, by professional valuers with suitable qualifications and experience in financial investment valuations. Management deemed that these valuations were still applicable as at 30 June 2023.

5. Other assets and liabilities

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

5.1 Receivables

Receivables	Consolidated Entity		Parent Entity	
	2023 \$’000	2022 \$’000	2023 \$’000	2022 \$’000
Contractual				
Trade receivables	2,874	1,225	2,682	1,067
Loss allowances	(16)	(9)	(13)	(4)
Accrued income	2,323	3,828	2,262	3,735
Tabcorp distribution receivable	2,976	2,868	2,976	2,868
Commission / distribution receivable	-	186	-	-
Intercompany receivables	-	-	9,470	8,688
Total receivables	8,157	8,098	17,377	16,354
Represented by:				
Current receivables	8,157	8,098	7,907	7,666
Non-current receivables	-	-	9,470	8,688

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

Contractual receivables are classified as financial instruments and categorised as ‘financial assets at amortised costs’. They are initially recognised at fair value plus any directly attributable transaction costs. HRV holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

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

Reconciliation of movements in loss provisions	Total
2023	\$’000
Opening Balance	(9)
Additional provisions recognised	-
Increase / (decrease) in allowance recognised in profit or loss	(7)
Reversals of provision for receivables written off during the year as uncollectible	-
Closing Balance	(16)
Current	(16)
2022	
Opening Balance	(40)
Additional provisions recognised	-
Increase / (decrease) in allowance recognised in profit or loss	31
Reversals of provision for receivables written off during the year as uncollectible	-
Closing Balance	(9)
Current	(9)

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

5.2 Payables

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Contractual				
Trade creditors	2,692	1,368	2,281	1,169
Intercompany payables	-	-	3,603	3,051
Development fund accruals	344	2,617	344	2,617
Sundry creditors and accruals	3,372	3,095	2,259	2,072
Statutory				
Goods and services tax (GST) payable	247	176	275	273
Total payables	6,655	7,256	8,762	9,182
Represented by:				
Current payables	6,655	7,256	8,762	9,182

Payables consist of:

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

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

Maturity analysis of contract payables (a)

	Carrying Amount		Nominal Amount			
			Maturity Dates			
			Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000
2023	\$'000	\$'000				
Payables	6,655	6,655	5,458	939	258	-
Total	6,655	6,655	5,458	939	258	-
2022						
Payables	7,256	7,256	7,055	163	38	-
Total	7,256	7,256	7,055	163	38	-

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

5.3 Inventories

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Food at cost	54	33	-	-
Beverage at cost	69	72	-	-
Total inventories	123	105	-	-

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

5.4 Unearned revenue

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Other revenue invoiced in advance	3,731	3,323	3,698	3,295
Total current unearned revenue	3,731	3,323	3,698	3,295

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

5.5 Other liabilities

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current other liabilities				
Vicbred income invoiced in advance	617	661	617	661
Breeders Crown income invoiced in advance	418	462	418	462
Other current liabilities	323	405	319	428
Total current other liabilities	1,358	1,528	1,354	1,551
Non-current other liabilities				
Vicbred income invoiced in advance	253	54	253	54
Breeders Crown income invoiced in advance	232	317	232	317
Other non-current liabilities	445	235	445	235
Total non-current other liabilities	930	606	930	606
Total other liabilities	2,288	2,134	2,284	2,157

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 2023, for futurity series to be conducted in 2023-24 are brought to account as a current liability. Fees and contributions received for series to be run after 30 June 2024 have been recorded as a non-current liability.

5.6 Provisions

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current other provisions				
State-wide sulky fund	54	70	54	70
Provision for aggregate insurance	-	150	-	150
Bonus points liability	38	34	-	-
Total other current provisions	92	254	54	220
Current employee benefits provision (Note 3.1.2)	3,296	3,073	2,802	2,755
Total current employee benefits provision	3,296	3,073	2,802	2,755
Total current provisions	3,388	3,327	2,856	2,975
Non-current employee benefits provision (Note 3.1.2)	479	526	446	512
Total non-current employee benefits provision	479	526	446	512
Total provisions	3,867	3,853	3,302	3,487

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

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

Reconciliation of movements in other provisions

	State-wide sulky fund \$'000	Bonus points liability \$'000	Insurance claim \$'000	Aggregate insurance \$'000	Total \$'000
2023					
Opening Balance	70	34	-	150	254
Additional provisions recognised	37	4	-	-	41
Reductions arising from payments / other sacrifices of future economic benefits	(53)	-	-	(150)	(203)
Closing Balance	54	38	-	-	92
Current	54	38	-	-	92
2022					
Opening Balance	84	31	290	150	555
Additional provisions recognised	35	3	-	3	41
Reductions arising from payments / other sacrifices of future economic benefits	(49)	-	(290)	(3)	(342)
Closing Balance	70	34	-	150	254
Current	70	34	-	150	254

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

6. How we financed our operations

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

This note includes disclosures of balances that are financial instruments.

6.1 Borrowings

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current other provisions				
Unsecured – TCV loan facility	35,006	15,289	35,006	15,289
Gaming machine entitlements loan	446	-	-	-
Total current borrowings	35,452	15,289	35,006	15,289
Unsecured – TCV loan facility	7,308	10,231	7,308	10,231
Gaming machine entitlements loan	2,344	-	-	-
Total non-current borrowings	9,652	10,231	7,308	10,231
Total borrowings	45,104	25,520	42,314	25,520

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

Defaults and breaches

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

Maturity analysis of borrowings

	Carrying Amount		Nominal Amount			
			Maturity Dates			
2023	\$'000	\$'000	Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000
Unsecured – TCV loan facility	42,314	42,314	-	-	35,006	7,308
Gaming machine entitlements loan	2,790	2,790	-	112	334	2,344
Total	45,104	45,104	-	112	35,340	9,652
2022						
Unsecured – TCV loan facility	25,520	25,520	-	-	15,289	10,231
Gaming machine entitlements loan	-	-	-	-	-	-
Total	25,520	25,520	-	-	15,289	10,231

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities. The carrying amounts disclosed exclude statutory amounts (e.g. GST payables).

Interest expense

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

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

6.2 Leases

Leasing activities

The Group leases include property and motor vehicles. The lease contracts are typically for fixed periods of 1-5 years with an option to renew the lease after that date. The leases of IT equipment with contract terms of 1-3 years are either short-term and/or leases of low value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases. The leases of motor vehicles are typically for fixed periods of 1-2 years with an option to renew the lease after that date.

Right-of-use assets

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

Right-of-use liabilities

	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
No longer than one year	175	71	175	71
Longer than one year	52	43	52	43
Total right-of-use liabilities	227	114	227	114

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

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the consolidated comprehensive operating statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in a change in a lease term. The adjustment amount is factored into depreciation of the right-of-use asset prospectively.

The Group as a lessor

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

6.3 Cash flow information and balances

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

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

Cash and cash equivalents	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Deposits at call	9,743	2,726	8,328	1,721
Cash on hand	683	316	1	1
Closing cash and cash equivalents balance	10,426	3,042	8,329	1,722

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

Reconciliation of net result for the year to the net cash from operating activities	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Net result for the year	(6,690)	(4,132)	(6,557)	(3,964)
Non-cash movements				
Depreciation/amortisation of non-current assets	3,647	2,886	3,088	2,456
Loss allowance	7	(31)	10	(31)
Long service leave	25	23	22	22
Movements in assets and liabilities				
(Increase)/ Decrease in receivables	(66)	(826)	(1,033)	(1,541)
(Increase)/ Decrease in other current assets	8	56	(67)	(68)
Increase/ (Decrease) in accounts payables and other liabilities	(601)	482	(420)	694
Increase/ (Decrease) in unearned income	408	(1,809)	403	(1,806)
Increase/ (Decrease) in other current liabilities	154	(215)	127	(185)
Increase/ (Decrease) in provisions	(11)	374	(207)	628
Net cash (used in) operating activities	(3,119)	(3,192)	(4,634)	(3,795)

Facilities	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
HRV has access to the following finance facilities				
Unsecured term facility	43,801	43,801	43,801	43,801
Business card limit	99	99	83	49
Total facilities available	43,900	43,900	43,884	43,850
Amount of facility unused	1,565	14,680	1,552	14,680

On 29 April 2020, the Treasurer on behalf of the State of Victoria under the *Borrowings and Investment Powers Act 1987* has provided an irrevocable and unconditional guarantee for up to \$43.9m in favour of Treasury Corporation Victoria (TCV) that guarantees TCV the due and punctual payment of obligations as set out in the loan agreement in the event that HRV are unable to meet its obligations under the Unsecured TCV Loan Facility. The guarantee shall be a continuing guarantee and indemnity shall remain in full force and effect until all monies due and payable or contingently due or liable to be paid have been paid or satisfied in full.

6.4 Development Fund

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

During the year ended 30 June 2023 expenditure on the following projects was incurred. No comparative for 2022 is shown due to the nature of the program. Each year the projects receiving funding change therefore making any comparative not applicable.

		2023 \$'000
Ararat	Ararat light mast repairs and reinstall	148
Bendigo	Harness facility upgrade	68
Cranbourne	Training Centre and horse walker	111
Cranbourne	Horse barn	200
Geelong	Infrastructure upgrade	29
St Arnaud	Contribution to upgrade Lord Nelson Park	100
Terang	Stabling upgrade and community hub	363
Wedderburn	Community hub redevelopment	92
Cranbourne	LED lighting	35
	Engineers and consultants	118
	Re-lamping Mildura, Ararat, Terang	90
	Victorian Harness Racing Heritage Museum	41
	Electricity MDT / generator fuel	55
	Flood funding	335
	HRV transformation	103
	Track maintenance	190
	Water truck	10
Total development fund expenses		2,088

Commitments for expenditure

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources. Commitments are disclosed at their nominal value and inclusive of the goods and services tax (GST) payable as well as the net present values.

MAX gaming solutions service agreement	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Not longer than one year	797	759	-	-
Longer than one year and not longer than 5 years	3,606	3,434	-	-
Longer than 5 years	1,017	1,986	-	-
Total capital expenditure commitments (inclusive GST)	5,420	6,179	-	-
Less GST recoverable from the Australian Taxation Office	(493)	(562)	-	-
Total capital expenditure commitments (exclusive GST)	4,927	5,617	-	-

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

7. Risks, contingencies and valuation judgements

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

7.1 Financial Instruments

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

Categories of financial assets

Financial assets at amortised cost

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

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

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

The Group recognises the following assets in this category:

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

Financial assets at fair value through other comprehensive income

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

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

Categories of financial liabilities

Financial liabilities at amortised cost

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

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

Offsetting financial instruments

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

Derecognition of financial assets

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

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

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

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

Financial instruments: Categorisation	Cash and deposits	Financial assets measured at fair value through other comprehensive income (FVOCI)	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
2023	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Cash and deposits	10,426	-	-	-	10,426
Receivables	-	-	8,157	-	8,157
Investments	-	2,080	-	-	2,080
Total contractual financial assets	10,426	2,080	8,157	-	20,663
Contractual financial liabilities					
Payables	-	-	-	6,408	6,408
Interest bearing liabilities				42,314	42,314
Gaming machine entitlements loan	-	-	-	2,790	2,790
Total contractual financial liabilities	-	-	-	51,512	51,512
2022					
Contractual financial assets					
Cash and deposits	3,042	-	-	-	3,042
Receivables	-	-	8,098	-	8,098
Investments	-	2,080	-	-	2,080
Total contractual financial assets	3,042	2,080	8,098	-	13,220
Contractual financial liabilities					
Payables	-	-	-	7,080	7,080
Interest bearing liabilities	-	-	-	25,520	25,520
Total contractual financial liabilities	-	-	-	32,600	32,600

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

Financial risk management objectives and policies

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

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

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

Credit risk

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

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

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

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

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

Credit quality of financial assets

	Financial institutions	Credit rating of financial institution	Other	Total
2023	\$'000		\$'000	\$'000
Contractual financial assets				
Cash and deposits	10,426	A-1+	-	10,426
Receivables	-	-	8,157	8,157
Investments	-	-	2,080	2,080
Total contractual financial assets	10,426	-	10,237	20,663
2022				
Contractual financial assets				
Cash and deposits	3,042	AA-	-	3,042
Receivables	-	-	8,098	8,098
Investments	-	-	2,080	2,080
Total contractual financial assets	3,042	-	10,178	13,220

At balance date, HRV Group held cash with Westpac Banking Group. Standard and Poor’s Credit Rating is the Short-Term Cash Rating for the Financial Institution as at 30 June 2023.

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

Impairment of financial assets

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

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

Contractual receivables at amortised cost

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

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

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

Liquidity risk

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

Market risk

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

Foreign currency risk

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

Interest rate risk

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

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

Interest rate exposure

	Weighted average effective interest rate	Carrying Amount	Interest Rate exposure		
			Variable interest rate	Non-interest bearing	Nominal Amount
2023	%	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits	0.1%	10,426	9,743	683	10,426
Trade debtors		2,858	-	2,858	2,858
Tabcorp distribution		2,976	-	2,976	2,976
Accrued income		2,323	-	2,323	2,323
Investments – RISE		663	-	663	663
Investments – 3UZ		1,413	-	1,413	1,413
Total financial assets		20,659	9,743	10,916	20,659
Financial liabilities					
Trade creditors		2,692	-	2,692	2,692
Other payables		3,716	-	3,716	3,716
Unsecured TCV loan	4.15%	42,314	42,314	-	42,314
Gaming machine entitlements		2,790	2,790	-	2,790
Total financial liabilities		51,512	45,104	6,408	51,512

2022

Financial assets					
Cash and deposits	0.1%	3,042	2,716	326	3,042
Trade debtors		1,216	-	1,216	1,216
Tabcorp distribution		2,868	-	2,868	2,868
Accrued income		3,828	-	3,828	3,828
Other receivables		186	-	186	186
Investments – RISE		664	-	664	664
Investments – 3UZ		1,413	-	1,413	1,413
Total financial assets		13,217	2,716	10,501	13,217
Financial liabilities					
Trade creditors		1,368	-	1,368	1,368
Other payables		5,712	-	5,712	5,712
Unsecured TCV loan	1.91%	25,520	25,520	-	25,520
Total financial liabilities		32,600	25,520	7,080	32,600

Equity price risk

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

Sensitivity disclosure analysis

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

- A parallel shift of +1 per cent and -1 per cent in market interest rates (AUD) from year-end rates;
- Proportional exchange rate movement of -5 per cent (depreciation of AUD) and +5 per cent (appreciation of AUD) against the NZD.

	Carrying Amount	Foreign exchange risk				Interest rate risk			
		-5%		5%		-1%		1%	
		Net Result	Equity	Net Result	Equity	Net Result	Equity	Net Result	Equity
2023	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial asset									
Cash and cash Equivalents	10,426	1	1	(1)	(1)	104	104	(104)	(104)
Receivables	8,157	-	-	-	-	-	-	-	-
Investments	2,080	-	-	-	-	-	-	-	-
Contractual financial liabilities									
Payables	6,408	-	-	-	-	-	-	-	-
Interest bearing liabilities	42,314	-	-	-	-	423	423	(423)	(423)
Gaming machine entitlements	2,790	-	-	-	-	-	-	-	-
Total impact		1	1	(1)	(1)	527	527	(527)	(527)

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

Cash and cash equivalents includes AUD\$23,852 in cash held in a New Zealand bank account NZD\$25,862 @NZD/AUD 0.9222 at 30 June 2023).

7.2 Contingent assets and liabilities

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

HRV provided the Melton Entertainment Trust (HRV is the sole beneficiary), a letter of comfort stipulating that HRV will support the Trust in meeting its obligations to 30 September 2024. As at balance date HRV believes that the performance of the Trust will be sufficient for it to meet its external obligations in its own right.

7.3 Fair value determination

This note sets out information on how the Group determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

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

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

Fair value hierarchy

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

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

How this note is structured

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

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

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

Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

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

The Group currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2023-24 reporting period.

These financial instruments include:

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

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

Financial assets and liabilities measured at fair value

	2023			2022		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets						
Investment – RISE	-	-	663	-	-	663
Investment – Radio 3UZ Unit Trust	-	-	1,417	-	-	1,417
Total	-	-	2,080	-	-	2,080

There have been no transfers between levels during the period.

The Group recognises the investment in RISE and Radio 3UZ as level 3 financial assets as neither have listed shares. Management completed a valuation using consistent rationale with prior year and determined no movement was required to be taken up to the valuation reserve and also through other economic flows under consolidated Comprehensive Income.

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

Reconciliation of fair value movements	2023	2022
Investment in RISE		
Opening balance	663	490
Total gain or loss recognised	-	173
Closing Balance	663	663

Investment in Radio 3UZ Ptd Ltd		
Opening balance	1,417	1,417
Total gain or loss recognised	-	-
Closing Balance	1,417	1,417

Fair value measurement hierarchy	Carrying Amount	Fair value measurement at end of reporting period		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
At fair value 2023	\$'000			
Specialised land	94,195	-	-	94,195
Specialised buildings	41,046	-	-	41,046
Leasehold improvements	412	-	-	412
Plant and equipment	3,217	-	-	3,217
Specialised Melton track	3,699	-	-	3,699
Right of use motor vehicles	222	-	-	222
2022				
Specialised land	94,195	-	-	94,195
Specialised buildings	42,671	-	-	42,671
Leasehold improvements	357	-	-	357
Plant and equipment	2,462	-	-	2,462
Specialised Melton track	1,924	-	-	1,924
Right of use motor vehicles	174	-	-	174

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

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

Non-financial physical assets classified as held for sale

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

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

8. Other disclosures

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

8.1 Reserves

Revaluation reserve	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at beginning of financial year	104,777	87,825	104,777	87,825
Changes on valuation of freehold land and Melton track	-	14,094	-	14,094
Changes on valuation of building	-	2,858	-	2,858
Balance at end of financial year	104,777	104,777	104,777	104,777

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

8.2 Entities consolidated

The following entities have been consolidated into the Group's financial statements:

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

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

Transactions with MET	Consolidated Entity		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Rental income	-	-	750	-
Balances:				
Other financial assets	-	-	9,470	8,688
Other current liabilities	-	-	3,603	122

8.3 Responsible persons

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

Responsible Minister

The Minister for Racing is Hon. Anthony Carbines.

Governing Board:

- Dale G Monteith (Chairman)
- Dr Catherine Ainsworth (Deputy Chair)
- Jane Brook
- Adam Kilgour
- Judy Rothacker
- Peter Watkinson (resigned 30 June 2023)
- Prof. Jack Anderson (resigned 29 July 2022)

Accountable Officer:

- Dayle Brown – Chief Executive Officer (resigned 15 September 2022)
- Fiona Mellor- Interim Chief Executive Officer (16 September 2022 to 30 January 2023)
- Matthew Isaacs – Chief Executive Officer (commenced 31 January 2023)

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 (\$340,000 - \$349,999 in 2021-22).

8.4 Remuneration of key management personnel

Consolidated remuneration by \$10,000 band For responsible persons	Consolidated Entity	
	2023 \$'000	2022 \$'000
\$0 to \$9,999	1	-
\$20,000 to \$29,999	5	6
\$60,000 to \$69,999	1	1
\$120,000 to \$129,999	1	-
\$150,000 to \$159,999	1	-
\$160,000 to \$169,999	1	-
\$340,000 to \$349,999	-	1
Total number	10	8
Total remuneration \$ ('000)	639	592

Consolidated remuneration	Consolidated Entity	
	2023 \$'000	2022 \$'000
Short-term benefits	2,033	2,238
Post-employment benefits	179	205
Termination benefits	53	42
Other long-term benefits	18	158
Total remuneration of executives	2,283	2,643
Total number of executives	11	12
Total annualised equivalent	7	10

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

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

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

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

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

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

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

Key management personnel:

- Luke Spano - Chief Operating Officer
- Fiona Mellor - Chief Commerical Officer (Interim CEO 16 September 2022 to 30 January 2023)
- Natalie Wright-Boyd - General Manager People and Culture
- Rhys Harrison - General Manager Integrity (commenced 16 January 2023)
- Stephen Bell - General Manager Racing and Wagering
- Gayle Harvey - General Manager Melton Venue
- Cody Winnell - General Manager Media and Communications (resigned 31 March 2023)
- Anita Rozen - Director Transformation Lead (30 June 2022 to 19 September 2022)
- Andrew English - General Manager Marketing/Commercial Relationship (resigned 29 September 2022)

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

8.5 Related parties

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

Related parties of the Group include:

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

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

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

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

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

Significant transactions with government-related entities

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

- Loan facility held with TCV for \$42.4m as at reporting date.
- Grant revenue received from Department of Jobs, Precincts and Regions (DJPR) and Department of Justice and Community Safety (DJCS) for \$16.9m (2022: \$10.6m).

8.6 Remuneration of auditors

Transactions with MET	Consolidated Entity		Parent Entity	
	2023 \$’000	2022 \$’000	2023 \$’000	2022 \$’000
Victorian Auditor-General’s Office – audit of the financial report	83	83	55	53
Internal audit	42	37	42	37
Other audit services	2	-	-	-
Total remuneration of auditors	127	120	97	90

8.7 Subsequent events

No material subsequent events have occurred since balance date.

8.8 Post balance date events

On 13 September 2023, an independent review into the Victorian Racing Industry’s victim support and complaint processes was published by the Office of the Racing Integrity Commissioner. The review was established after Harness Racing Victoria, Racing Victoria and Greyhound Racing Victoria provided a referral to the Racing Integrity Commissioner to examine vulnerabilities and provide a clear pathway to reform.

Harness Racing Victoria will work collaboratively with government, Victorian Racing Industry colleagues, clubs and participants to review and develop a practical and properly resourced implementation of the recommendations outlined in the report. These implementations could carry financial implications that are still to be defined given the report’s recent release, which means no quantification of their impact can be disclosed at this time.

8.9 Other accounting policies

Foreign currency balances/transactions

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

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

8.10 Change in accounting policies

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

8.11 Australian Accounting Standards issued that are not yet effective

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

- AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.
- AASB 17 Insurance Contracts.
- AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current.

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	113
FRD 22H	Purpose, functions, powers and duties	113
FRD 8D	Departmental objectives, indicators and outputs	10
FRD 22H	Key initiatives and projects	12-53
FRD 22H	Nature and range of services provided	63-107
Management and structure		
FRD 22H	Organisational structure	113
Financial and other information		
FRD 8D	Performance against output performance measures	12-53
FRD 8D	Budget portfolio outcomes	55
FRD 10A	Disclosure index	108-109
FRD 12B	Disclosure of major contracts	118
FRD 15E	Executive officer disclosures	104-105
FRD 22H	Employment and conduct principles	115
FRD 22H	Occupational health and safety policy	114
FRD 22H	Summary of the financial results for the year	12
FRD 22H	Significant changes in financial position during the year	12
FRD 22H	Major changes or factors affecting performance	12
FRD 22H	Subsequent events	107
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	118
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	119
FRD 22H	Statement on National Competition Policy	119
FRD 22H	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	119
FRD 22H	Application and operation of the <i>Carers Recognition Act 2012</i>	120
FRD 22H	Details of consultancies over \$10,000	118
FRD 22H	Disclosure of ICT expenditure	119

Legislation	Requirement	Page reference
FRD 22H	Statement of availability of other information	121
FRD 24D	Reporting of office based environmental impacts	120
FRD 25D	Local Jobs First	118
FRD 29C	Workforce Data disclosures	115
SD 5.2	Specific requirements under Standing Direction 5.2	55
Compliance attestation and declaration		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	121
SD 5.2.3	Declaration in report of operations	10
Financial statements		
Declaration		
SD 5.2.2	Declaration in financial statements	55
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	
SD 5.2.1(a)	Compliance with Ministerial Directions	
SD 5.2.1(b)	Compliance with Model Financial Report	
Other disclosures as required by FRDs in notes to the financial statements (a)		
FRD B	Departmental Disclosure of Administered Assets and Liabilities by Activity	58-121
FRD 13	Disclosure of Parliamentary Appropriations	61 & 88
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	104-105
FRD 103H	Non Financial Physical Assets	102
FRD 110A	Cash Flow Statements	61
FRD 112D	Defined Benefit Superannuation Obligations	70

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 seven-member Board which reports to the Minister for Racing and an Executive Management Team.

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

Members of Harness Racing Victoria Board

Dale G Monteith (Chairman)

Dr Catherine Ainsworth (Deputy Chair)

Jane Brook

Adam Kilgour

Judy Rothacker

Peter Watkinson (resigned 30 June 2023)

Prof. Jack Anderson (resigned 29 July 2022)

Members of Harness Racing Victoria Executive Management Team

Matthew Isaacs - Chief Executive Officer

Luke Spano - Chief Operating Officer

Fiona Mellor - Chief Commercial Officer

Stephen Bell - General Manager, Racing & Wagering

Rhys Harrison - General Manager Integrity

Gayle Harvey - General Manager - Melton

Natalie Wright-Boyd - General Manager People and Culture

Audit and Risk Committee

The Audit and Risk Committee consists of the following members:

David Logan (Chairman)

John Wilkinson (Independent Committee Member)

Dr Catherine Ainsworth (HRV Board Member)

- The main responsibilities of the Audit and Risk Committee are to:
- Oversee and advise the HRV Board on matters of accountability and internal control affecting the operations of HRV Group and registered Country Clubs;
 - Assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to:
 - 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	TCP	Consolidated
Incidents			
Number of incidents	21	26	47
Fatalities	0	0	0
Incidents Investigated	100%	100%	100%
Incidents reported to Regulator (Worksafe)	0	0	0
Improvement notices issued by Worksafe	0	0	0
Improvement notices issued by HSR	0	0	0
Workcover			
Claims raised	0	0	0
Consultation			
OHS Committee meeting	4	n/a*	4

*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 (2023), and in the last full pay period of the previous reporting period (2022). The table also discloses the full-time equivalent (FTE) based on total working hours for the full pay period in 2023 and 2022.

	June 2023				Casual		
	All employees (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Gender							
Women	113	62	43	13	51	57	11
Men	144	89	76	3	77	65	12
Age							
15-24	25	8	1	-	1	24	7
25-34	48	29	24	4	26	20	3
35-44	57	42	38	5	39	15	3
45-54	48	30	27	2	28	19	2
55-64	45	32	25	5	29	15	3
65+	34	12	6	-	5	29	6
Executives	13	13	13	0	13	0	-
Management/Professional	42	38	35	6	38	1	-
Administrative	35	32	29	3	31	3	1
Hospitality	70	33	16	6	19	48	14
Raceday	97	35	26	1	26	70	9
Total Employees	257	151	119	16	127	122	24

	June 2022						
	Ongoing				Casual		
	All employees (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Gender							
Women	125	63	45	11	55	69	8
Men	143	90	79	2	79	62	11
Age							
15-24	30	7	3	-	3	27	4
25-34	57	33	33	1	31	23	2
35-44	50	33	35	4	31	11	2
45-54	55	25	28	2	21	25	4
55-64	47	27	21	6	24	20	3
65+	29	8	4	-	3	25	5
Executives	13	9	13	0	9	0	-
Management/Professional	24	17	18	5	17	1	-
Administrative	43	41	37	4	40	2	1
Hospitality	86	28	24	4	18	58	10
Raceday	102	44	32	0	29	70	15
Total Employees	268	139	124	13	113	131	26

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

Total remuneration, by \$20,000 band, for Executives and other senior non-executive staff	2023	2022
Income band		
\$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	3
\$180,001 to \$200,000	4	2
\$200,001 to \$220,000	-	2
\$220,001 to \$240,000	2	-
\$240,001 to \$260,000	-	1
\$260,001 to \$280,000		2
\$280,001 to \$300,000	-	
\$300,001 to \$320,000		
\$320,001 to \$340,000	1	
\$340,001 to \$360,000	1	
\$360,001 to \$380,000		1
Total number	11	12
Total remuneration \$ ('000)	2,057	2,344

Workforce inclusion policy

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

Local Jobs First

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

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

There was one contract commenced in 2022-23 to which VIPP applied.

There were no contracts completed in 2022-23 to which VIPP applied.

Consultancies

During the year, HRV had nine consultancies that cost in excess of \$10,000 excluding GST. The total expenditure incurred during 2022-23 in relation to these consultancies is \$518,579 (excluding GST). Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Total approved project fee \$	Expenditure 2022/23 (excluding gst) \$	Future expenditure (excluding gst) \$
Acquisitive Intelligence	People & Culture Consultant	60,000	60,000	
Benestar	People & Culture Consultant	26,161	26,161	-
Capability Network	Organisation strategy	176,000	176,000	-
Cooke & Foley	Club governance	20,582	20,582	-
IR Result	People & Culture Consultant	93,412	93,412	-
Jackie Booth Consulting	Organisation strategy	12,800	12,800	-
Johnson Winter & Slattery	People & Culture Consultant	82,757	82,757	-
Tomorrow Architects	People & Culture Consultant	20,000	20,000	
Tonkin & Taylor	Ferris Road monitoring	26,867	26,867	-

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 2022-23, there were no requests received by HRV.

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

Compliance with *Building Act 1993*

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

Competitive neutrality policy

The principle of competitive neutrality aims to ensure that Government businesses do not enjoy any net competitive advantage simply by virtue of their public sector ownership. HRV is not a tax funded general Government service and does not adopt any pricing principles utilising a net competitive advantage. Approximately 28% of the HRV Group’s Income is derived from Tabcorp Holdings Limited pursuant to a Joint Venture Agreement. Remaining revenue streams are derived from ‘arms-length’ business operations and government grants.

Compliance with *Public Interest Disclosures Act 2012*

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

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

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

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

Compliance with the *Carers Recognition Act 2012*

- HRV has taken all practical measures to comply with its obligations under the Act. These include:
- promoting the principles of the Act to people in care relationships who receive our services and to the wider community and/or
 - ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act and/or
 - considering the care relationships principles set out in the Act when setting policies and providing services; and/or
 - implementing priority actions in *Recognising and supporting Victoria's carers: Victorian carer strategy 2018-22*.

Compliance with the *Disability Act 2006*

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

Inclusive Victoria: State disability plan for 2022-2026 is the Victorian Government's framework for enabling people with disability to participate and contribute to the social, economic and civic life of their community. Over time the government will consider ways to align disability action plans to the state plan.

Environmental Impacts

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

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

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

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

Additional information available on request

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

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

Attestation for financial management compliance statement

Harness Racing Victoria Financial Management Compliance Attestation Statement

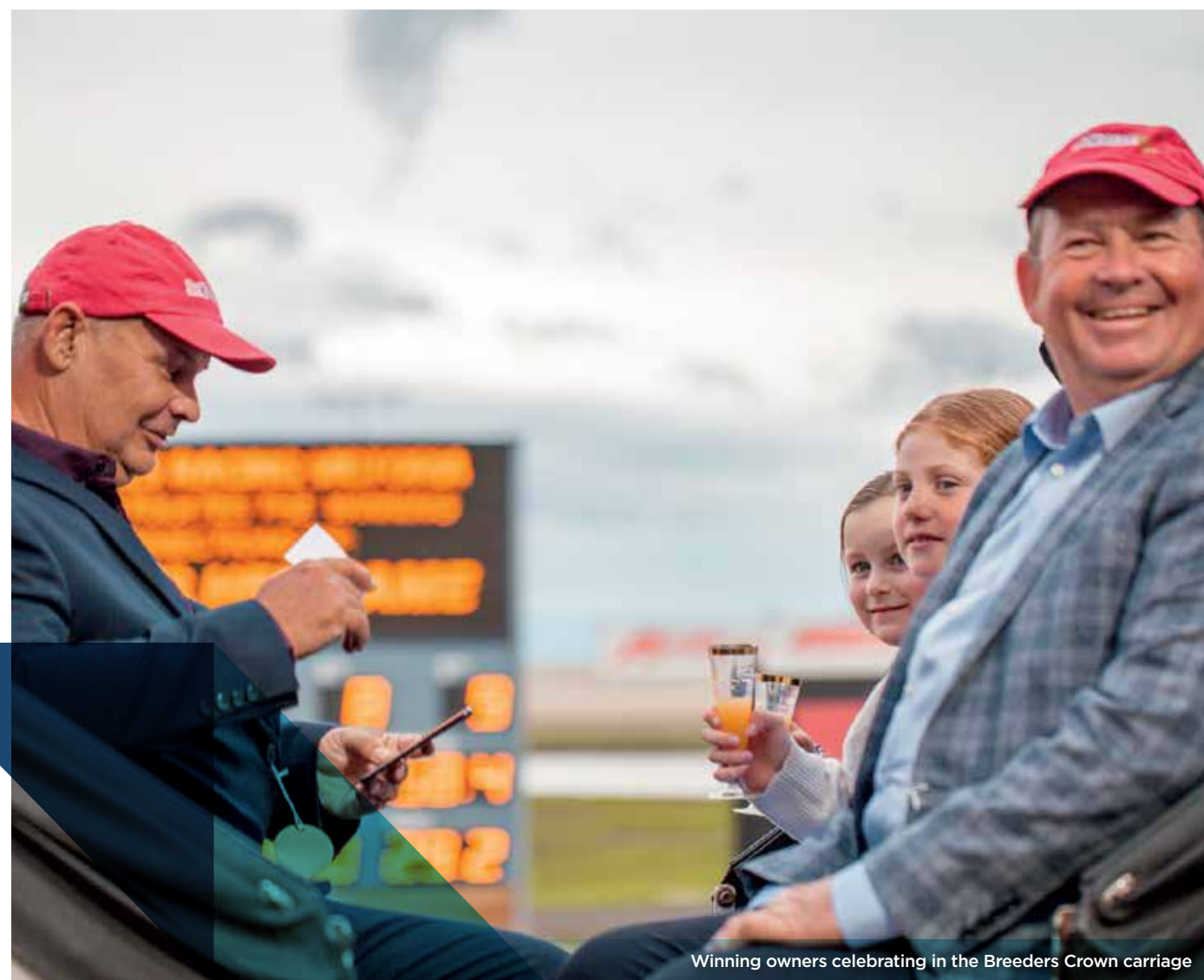
I, Dale G Monteith, on behalf the Board, certify that Harness Racing Victoria has complied with the applicable Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994* and Instructions.



Dale G Monteith
Chairman
Harness Racing Victoria
13 September 2023



Kerryn Manning (Driver)



Winning owners celebrating in the Breeders Crown carriage

**HARNESS
RACING
VICTORIA**



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