



ANNUAL REPORT

2021





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Tasracing Pty Ltd

ABN 62 269 303 946

ACN 137 188 286

6 Goodwood Road, Glenorchy TAS 7010

PO Box 730, Glenorchy TAS 7010

Telephone: +61 3 6212 9333 Fax: +61 3 6272 5191

Email: admin@tasracing.com.au

Web: tasracingcorporate.com.au & tasracing.com.au



5 YEAR GROWTH

(1 JULY 2016 TO 30 JUNE 2021)



\$327.3 M / 69% 
Wagering turnover



\$12.0 M / 127% 
Race Field Fee revenue



\$28.5 M
Capital investment in industry infrastructure



\$2.5M
Point of consumption tax funding



\$6.4 M / 31% 
Code funding



\$5.9 M / 33% 
Stakes paid



FROM THE CHAIRPERSON

The 2020/21 financial year has been a year of recovery and rebuilding for the Tasmanian Racing Industry.

With the 2020 shutdown behind us, Tasracing focussed on the need to build confidence and stability, and replenish the cash reserves depleted during 2020.

Tasracing recorded a before tax profit of \$4.46 million (2019/20: \$3.79 million loss) for the year ended 30 June 2021.

Racefield revenue increased by \$8.84 million to \$22.16 million during the reporting period. This significant improvement following the lower racefield revenues in 2019/20 due to the suspension of racing between 2 April 2020 and 14 June 2020 because of COVID-19 controls put in place by the Tasmanian Government was also bolstered by the continuing investment in and promotion of TasracingTV and the Formplus PRO product.

For the first time, all three codes of racing were featured in the Ladbrokes Tasmanian Summer of Racing carnival.

The first six months of the point of consumption tax revenue was received in the reporting period, totalling \$2.54 million. These funds were reinvested into the industry in the areas of animal welfare, infrastructure and stakes (six per cent increase for the year topped up by a further six per cent as announced in December 2020).

For the first time, all three codes of racing were featured in the Ladbrokes Tasmanian Summer of Racing carnival. The tri-code carnival featured 24 race meetings – starting with a thoroughbred meeting (Ladbrokes Golden Mile at Spreyton) and finishing with a dual harness and greyhound meeting at Devonport. All were highly successful and delivered in a COVID Safe environment of movement and crowd restrictions.

I would like to take this opportunity to thank all the racing clubs for their collective hard work in putting the COVID Safe event plans together, along with the industry participants and all racegoers who made the days such a success under difficult circumstances.

Summer racing has been – and will continue to be – extremely important to the Tasmanian racing industry in terms of attracting a national audience, wagering turnover and financial support for the host clubs.

In the infrastructure investment space, planning work commenced on the development of a new greyhound and harness racing facility on the North-West Coast after securing an agreement between Tasracing, Devonport Agricultural & Pastoral Society and the Devonport Showground project to vacate the Devonport Showgrounds.

As was announced during the year, Tasracing will build new tracks for both codes with an \$8 million contribution from the Tasmanian Government over two years.

Tasracing appointed Dalton Consulting Engineers (DCE) to provide design and engineering services for the proposed facility, and engaged with track design experts Professor David Eager, regarding the greyhound track, and Wayne Edgeloe for the harness track.

A well-credentialled industry project committee has been established comprising Clare McDonald, Mike Castles, Nathan Rockliff and Adrian Duggan from the harness code, and Robyn Johnston, Ben England, Justin Crawford and Graeme Barber from the greyhound code.

In February, Tasracing released its second five-year Infrastructure Plan for comment and consultation. The introduction of the point of consumption tax and Racefield revenue growth has provided the platform to deliver infrastructure upgrades across the state, that will ultimately provide the foundation for further industry growth.

Tasracing set itself a number of ambitious infrastructure goals covering the delivery of:

- Fit-for-purpose infrastructure for training and racing that satisfies participant requirements.
- Facilities that are built and maintained to a standard that allows us to be competitive.
- A well-managed maintenance program that ensures assets are viable for the long term.

While the performance of the thoroughbred tracks at Mowbray and Elwick attracted some criticism and commentary via traditional and social media channels, the tracks themselves are in very good condition. Importantly, there are no long-term sustainability concerns for either surface.

Confidence in the thoroughbred tracks is critical for industry participants, and Tasracing worked hard communicating directly with trainers and jockeys about the management plans implemented to address their concerns.

Tasracing engaged Sports Turf on an ongoing basis to provide scientific advice on both tracks as a part of its track management strategy. Sports Turf provides advice on the thoroughbred tracks at Moonee Valley and Flemington.

During the reporting period, the Tasmanian Government started planning for apprentice training and mandatory training packages linked to licences for the racing industry. The expanding education options offer an opportunity for TasTAFE to support these training packages, which include animal welfare training, mandatory drug and alcohol training and business operational training.

These education measures are expected to be introduced within the next 12 months.

This is a good outcome for the next generation of racing industry participants.

In April the Northern Midlands Council announced that it would collaborate with Tasracing to develop a masterplan and specific area plan to secure the future of the Longford Racecourse precinct. The area is set to benefit from Tasracing's investment of \$4.1 million of infrastructure spending over the planning period to firmly establish it as a northern equestrian centre.

The proposed redevelopment for the area will include an equine pool, upgrades to the grass track, 800m chute, new increased stabling and a contribution towards a multi-use equine facility.

Tasracing is committed to see the racecourse further developed as one of two key northern-based training venues for thoroughbreds, while at the same time ensuring that the Longford Cup community race day continues to be held in its traditional home and flourish.

**Summer racing has been –
and will continue to be –
extremely important to the
Tasmanian racing industry.**

Further, the Longford Racecourse is a vital part of the town's identity, and we are keen to see that maintained and enhanced further.

As noted above, Tasracing continued to invest in its digital offering for its customers, launching Formplus PRO in June. Designed to further grow our customer database, it will foster greater engagement with existing and new customers in Tasmanian racing. This approach has multiple strategic benefits:

- It is a risk mitigation in an environment of ever-tightening wagering advertising restrictions.
- It has the potential to achieve marketing cost efficiencies as the focus shifts from paid advertising to targeted email, SMS and other digital notifications.

The investment has already exceeded our initial customer acquisition target by 46 per cent.

Tasracing continued to implement its long-term strategy for TasracingTV to create a niche media channel that complements Sky Racing's mass-market broadcast. Importantly, live streaming of all Tasmanian races continued to be the most popular feature of Tasracing.com.au during 2021.

Tasracing continued to invest in its digital offering for its customers, launching Formplus PRO in June.

The reporting period covered the second year of our key partnership with Ladbrokes as venue and major race day naming-rights partner. All thoroughbred, harness and greyhound racing clubs are part of the partnership, with Ladbrokes as naming partner of the biggest race days of the Tasmanian tri-code calendar. Club sponsorship revenue, plus marketing support provided to clubs from Tasracing, increased from year one of the Ladbrokes partnership.

In addition, the partnership allows Tasracing to promote Tasmanian racing to the national market thanks to Ladbrokes' extensive customer base and marketing investment.

Ladbrokes has a number of long-term premier partnerships interstate, so we are very pleased that an organisation of its standing within the wagering sector has selected Tasracing as a key partner as we look for further growth.

On behalf of the Board, I would like to thank Chief Executive Officer Paul Eriksson, his management team and all Tasracing staff for their significant and important contributions during the reporting period.

I would also like to recognise our Shareholder Ministers – Peter Gutwein in his capacity as Treasurer, and Minister for Racing Jane Howlett – for their ongoing and strong support of the Tasmanian racing industry.



Gene Phair
Chairperson

From left to right: Michael Gordon, Gene Phair (Chairperson), Robyn Whishaw, Joel Wallace, David Garnier, Martin Wallace and Helen Galloway (Deputy Chairperson).



5,806

TOTAL STATE-WIDE
PARTICIPANTS (3,634
IN REGIONAL AREAS)





FROM THE CHIEF EXECUTIVE OFFICER

The 2020/21 financial year has been a strong year for Tasmanian racing, both on and off the track. The industry recovered well from the pandemic shutdown and has been able to position itself to grow in the coming years.

Some of the significant events during the reporting period that have delivered important benefits to the state and to the Tasmanian racing industry are:

- Successful delivery of the first tri-code summer carnival in a COVID Safe environment.
- Twelve per cent increases to stakes.
- Commencement of the design for a new greyhound and harness racing facility on the North-West Coast.
- Commencement of the Longford masterplan.
- Commencement of the Strategic Plan Consultation with industry.
- Introduction of new welfare policies to benefit the greyhound industry.
- Australian-first introduction of a Subsidised Lesson Voucher system for Off the Track.
- Continuously responding to COVID-19 changes to ensure staff, industry participant and public safety.

The industry recovered well from the pandemic shutdown and has been able to position itself to grow in the coming years.

At the same time, Tasracing was able to focus on improving its financial stability through cash generation which was, understandably, significantly reduced in the 2019/20 financial year.

Tasracing's cash position increased to \$8.91 million (\$4.01 million in 2019/20) after the repayment of short-term borrowings of \$2 million accessed on 26 June 2020.

Importantly, the cash result forms the basis for the full resumption of the statewide infrastructure plan, protects the industry from financial shocks and delivers medium-term sustainability for stakes increases.

Financial performance

Tasracing recorded a Total Comprehensive Profit of \$6.00 million for 2020/21 (\$3.92 million loss in 2019/20). This included a profit before tax of \$4.46 million (a \$3.79 million loss in 2019/20) plus the recognition of \$1.46 million in future tax benefits (\$0 in 2019/20).

The 2019/20 results were heavily impacted by the 10-week racing suspension between 2 April 2020 and 14 June 2020 which resulted in a \$1.82 million reduction in Racefield revenue compared to 2018/19.

With a full year of racing in 2020/21, Tasmanian racing experienced record turnover of \$799 million with Racefield revenue increasing by \$8.84 million compared to the shortened 2019/20 financial year and \$7.02 million up on the full 2018/19 financial year.

Our continuing investment in digital and broadcast of the Tasmanian racing product has clearly played a role in this result. This investment contributes to three key outcomes:

- Ensuring Tasmanian races are featured and promoted by all wagering service providers.
- Ensuring Tasmanian races are scheduled and broadcast to optimise audience reach as far as possible.
- Generating loyalty among wagering customers by providing market-leading form analysis products for free via Tasracing.com.au, including TasracingTV and Formplus Alerts.

Government funding increased by \$3.21 million with the first year of the point of consumption tax funding of \$2.54 million collected from 1 January to 30 June 2020.

In line with the associated Share of Point of Consumption Tax Grant deed, this increase in funding was applied to stakes, animal welfare costs and cash for infrastructure investment.

Employee benefits expenses increased \$0.60 million with additional racing activity contributing an extra \$0.35 million. A number of positions held vacant in racing operations and track maintenance during 2019/20 were filled in 2020/21.

Depreciation and amortisation expenses were up \$0.58 million, primarily due to the agreement to vacate the Devonport Showgrounds.

Prize money and industry funding

Prize money and industry funding in 2020/21 increased by \$2.59 million to \$30.50 million (\$27.91 million in 2019/20).

This included an initial six per cent increase in stakes applied to the full year with an additional six per cent annual increase which commenced 1 February 2021. Stakes amounts by code are detailed in each code report.

Due to the increase in racing activity in 2020/21, race day and racing expenses increased \$0.37 million to \$6.32 million. This was mitigated by a reduction in jockeys' workers compensation of \$0.49 million to \$0.69 million for the year (\$1.18 million in 2019/20).

Assets and infrastructure

Tasracing sought to update its five-year infrastructure plan this reporting period. Over the past five years Tasracing has invested \$28.5 million in industry infrastructure capital expenditure.

Tasracing undertook an infrastructure review in late 2020 given the introduction of the point of consumption tax, a stronger and sustainable financial position after the stakes reset in 2016 and strong Race Field Fee growth.

Tasracing's first five year infrastructure plan (2016-2020) saw the completion of the Elwick thoroughbred track redevelopment (fully funded by Tasracing). With that major work completed, it was time to turn our attention to future racing infrastructure needs. Since the stakes reset, Tasracing has been in a much stronger position to start to address the historic infrastructure investment gap.

In February Tasracing consulted with industry on a new five year infrastructure plan detailing \$28.73 million in infrastructure spend. This is in addition to the \$15 million

allocation for the North West Tracks project. Apart from the government's \$8 million contribution to the project, the remaining \$35.73 million is funded by internally generated cash and includes a forecast \$1 million per annum from point of consumption tax funding.

Though it occurred just outside the 2020/21 financial year, the Tasmanian Government announced details of its \$3 million investment into one-off infrastructure upgrades at the Longford Racecourse, the Brighton Training Centre and the Devonport Racing Club.

The greyhound, harness and thoroughbred training tracks at the Brighton Training Centre are used 365 days a year by trainers across all three codes. Funding of \$800,000 will be provided to these facilities to address infrastructure needs, including important track drainage upgrades and improvements to the Brighton Greyhound straight track and lure replacement.

As noted in the Chairperson's message, the Longford track is an important training facility for the thoroughbred code. Funding of \$700,000 was provided towards upgrades at the facility, including the construction of an 800-metre trial start chute and track drainage works.

Over the past five years Tasracing has invested \$28.5 million in industry infrastructure capital expenditure.

The Devonport all-weather venue at Spreyton is an all-year thoroughbred training and racing facility, especially during the winter period. The venue has hosted up to 23 meetings a year and a range of improvements are required to the Devonport Racing Club's main amenities building, including the female jockey rooms. Funding of \$1.5 million has been allocated for upgrades that also include a new owners and participants area.

In addition, more than \$300,000 was awarded to Tasmanian racing clubs under Tasmanian Community Racing Club Infrastructure Grants.

Seven grants were awarded to five clubs across the state:

- North Eastern Pacing Club – safety fencing upgrade and construction of a stewards vision and broadcast tower.
- Devonport Racing Club – supply and install 160 metres of 300mm stormwater pipe and manholes and construction of three-and-a-half-metre wide gravel verge for pedestrians.

THE TASMANIAN RACING INDUSTRY
CONTRIBUTES CLOSE TO

\$185M

TO THE ECONOMY

(38% OF WHICH DIRECTLY
BENEFITS REGIONAL ECONOMIES)



- Carrick Park Pacing Club – demolition of existing judges' box and erection of new box, removal of overhead wiring and its placement underground and levelling of surrounding foot traffic area.
- Tasmanian Turf Club – refurbish jockeys' rooms, improve appearance and make safe viewing area for owners and trainers.
- Burnie Harness Racing Club – replace two stewards' observation towers (north-east and south-west sides of the track) allowing stewards line of sight to the entire track.

Successful Tasmanian racing clubs are important for the racing industry's future, particularly in rural and regional Tasmania where these clubs provide a social nexus for the local community.

Significant improvements have been made in the grass track management and maintenance processes and planning for Elwick and Mowbray. These improvements are in line with the findings of the Montieth report. While track performance is interlinked with weather conditions, the improvements are having a strong impact and we look forward to a good racing season.

Racing

The 2021 Ladbrokes Tasmanian Summer of Racing was another significant step forward for Tasracing's strategy to grow customer and sponsor engagement in our premium racing products.

For the first time, all three racing codes were featured in the Summer of Racing event and promotional campaign.

The success of the 2021 carnival was in large part thanks to the dedication and hard work of the employees and volunteers of Tasmania's racing clubs. They should be congratulated for their collective efforts to host and run what were highly successful COVID Safe events.

In the thoroughbred code Newhart, trained by Leanne Gaffney, won the Devonport Cup, Thomas Lyons Stakes and Mowbray Stakes during the Ladbrokes Tasmanian Summer Racing Carnival and was named the Ladbrokes Tasmanian Horse of the Year.

For the 12th season in succession, Scott Brunton won the Australian Trainers Association Leading Trainer award with 94 winners.

Jockey David Pires won the Tasmanian Racing Club Leading Jockey award with 76 wins, while Codi Jordan won the Skillinvest Leading Apprentice award with 39 wins.

Erica Byrne Burke continued the great start to her career when she was named the Tasmanian Jockeys Association Dux of the Apprentice School.

The 2021 Tasmanian Magic Millions Yearling Sale was again labelled a success with a record gross of \$3.45 million and clearance rate of 86 per cent. From a catalogue of 123 lots, 114 lots were offered for sale, with 98 lots sold at an average of \$35,224, an increase of more than 16 per cent on the 2020 Tasmanian Magic Millions Sale results. A colt by Impending out of the mare Dream Food offered by Armidale Stud topped the sale, purchased by Tasmanian trainer Cameron Thompson for \$150,000.

In the harness code, Ryley Major was the Horse of the Year award winner. Ben Yole was the leading trainer, Juanita McKenzie the leading female trainer, Gareth Rattray the leading driver and Hannah Vandongen the leading female driver.

Tasmania's only Group 1 race for greyhounds – the Ladbrokes Hobart Thousand – was won by the Western Australian star greyhound Tommy Shelby for trainer Steven Withers.

The Group 2 Ladbrokes Launceston Cup and the Group 3 Ladbrokes Devonport Chase were won by local greyhound Wynburn Sheean, trained in Wynyard by Ben Englund.

Tasracing, in conjunction with the Launceston Greyhound Racing Club, hosted the annual awards dinner in February. Handsome Prince won the prestigious Tasmanian Greyhound of the Year award while the leading trainer was Anthony Bullock with 212 winners.

Tasracing worked closely with clubs during 2021 to evolve the way Tasracing provides marketing and event support.

It's why we race

Tasracing continued the public awareness campaign 'It's why we race', first launched in 2020.

The campaign uses video interviews with a range of industry participants to increase awareness and showcase to the public the unique passion, resilience and emotion of the Tasmanian racing family and its interlinking with the broader Tasmanian community.

To date this strategy has resulted in tens of thousands of views of the short videos, and an overwhelmingly positive response expressed on social media platforms in support of the racing industry and the more than 5,800 people who are either directly or indirectly employed by it.

Tasracing intends to continue this video campaign to give the general public an understanding of both the passion and love for racing and our animals, to tell everyone it's why we race.

76%

OF ALL GREYHOUNDS
EXITING THE INDUSTRY
RETIRED TO PET LIFE (UP
FROM 40% IN FY17)



Welfare

GREYHOUNDS

Following a change to the local welfare rules in March 2020, all greyhounds must now be desexed before being rehomed, unless they are going to be adopted through the Greyhound Adoption Program.

Following this rule change, in November 2020, Tasracing launched the Greyhound Desexing Scheme to assist owners to cover the cost of desexing their greyhound and to facilitate a quicker transition to pet life. The scheme fully funds the desexing cost for eligible greyhounds. In total, 162 greyhounds were desexed in 2020/21 through the scheme. In October 2020, the Greyhound Recovery Rebate Scheme was expanded to include race-related injuries sustained at qualifying trials or official trials at which club officials were present. The rebate amount was increased to \$3,000 per claim (doubling the initial rebate amount of \$1,500). Twenty-six applications were received during the reporting period (all were approved).

Tasracing implemented track benchmarking and testing procedures to provide a better, more consistent and safer racing surface. All tracks were reviewed by Professor David Eager, of the University of Technology Sydney, who is a recognised expert in greyhound track design. His review revealed that the three Tasmanian tracks are in the top seven safest tracks in the country. Importantly, Professor Eager is providing ongoing advice on how to make current tracks even safer, and has been engaged to assist in the design of the new north-west greyhound track and the redesign of the Mowbray track.

Greyhound Adoption Program (GAP)

Tasracing appointed a new GAP manager in April 2021. Lianne Salerno, who joined Tasracing from Greyhound Racing Victoria, has a strong background in animal health and welfare, leadership and business management. I would like to take this opportunity to thank Susan Gittus for her dedication and commitment to the GAP program over the past 10 years.

Tasracing's vision is to transform GAP in Tasmania into a best practice rehoming organisation. It is reviewing and updating all of its standard operating procedures in animal care, administration, facility management and marketing. Some of the planned improvements include the introduction of a new behaviour modification program and new kennel management software. Since November 2020, Dr Adam Richardson, the Office of Racing Integrity regulatory veterinarian, has been undertaking behaviour assessments for GAP in the state. The program also has the support of a canine behaviour specialist, based interstate, who has been reviewing video assessments and providing guidance for dogs with more challenging behaviours.

There were 98 adoptions through GAP completed during the reporting period, which was a decrease from 138 adoptions in 2019/20, but an increase from 89 adoptions in 2018/19.

GAP

Financial Year	Entered	Adopted	Failed Assessment - Euthanised	Failed Assessment - Returned to Owner
2010/2011*	38	28	3	1
2011/2012	49	30	22	2
2012/2013	38	23	14	0
2013/2014	60	35	24	1
2014/2015	100	63	33	1
2015/2016	94	85	20	0
2016/2017	118	111	18	5
2017/2018	99	111	18	2
2018/2019	79	89	6	0
2019/2020	102	138	3	1
2020/2021	76	98	1	0

*Part Year

Entries - An entry is recorded as the first time a greyhound enters GAP

Adopted - A count of the number of adoptions

Failed Assessment - Euthanised - Unsuitable for rehoming; euthanised on behavioural grounds (does not include euthanasia on medical grounds)

Failed Assessment - Returned to Owner - Unsuitable for rehoming; greyhound returned to owner

Tasracing's vision is to transform GAP in Tasmania into a best practice rehoming organisation.

Greyhound on-track injury data

	Category A + B			Category C		Category D		Category E		Total Injuries	
	(0-10 days)			(11-21 days)		(22 or more days)		(Euthanised / deceased)			
	Starters	Number	Percent of starters	Number	Percent of starters	Number	Percent of starters	Number	Percent of starters	Number	Percent of starters
2016/17	12,724	299	2.35%	39	0.31%	20	0.16%	15	0.12%	373	2.93%
2017/18	11,207	209	1.86%	46	0.41%	30	0.27%	16	0.14%	301	2.69%
2018/19	12,642	244	1.93%	58	0.46%	26	0.21%	18	0.14%	346	2.74%
2019/20	9,788	161	1.64%	52	0.53%	31	0.32%	13	0.13%	257	2.63%
2020/21	12,127	246	2.03%	73	0.60%	43	0.35%	7	0.06%	369	3.04%

Data source – ORI Stewards Reports

Note:

- Injuries are categorised by 'stand down' time from racing as determined by the On-Track Veterinarian
- In FY20, the way injuries were categorised changed to enable national uniformity in reporting

FY17-19	FY20 onwards
Very minor (0-5 days)	Category A (0 days)
Minor (6-10 days)	Category B (1-10 days)
Medium (11-21 days)	Category C (11-21 days)
Major (> 21 days)	Category D (22 or more days)
Catastrophic (Euthanised / deceased)	Category E (Euthanised / deceased)
- In FY20, racing was shut down for 10 weeks

Greyhound retirement data

	2016/2017		2017/2018		2018/2019		2019/2020		2020/2021	
	Number of dogs	(%)	Number of dogs	(%)	Number of dogs	(%)	Number of dogs	(%)	Number of dogs	(%)
Breeding	24	3.51	20	4.40	11	2.68	8	2.25	23	6.76
Deceased	57	8.35	25	5.50	38	9.27	24	6.74	18	5.29
Euthanised	309	45.24	198	43.50	137	33.41	90	25.28	40	11.76
Rehomed	274	40.12	212	46.60	224	54.63	233	65.45	259	76.18
Other	18	2.64	0	0.00	0	0.00	1	0.28	0	0.00
Total	683		455		410		356		340	

Data source – OzChase National System

Note: Data is 'self-reporting' and has not been independently verified

- The above table does not include an ORI Stewards audit of 37 records in FY21

Of the 37 audited records:

 - 23 greyhounds were marked by ORI Stewards as "Deceased – Illness/Age"
 - All 23 greyhounds were whelped in or prior to 2010 and are presumed deceased
 - 14 greyhounds were marked by ORI stewards as "Retired to Pet – 3rd Party"
 - In all 14 cases, owner no longer licensed and will not notify whereabouts of greyhound
 - In 6 of the 14 records, the trainer end date is 2016
 - In 1 of the 14 records, the trainer end date is 2020
 - In 7 of the 14 records, the trainer end date is unknown
- Considerable improvement across the years in rehoming rate and the number of greyhounds deceased/euthanised
 - In FY21, 76.18% of all greyhounds exiting the industry retired to pet life (up from 40.12% in FY17)
 - In FY21, 11.76% of greyhounds exiting the industry were euthanised (down from 45.24% in FY17)

Greyhound breeding data

	2016/17	2017/18	2018/19	2019/20	2020/21
Number of Litters	29	48	40	32	40
Pups Whelped	237	330	248	203	283

Data source – OzChase National System

Note: Data is 'self-reporting' and has not been independently verified



162

GREYHOUNDS DESEXED
UNDER NEW GREYHOUND
DESEXING SCHEME



EQUINE

Tasracing is on the record as stating it is supportive of Racing Australia, Harness Racing Australia and other parties calling for the development of a National Horse Traceability Register. Within this context, Tasracing provided a submission to the Thoroughbred Breeders Aftercare Welfare Working Group Issues Paper and to the Harness Racing Australia Scott Parker Traceability Report.

Tasracing also provided a submission to the Animal Welfare Task Group discussion paper on the Land Transport of Horses.

Tasracing and the Office of Racing Integrity are working together towards the establishment of Equine Welfare Standards across both horse codes.

During the year Tasracing resolved to implement an Australian-first thoroughbred welfare initiative. Using the Stridemaster technology already in use for sectional timing, StrideSAFE is a software product that maps every thoroughbred horse racing in Tasmania against biometric modelling undertaken by the University of Kentucky. The software identifies horses that may be about to suffer an injury earlier than trainers, jockeys and stewards are able to detect using traditional methods.

The software has been trialled successfully at the New York Jockey Club, proving that the software has the potential to allow Tasracing to help trainers take steps to prevent injuries that would otherwise result in a horse being unable to race for prolonged periods, or even being forced to cease racing permanently.

Tasracing plans to trial the software for an initial 12 month period in 2021/22. If successful, an ongoing service for trainers will be implemented. Such a service will have a significant positive impact on horse welfare and sustainability.



Harness retirement data

	2017/18		2018/19		2019/20		2020/21	
	Number of horses	(%)	Number of horses	(%)	Number of horses	(%)	Number of horses	(%)
Breeding	19	11.11	5	2.70	16	7.80	9	6.25
Deceased	20	11.69	23	12.43	17	8.29	10	6.95
Euthanised	73	42.70	73	39.46	73	35.61	54	37.50
Rehomed	58	33.92	83	44.86	99	48.29	71	49.31
Other	1	0.58	1	0.54	0	0.00	0	0.00
Total	171		185		205		144	

Data source – Harness Racing Australia Database

Note: Data is 'self-reporting' and has not been independently verified

Breeding refers to Standardbreds that leave the industry for breeding purposes

Deceased refers to Standardbreds that have died because of accidental or natural causes

Euthanised refers to Standardbreds that have been euthanised due to an injury or illness, unsafe to be rehomed or unable to be placed in a home. It includes euthanasia via veterinary surgeon and knackery/abattoir persons

Rehomed refers to Standardbreds who have exited the racing industry for equestrian, pleasure, work, kept by owner, and entered an official PRA retirement program

Other refers to Standardbreds who have been sent to a livestock sale, or where DNA was unable to identify parentage

- Steady improvement across the years in rehoming rate and the number of Standardbreds deceased/euthanised
 - In FY21, 49.31% of Standardbreds retiring from the industry were rehomed (up from 33.92% in FY18)
 - In FY21, 37.50% of Standardbreds exiting the industry were euthanised (down from 42.70% in FY18)
 - In FY21, 6.95% of Standardbreds exiting the industry were deceased (down from 11.69% in FY18)

800

VOUCHERS HAVE
BEEN ISSUED THROUGH
THE OTT SUBSIDISED
LESSONS PROGRAM



Thoroughbred retirement data

	2018/2019		2019/2020		2020/2021	
	Number of horses	(%)	Number of horses	(%)	Number of horses	(%)
Breeding	53	20.08	62	15.31	57	15.92
Deceased	15	5.68	30	7.41	19	5.31
Euthanised	31	11.74	60	14.81	43	12.01
Rehomed	159	60.23	245	60.49	237	66.20
Other	6	2.27	8	1.98	2	0.56
Total	264		405		358	

Data source – Single National System (SNS)

Note: Data is self-reporting and has not been independently verified

Breeding refers to thoroughbreds that leave the industry for breeding purposes

Deceased refers to thoroughbreds that have died because of accidental or natural causes

Euthanised refers to thoroughbreds that have been euthanised due to an injury or illness, unsafe to be rehomed or unable to be placed in a home. It includes euthanasia via veterinary surgeon and knackery/abattoir persons

Rehomed refers to thoroughbreds that have exited the racing industry for equestrian, pleasure, working, companion horse, official PRA retirement program and breeding (non-racing) purposes

Other refers to thoroughbreds who have been sent to a livestock sale, or where their official status is unknown or has been incorrectly categorised through the self-reporting system

This data excludes records that were audited as part of a data clean-up and reconciliation of old records

- FY19 excludes 478 data audit records
- FY 20 excludes 175 data audit records
- FY21 excludes 1 data audit record
- Steady improvement across the years in rehoming rate of thoroughbreds
 - In FY21, 66.20% of thoroughbreds retiring from the industry were rehomed (up from 60.23% in FY19)

Off The Track (OTT)

The reporting period saw a continued rebuild of the program.

Through this rebuild Tasracing continues to support owners looking to rehome their retired racehorses by enabling them to promote the horse on the rebuilt Off The Track (OTT) webpage and OTT social media.

Tasracing sponsored 20 events / shows through the OTT brand.

Tasracing replaced the OTT clinics with a Subsidised Lessons Program. It provides tailored support for eligible horses across a variety of topics and areas, including horse care and husbandry, groundwork, ridden components, horse behaviour and nutrition. It operates through a voucher system, with approved applicants issued vouchers to cover the cost of lessons with a Tasracing-approved coach.

The program was viewed positively by interstate Principal Racing Authorities, Queensland is in the process of implementing a similar Subsidised Lessons Program.

There were 800 vouchers issued during the reporting period to assist 80 horses. Tasracing is looking at ways to increase the take-up of the vouchers in the future.

Tasracing established a partnership with national feed company Hygain to provide eligible new owners / lessees of newly retired racehorses with feed and nutritional advice. Hygain also supplies product vouchers for use at OTT sponsored events in Tasmania (Tasracing make a financial contribution to the cost of the vouchers). The partnership launched on 1 June and 17 applicants were approved for the Hygain Nutritional Support scheme.

Digital and customer reach

FORMPLUS PRO

In June, Tasracing launched its latest digital product – Formplus PRO, an enhanced version of the already highly popular Formplus digital form service. Formplus PRO is a key plank in Tasracing's strategy to further grow our customer database, and to foster loyalty and engagement.

Formplus PRO gives customers all the market-leading form analysis tools of Formplus, and adds new replay and photo finish camera angles and professional staking strategies. All Tasmanian races and trials are now only available to customers who create a Formplus PRO account.

TASRACINGTV

Tasracing's long-term strategy for TasracingTV is to create a niche media channel that complements Sky Racing's mass-market broadcast. Live streaming of all Tasmanian races continued to be the most popular feature of Tasracing.com.au during 2021.

It provides free live streaming and replays for every race meeting across all three codes and continues to be highly valued by customers.

SKY RACING

The majority of Tasracing's customers are based interstate and overseas. This makes Tasracing's live broadcast partnership with Sky Racing critical to the sustainable growth of the industry in Tasmania.

Highlights of Tasracing and Sky Racing's partnership during the reporting period were:

- Continued collaboration to deliver live Sky hosting from Wednesday night thoroughbred racing in Launceston.
- Collaboration on production of cup day summer feature race meetings.
- Production of Tasmanian preview videos via the Sky App.
- Proposal to deliver Wednesday night racing into Turkey.

SPORTS ENTERTAINMENT NETWORK (SEN)

During the year, plans were finalised to implement a new local and interstate media partnership with SEN.

The partnership commenced in August and includes new Tasmanian tri-code panel show products and new Tasmanian tri-code segments within existing shows. The new partnership aims to further grow Tasracing's national audience reach and contribute to the goal of creating wagering customer loyalty to Tasmanian racing.

SUPPORTING CLUBS' MARKETING AND EVENT ACTIVITIES

During the year, Tasracing continued its investment to help clubs attract and entertain on course customers.

Tasracing worked closely with clubs during 2021 to evolve the way Tasracing provides marketing and event support. As clubs have grown their capability in these areas, Tasracing has been able to reduce the amount of hands-on marketing and event management support provided, instead providing a direct financial contribution to activities managed solely by clubs.

At the same time, Tasracing continued to invest in the Go Racing Tasmania digital strategy on behalf of clubs.

The Go Racing Tasmania website allows all Tasmanian racing clubs to promote and sell their events, while collecting customer data to allow ongoing customer engagement.

Tasracing recognises and appreciates the critical role clubs play in the industry – their members and guests represent the next generation of racing owners, trainers, participants and sponsors.

Major partners

LADBROKES

This year was the second year of our partnership with Ladbrokes as venue and major race day naming-rights partner.

All thoroughbred, harness and greyhound racing clubs are part of the partnership, with Ladbrokes as naming partner of the biggest race days of the Tasmanian tri-code calendar.

Club sponsorship revenue, plus marketing support provided to clubs from Tasracing, increased from year one of the Ladbrokes partnership and continued during 2021.

The partnership continues to allow Tasracing to broaden its promotion of Tasmanian racing to the national market thanks to Ladbrokes' extensive customer-base and marketing investment. For example Tasracing and Ladbrokes collaborated on promotion of the Company's new Formplus PRO Product when it was launched in June.

Ladbrokes also partnered with Tasracing to offer the unique Ladbrokes Tasmanian Summer Carnival Double Thoroughbred Cup Bonus. The bonus offered any trainer who could win the Ladbrokes Hobart and Launceston cups with the same horse in the same year an additional \$100,000 on top of other prize money. Ladbrokes also supported the return to racing in June and July 2020 with the provision of \$150,000 of bonus prize money across all three codes.

CARLTON AND UNITED BREWERIES (CUB)

Tasracing's long-term relationship with CUB continued during the reporting period, with several brand activations across major carnival days across all codes.

In particular, CUB continued its strong association with Tasracing's Young Racing Tasmania Thoroughbred Cup Day Marquees.

AGFEST

Tasracing attended the AGFEST Field Days event at Carrick during April, showcasing, for the first time, all three codes and all aspects of the industry from careers through to welfare and racing clubs.

Through Tasracing's involvement with Greyhounds Australasia we were also able to call on star of stage and screen Todd McKenney to attend to help promote the Greyhound Adoption Program (GAP). Todd is engaged by Greyhounds Australasia as the Official Ambassador for every state's GAP.

INDUSTRY CONSULTATION

Tasracing attends quarterly meetings with the Greyhound Reference Group, Harness Industry Forum and Thoroughbred Advisory Network.

There are also regular meetings with the Tasmanian Trainers' Association, the Tasmanian Jockeys' Association and Harness and Greyhound Owners, Trainers and Breeders associations on specific matters.

I would like to take this opportunity to thank the industry representatives for their time, commitment and contribution to these important forums that assist Tasracing to formulate policy.

ECONOMIC IMPACT REPORT

Some key findings from the recently released report are that the Tasmanian racing industry generates close to \$185 million in value added contribution to the Tasmanian economy - 38% of which directly benefits regional economies. The industry supports 1,515 full time equivalent jobs of which 64% are a direct result of racing activity. Over 5,800 individuals are involved in racing as either an employee, participant or volunteer with 63% of these in regional communities. The industry generated almost \$165 million in direct expenditure in the Tasmanian economy with 45% of this in regional communities. The information outlined in the report is clear that racing is a strong industry with strong regional ties throughout Tasmania.

Full copies of the report are available online or through Tasracing.

Conclusion

2020/21 has been a challenging but ultimately positive year.

The industry is in a strong position to move forward, set to benefit further from continuing sustainable stake increases, which in turn provides confidence to industry participants and a significant infrastructure investment program.

While 2021/2022 will present its own unique set of new challenges, Tasracing will, of course, continue to focus on the ongoing development of the racing industry and assist it to deliver a quality product with good welfare outcomes.

I would like to close by thanking Chairperson Gene Phair and the Board for their support and counsel, and the industry and Tasracing staff for their collective resilience and hard work during the reporting period and beyond.

I would also like to thank the Minister for Racing, Jane Howlett, for her ongoing and strong support of the racing industry.



Paul Eriksson
Chief Executive Officer

PERFORMANCE AGAINST STATEMENT OF CORPORATE INTENT

The Statement of Corporate Intent represents an agreement between Tasracing and our Shareholding Ministers regarding Tasracing's expected performance for 2020/2021. It has been prepared in accordance with section 41 of the *Government Business Enterprises Act 1995*.

Performance against the 2020/2021 targets is outlined below.

FINANCIAL

	FY2021 Actual	FY2021 Target
NPAT	\$5,998,465	(\$301,658)
Racefield Revenue	\$22,164,237	\$15,439,794
Code Funding	\$30,504,339	\$25,978,955
Capital Expenditure	\$1,229,313	\$2,000,000
Animal Welfare Funding	\$408,434	\$577,535
Workers Compensation	\$690,191	\$1,000,000
Wagering Turnover	\$799,280,032	\$593,571,933

NON-FINANCIAL

Racing Information		FY2021 Actual	FY2021 Target
Thoroughbred	Number of races	568	570
	Total starters	5,077	5,226
	Av. starters per race	8.9	9.2
Harness	Number of races	724	720
	Total starters	7,249	7,250
	Av. starters per race	10.0	10.1
Greyhound	Number of races	1,558	1,600
	Total starters	11,979	12,339
	Av. starters per race	7.7	7.7
Licensed Persons		1,341	1,428
Stakes Money Paid		\$24,173,199	\$22,610,000
Breeder Bonuses Paid		154	145
WHS		FY2021 Actual	FY2021 Target
Lost Hours (Employees)		1,103	550
Toolbox Meetings Held		49	48
Jockey Raceday Injury Claims		9.0	2.0
Jockey Training Injury Claims (External)		3.0	1.0
Jockey Training Injury Claims (Tasracing)		6.0	5.0

Welfare	FY2021 Actual	FY2021 Target
Greyhounds Euthanased (Non Injury/Safety)	4	10
Greyhounds Rehomed	98	150
Horse Attendance OTT Clinics	800	1,000
Operations	FY2021 Actual	FY2021 Target
Brand Awareness Growth	5%	6%
Video Hours Consumption Growth	32%	14%
Administration Costs	5.5%	6.1%
Asset Life Percentage	51%	52%
Assets Fit for purpose or better	87%	91%
Thoroughbred Track Performance	FY2021 Actual	FY2021 Target
Summer (% of tracks presented good 3 to dead 5)	99%	85%
Winter (% of tracks presented good 3 to slow 7)	100%	85%



COMPANY OVERVIEW

VISION

To become a globally competitive and sustainable racing industry.

MISSION

To effectively and efficiently administer racing and to improve the commercial performance and economic contribution of racing in Tasmania.

Tasracing is a State-owned company established under the *Racing (Tasracing Pty Ltd) Act 2009* with two Shareholding Ministers, the Minister for Racing and the Treasurer. The principal objectives of Tasracing are outlined in the *Racing Regulation Act 2004*.

Tasracing is the principal racing authority for Tasmania. It provides the strategic direction and funding to the three codes of racing in Tasmania – thoroughbred, harness and greyhound.

In accordance with its legislative obligations, Tasracing is responsible for the development of racing and breeding, the funding of clubs, and providing stakes, negotiating media rights, and managing racing and training venues. The Office of Racing Integrity (ORI) is responsible for maintaining the probity and integrity of each racing code.

In 2018-19 the Tasmanian racing industry was responsible for generating close to \$185 million in value-added contribution to the Tasmanian economy – 38 per cent of which directly benefits regional economies, with more than 5,800 individuals either employed, direct participants or volunteers.¹

Almost 63 per cent of these participants in racing are in regional communities. One of Tasracing's key strategic principles is to increase the racing industry's contribution to the Tasmanian economy.

Primarily funded by the Tasmanian Government under the terms of a 20-year Funding Deed, Tasracing must focus on commercial revenue in order to maintain financial sustainability. Only through financial sustainability can Tasracing deliver the growth in returns to racing participants essential for overall industry sustainability.

Tasracing's commercial revenue is primarily derived from off-course wagering customers. Revenue is earned through Race Field Fees applied to wagering service providers offering wagering on Tasmanian races to their customers. Since Tasracing was established in 2009, the racing and wagering landscape has continued to change rapidly. Privatisation of wagering providers, changing consumer preferences, rapid technological change and intensification of competition from sports betting and other forms of entertainment characterise Tasracing's commercial environment.

A vast majority of Tasracing's wagering revenue is generated from interstate and overseas markets.

Integrity is a critical contributor to wagering customer confidence. The racing integrity function in Tasmania is managed externally to Tasracing by the ORI. Tasracing works with the ORI by consulting and setting the Rules of Racing for all codes, provision of stewards' facilities and provision of race day footage.

¹ Size and Scope of the Tasmanian Racing Industry Report (June 2021)



Key achievements

Key achievements over the last 12 months include:

- Successful delivery of TriCode Summer carnival under a COVID-Safe environment of movement and crowd restrictions.
- Initial 6 per cent increases in stakes for all codes of racing, followed by a further 6 per cent increase from 1 February 2021.
- Commencement of the development of a new greyhound and harness racing facility on the North-West Coast of Tasmania after successful finalisation of the lease at the Devonport Showgrounds and injection of \$8m contribution from the Government for the project.
- Release of the second five-year Infrastructure Plan and Strategy paper for industry consultation.
- Announcement of a new Maternity Assistance Program (MAP) for female jockeys and harness racing drivers in the state. Tasracing's MAP will bridge the gap from when a jockey or driver ceases riding or driving at the end of their first trimester until they are eligible for the Federal Government's Paid Parental Leave scheme at the birth of the child.
- Collaboration with the Northern Midlands Council to develop a masterplan to secure the future of the Longford Racecourse precinct.
- Commissioning the Economic Contribution Study (Size and Scope of the Tasmanian Racing industry) to quantify the economic, employment and social contribution that the Tasmanian racing industry generates within the State of Tasmania. The Study was undertaken by IER.
- Increased welfare policies and initiatives, including the establishment of the greyhound desexing program, expansion of the Greyhound Injury Rebate, provision of emergency animal welfare support for horses in jeopardy, and a review of all greyhound racing tracks for safety and welfare considerations conducted by the University of Technology Sydney.
- Expansion of Tasracing's digital asset, FormPlus, by creating CRM, alerts and black book systems, and development of Formplus PRO to further engage our digital customers.
- Successful completion of the 2020 Enterprise Agreement.
- Commencement of the reconciliation action plan to provide a framework to support the national reconciliation movement.
- Delivery of round 2 of the Community Club Grants.
- Successful restructure of Harness Breeding Scheme, and Thoroughbred Breeding Scheme.
- Elwick and Mowbray Harness track renovation analysis and planning.
- Successful response to Elwick track issues inline with the Monteith Report.
- Continuously responding to COVID-19 changes to ensure safety for staff, industry participants and the public for the safe conduct of the races.

OUR OPERATING ENVIRONMENT

Tasracing, as a tri-code racing authority, must manage competing interests between codes, venues and participants. To achieve our strategic objectives, Tasracing needs to consult, collaborate and focus on fostering a commercial mindset, while respecting the passion and personal pursuits of participants.

Racing is a dangerous, high risk sport. Safety remains our core priority and we will continue to focus and invest in systems, processes and initiatives which help to mitigate risk for participants and stakeholders.

Welfare concerns continue to dominate the industry. Enhancing welfare remains a core priority for Tasracing and the sport must also ensure it meets or exceeds expectations in order to maintain its social licence to operate.

COVID-19 risks continue to create uncertainty as the pandemic extends. This has resulted in cash flow impacts, more stringent hygiene and security protocols, and restrictions on events impacting revenue generation and cultural benefits of racing.

Tasracing is faced with a complex operating environment, but one that has an exciting future. We respect our racing traditions but maintain our commercial focus and continue to invest in innovation and the reform to secure this future.

Nationally and locally we face many challenges. However there are many exciting opportunities that are now afforded by our sustainable position and an increasingly connected digital world. Invest, innovate and differentiate are the three pillars of focus that drive our strategic principles, goals and initiatives.





BOARD OF DIRECTORS

Our Board comprises seven non-executive directors: a chairperson, three directors who each have experience and expertise in one of the three codes of racing, and three directors with the experience and expertise necessary to enable the Company to achieve its objectives. Directors are appointed for a term of three years and may be reappointed at the expiry of that term subject to their contribution having been satisfactory and their skills continuing to be relevant to the Board.

At the Annual General Meeting on 18 November 2020 (AGM), Mr Martin Wallace was appointed to the Board as a non-executive director. Mr Danny McCarthy retired from the Board after serving for 10 years..

The Board wishes to thank Mr McCarthy for his significant contributions and valued services to the Board during his 10-year tenure.

The Board has five standing committees: Audit & Risk, Asset & Safety, Racing Rules & Policy, Board Nominations and HR & Remuneration. Our Director Selection Advisory Panel (DSAP) is held as and when required to select a director, with an independent panel member.

The directors of Tasracing at any time during or since the end of the financial year were:

OUR BOARD OF DIRECTORS



Gene Phair (Chairperson)

Appointed: 22 November 2018

Current term: 22 November 2018 – November 2021

Member: Board Nominations (Chair), HR & Remuneration Committees and DSAP (Chair)

Mr Phair is currently the Head of Shadforth in Tasmania and oversees Shadforth's three offices in Hobart, Launceston and Devonport. Prior to joining Shadforth in 2016, Mr Phair spent 12 years as the Group Financial Controller and Head of Corporate and Capital Management at IOOF, an ASX listed Top 100 Company, responsible for mergers and acquisitions and treasury function.

Mr Phair is a Fellow of the Chartered Accountants Australia and New Zealand and a member of the Australian Institute of Company Directors. He is also the Chairperson of the Board of The Hutchins School.



Helen Galloway (Deputy Chairperson)

Appointed: 20 July 2016

Current term: 26 November 2019 – November 2022

Member: Audit & Risk (Chair), HR & Remuneration (Chair) and Board Nominations Committees

Mrs Galloway was appointed as the Deputy Chairperson of the Board in December 2019. An experienced executive in the commercial gaming industries, Mrs Galloway was formerly a vice president of casino development and strategic analysis with Marina Bay Sands in Singapore and Sand China Limited in Macao. Mrs Galloway is a Fellow of CPA Australia (FCPA) and a graduate of the Australian Institute of Company Directors. Mrs Galloway is also on the Board of TT-Line Company Pty Ltd, Sorell Council Audit Panel, Bank of Us and Hydro Tasmania.



Robyn Whishaw

Appointed: 21 December 2016

Current term: 26 November 2019 – November 2022

Member: Racing Rules & Policy (Chair) Committee

An owner and operator of the highly successful Armidale Stud in Carrick in northern Tasmania, Mrs Whishaw is a member of the Tasmanian Racing Hall of Fame and a former chairperson of the Thoroughbred Advisory Network. Mrs Whishaw is on the Board of Racing Australia representing Tasracing.

Mrs Whishaw holds a Bachelor of Education from the University of Tasmania.



Joel Wallace

Appointed: 1 December 2015

Current term: 22 November 2018 – November 2021

Member: Asset & Safety (Chair) and Racing Rules & Policy Committees

A chartered accountant, Mr Wallace is Chief Executive Officer and Director of 6ty Pty Ltd, an architectural, surveying and engineering firm based in Launceston, Tasmania. He was also formerly a manager at KPMG.

As a past president of the Launceston Pacing Club, Mr Wallace is actively involved with the harness racing industry. Mr Wallace is on the Board of Harness Racing Australia representing Tasracing.

Mr Wallace is a graduate of the Australian Institute of Company Directors.



Michael Gordon

Appointed: 21 September 2016

Current term: 26 November 2019 – November 2022

Member: Racing Rules & Policy Committee, HR & Remuneration Committee and DSAP

A director of PDF Management Services, a management consulting firm based in Hobart, Mr Gordon has a broad and diverse career across the training, employment and youth sectors. Mr Gordon has extensive experience with fire services in Tasmania and South Australia and as a small business owner and operator.

Mr Gordon has bred, owned and raced greyhounds. He also has a longstanding association with the harness and thoroughbred codes, both as a participant and committee member. Mr Gordon is on the Board of Greyhound Australasia representing Tasracing.

Mr Gordon holds a Bachelor of Business from the University of South Australia.



David Garnier

Appointed: 26 November 2019

Current term: 26 November 2019 – November 2022

Member: Audit & Risk Committee and Asset & Safety Committee

Mr David Garnier is the founder and Chairperson of New Wave Capital, a Hong Kong based corporate advisory and strategic consulting firm. He has over 30 years of international experience as a business executive and board representative across numerous sectors – technology, gaming and wagering and media of particular relevance. Mr Garnier has extensive experience in digital economy, digital marketing, e-sports, governance and capital markets. He has strong networks across businesses relating to digital marketing, payment systems, wagering and payments and e-sports.

Mr Garnier has a Bachelor of Commerce (Law and Economics) from Canberra University and is a qualified CPA. He is a board member of a number of private and public companies.



Martin Wallace

Appointed: 18 November 2020

Current term: 18 November 2020 – November 2023

Member: Audit & Risk Committee and Asset & Safety Committee

Mr Martin Wallace is a former Secretary of the Department of Treasury and Finance in Tasmania. He brings more than 30 years experience in public administration, business and financial management. Mr Wallace has extensive regulatory policy experience as well as senior executive experience in the energy and telecommunications sectors.

Mr Wallace is an experienced board member including his current role with the National Competition Council and past roles with Aurora Energy, the Tasmanian Public Finance Corporation, TasTel Limited and the Governing Council of the Tasmanian Health Service.

Mr Wallace has been a long-term participant in the racing industry in Tasmania, both as an owner of horses and as a hobby breeder.



Danny McCarthy (Preceding Director)

Appointed: 1 December 2010

Retirement: 18 November 2020

Member: Audit & Risk (Chair) Committee

A chartered accountant, Mr McCarthy is currently a partner of a Hobart firm Wise Lord & Ferguson, specialising in audit and assurance, business and personal advisory and tax. He was formerly a Director of DJ Motors Pty Ltd and Motor Accidents Insurance Board. He currently serves as the Tasmanian State Representative on the Chartered Accountants Australia and New Zealand National Council.

Mr McCarthy retired from the Board at the 2020 annual general meeting.

Directors' meeting attendance 2020/21

Director	Board		Audit & Risk Committee		Assets & Safety Committee		Racing, Rules & Policy Committee		HR & Remuneration Committee		Board Nominations Committee	
	A	B	A	B	A	B	A	B	A	B	A	B
Gene Phair ¹	15	15	1	1	2	2			3	3	1*	1
Helen Galloway ²	15	14	5*	5	2	2			4*	4	1	1
Joel Wallace	15	15			4*	4	4	4				
Michael Gordon	15	15					4*	4	1	1	1	1
Robyn Whishaw	15	15					4*	4				
David Garnier	15	14	3	3	2	2						
Martin Wallace	8	8	3	3	2	2						
Danny McCarthy ³	7	6	2*	1								

* Committee Chairperson

A Eligible

B Attended

¹ Chairperson

² Deputy Chairperson

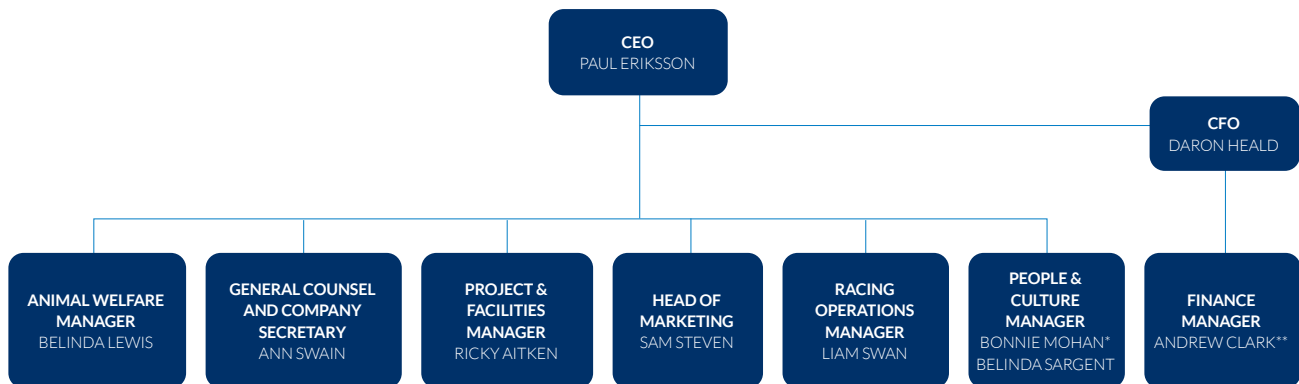
³ Preceding Director

Reallocation of Committee memberships were ratified in December 2020



Our organisational structure

Our structure has been designed around the following service pillars: Racing Operations, Projects & Facilities, Animal Welfare, Marketing, Finance, Legal & Company Secretary and People & Culture. Our culture is inclusive and performance driven, with a focus on accountability, empowerment, risk minimisation and optimised service delivery for the racing industry.



*Bonnie Mohan resigned from her position in December 2020.

** Belinda Sargent and Andrew Clark commenced in their roles in March 2021 and July 2021 respectively.

5,806

INDIVIDUALS ARE INVOLVED IN RACING AS EITHER AN EMPLOYEE, PARTICIPANT OR VOLUNTEER WITH 63% OF THESE IN REGIONAL COMMUNITIES.

Racing Operations	Our Racing Operations Team is responsible for programming, racing, management of stakes allocation, rules and policies, industry education and training of jockeys and drivers along with general management for all three codes of racing within Tasmania. The team is also responsible for the management and oversight of all industry workshops and awards along with breeding schemes and sales (Magic Millions) and liaison with major media broadcasters including Sky Channel.
Welfare	Our Welfare Team sets the strategic direction for the welfare of racing animals across the three codes of racing in Tasmania. It is responsible for enhancing animal welfare and achieving legislative and best practice animal welfare objectives. The Welfare Team develops and implements Tasmanian animal welfare programs and initiatives, oversees the Greyhound Adoption Program (GAP) and Off The Track (OTT).
Project & Facilities	Our Projects and Facilities Team works closely with the Racing Operations Team to facilitate all race meetings of the three codes of racing across the state. It is primarily responsible for the day-to-day operational oversight and maintenance/preparation of the tracks, staffing requirements for the thoroughbred meetings and key harness raceday employees, occupational safety and health and Tasracing training venue operations. The Team is also responsible for identified planned strategic and reactive risk mitigation. Deliverables include assisting race clubs to engage with new and existing industry participants and patrons through improved venue experiences by undertaking capital infrastructure projects and operational maintenance services.
Marketing	Our Marketing Team is responsible for presenting our racing product in order to drive wagering revenue growth. To achieve this, the team undertakes a range of strategic partnerships, promotion and digital product development. The Team also provides marketing and event assistance to racing clubs to help them attract and retain on-course customers. Marketing also develops and implements communication programs designed to grow public understanding of the racing industry and its value to the economy and the community.
Finance	The Finance Team delivers a range of financial and administrative functions to support Tasracing's core operational areas of racing operations, animal welfare and infrastructure maintenance. We strive to provide accurate and timely financial services, including transaction processing, measurement and reporting of financial information, monitoring adherence to internal controls, plus compliance with legislative requirements. Key responsibilities of the team include payment of stakes, payroll, budgeting and forecasting, internal and external reporting, risk management and business analysis.
Legal & Company Secretary	Our Legal Team is responsible for the management of Tasracing's legal and governance functions, including the provision of legal advice and services to all parts of the business, compliance management, regulatory affairs and company secretary duties. The Company Secretary is responsible for delivering corporate governance advice and counsel to the Board, Chief Executive Officer and management.
People & Culture	People & Culture is responsible for the strategic framework of all employee life-cycle activities, including the management and support of recruitment, onboarding, performance management, ER/IR navigation, training & development, remuneration and benefits, workers compensation and offboarding.



OUR MANAGEMENT TEAM



Paul Eriksson
Chief Executive Officer



Daron Heald
Chief Financial Officer



Ann Swain
General Counsel and
Company Secretary



Liam Swan
Racing Operations Manager



Belinda Lewis
Animal Welfare Manager



Ricky Aitken
Projects and Facilities Manager



Sam Steven
Head of Marketing



Andrew Clark
Finance Manager



Belinda Sargent
People and Culture Manager

OUR VALUES

RACING IS OUR PASSION

- We acknowledge our central responsibility to the sport of racing
- We are committed to animal welfare and the integrity of the sport
- We take pride in the presentation and performance of our tracks and facilities
- We support people to continually develop their industry skills

AIMING FOR EXCELLENCE

- We set challenging yet realistic goals
- We deliver our operations as efficiently as possible
- We are committed to continuous improvement
- We actively embrace and plan for change
- We value innovation and original thinking
- We place importance on managing risk

COMMUNICATING CLEARLY

- We recognise the importance of relationships
- We conduct ourselves professionally and communicate with respect
- We encourage the exchange of ideas
- We acknowledge the importance of customers and their experience

ENCOURAGING TEAMWORK

- We work collaboratively to achieve the best outcome
- We empower people so they can work to their potential
- We are inclusive and support diversity
- We recognise achievement and reward great performance



CORPORATE PLAN

In line with our Shareholding Ministers' expectations, Tasracing undertakes annual updates to a rolling five-year Corporate Plan. The Corporate Plan is presented annually to the Shareholding Ministers for approval. Tasracing's current Corporate Plan has a strong focus on customers, commercial partners, industry participants, staff, infrastructure and welfare.

Our Goals

Our goals and initiatives are aimed at building industry confidence, meeting community expectations, addressing infrastructure issues and delivering increasing returns to industry. They include:

PARTICIPATION

Maintain and grow participation in the industry by enhancing overall participant returns and delivering on other key initiatives.

COMMERCIAL DEVELOPMENT

Explore new business opportunities to increase revenue and to promote the Tasmanian racing industry.

RISK & SAFETY

Responsibly manage risk including safety to protect our participants, employees, assets, and shareholders.

ORGANISATION

Ensure suitable skills and systems are employed throughout Tasracing's operations, assets and governance structure.

ANIMAL WELFARE

Promote and enhance animal welfare in accordance with community expectations.

INFRASTRUCTURE

Provide efficiently managed racing and training infrastructure aligned with participant and customer expectations.

CUSTOMER

Focus on wagering customers by understanding their needs, building relationships with wagering service providers and creating value through innovation and great customer service.

OUR STRATEGIC PRINCIPLES

Tasracing's primary purpose is to develop a competitive and sustainable racing industry in Tasmania.

We are committed to:

- operating in accordance with sound commercial practice and within current funding commitments as provided for in the Funding Deed
- supporting and promoting the racing industry in Tasmania
- developing strategies and initiatives to address cost efficiencies
- ensuring the safety of the public, racing participants and employees by implementing and complying with best practice operating procedure
- maintaining the safety and efficiency of our facilities by developing appropriate maintenance and capital improvement programs.

Our strategic principles represent key themes within our corporate plan. They align with our Shareholders' Statement of Expectations.



Maximise economic contribution

Maintain tri-code presence in three regions (North-West, North and South)

Responsibly manage risk including safety

Maximise commercial performance

Safeguard animal welfare

Valued by the community for what we do and what we stand for

THOROUGHBRED CODE REPORT



Thoroughbreds

Tasmanian thoroughbred code funding increased by 7.9 per cent (\$1,100,748) to \$15.03 million in 2020/21. The increase in stakes was used to raise base stakes across the board for all races.

Wagering turnover on Tasmanian thoroughbred racing totalled \$343 million during the year, compared to the COVID-19 shutdown-affected result of \$203 million in 2019/20.

Jockey David Pires won the Tasmanian Racing Club Leading Jockey Award with 76 wins, while Codi Jordan won the Skillinvest Leading Apprentice award with 39 wins. Erica Byrne Burke continued the great start to her career when she was named the Tasmanian Jockeys Association Dux of the Apprentice School.

For the 12th season in succession, Scott Brunton won the Australian Trainers Association Leading Trainer award with 94 winners.

Michael O'Grady from the John Blacker stable was presented with the Tasracing Industry Appreciation Award.

In the thoroughbred code Newhart, trained by Leanne Gaffney, won the Devonport Cup, Thomas Lyons Stakes and Mowbray Stakes during the Ladbroke's Tasmanian Summer Racing Carnival and was named the Ladbroke's Tasmanian Horse of the Year.

Swoop Dog from the John Blacker stable was named the Devonport Racing Club 3YO Horse of the Year after wins in the Tasmanian Guineas and Launceston Guineas.

The unbeaten (six wins from six starts) Turk Warrior, trained by Glenn Stevenson, was a clear winner of the Tasmanian Turf Club 2YO Horse of the Year award with highlight wins in the Elwick Stakes and Gold Sovereign Stakes during the summer carnival.

Wordsmith, who stands at Gee Gee Stud, was named the Magic Millions Leading Tasmanian-based Juvenile Sire, as well as the Tasbreeders Leading Overall Tasmanian-based Sire.

The Grenville Stud Tasmanian Broodmare of the Year was Yarra Bank, the dam of Kemalpassa. The Armidale Stud "Alpine Eagle" Leading Tasmanian Filly or Racemare was Mystic Journey from the Adam Trinder stable.

The 2021 Tasmanian Magic Millions Yearling Sale was again labelled a success with a record gross of \$3.45 million and clearance rate of 86 per cent.

From a catalogue of 123 lots, 114 lots were offered for sale, with 98 lots sold at an average of \$35,224, an increase of more than 16 per cent on the 2020 Tasmanian Magic Millions Sale results.

A colt by Impending out of the mare Dream Food offered by Armidale Stud topped the sale, purchased by Tasmanian trainer Cameron Thompson for \$150,000.

Night racing at Mowbray continued to be successful with race meetings still generating high returns for Tasmanian product. The lone Friday night meeting for the season was held on 23 October to coincide with Manikato Stakes night at Moonee Valley.

The meeting produced a turnover figure higher than any of the major cup days over the past five years at \$9.3 million.

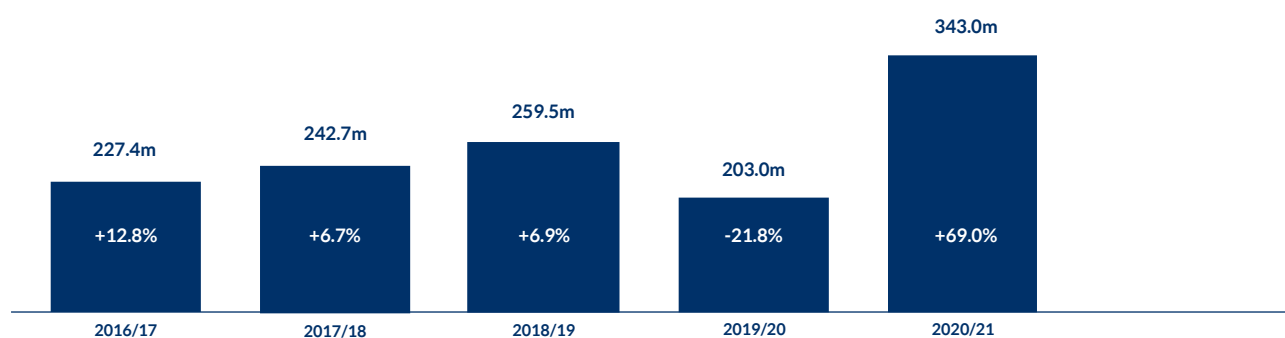
The majority of night meetings were held on Wednesday nights. Average turnover generated was \$5.7 million per meeting, an increase of 16.6 per cent from 2019/20.

Tasracing acknowledges the efforts of the members of the Thoroughbred Advisory Network (TAN) who meet with Tasracing on a quarterly basis. Tasracing looks forward to continuing to work with TAN members to further strengthen and improve thoroughbred racing in Tasmania.

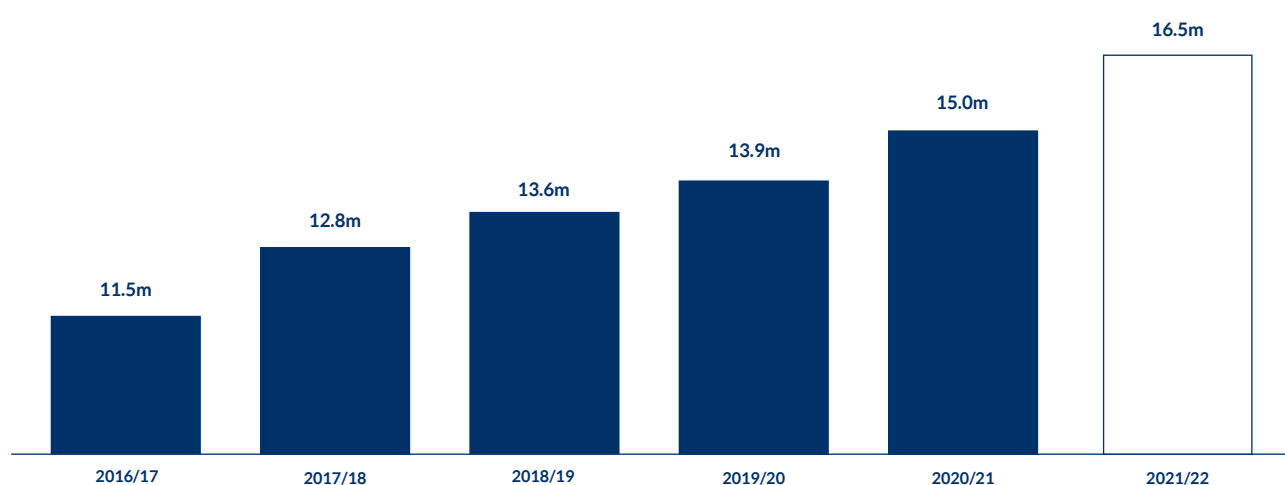
Tasracing continued to deliver race day operations at the Devonport Racing Club, the Tasmanian Turf Club, and the Tasmanian Racing Club. This structure delivers efficiencies across all venues and allows for a coordinated, centralised system that compliments Tasracing's ongoing statewide responsibilities for tracks and assets.



Thoroughbred wagering turnover (\$M)



Total code allocation thoroughbreds (\$M)



Key racing statistics thoroughbreds

	16/17	17/18	18/19	19/20	20/21
Meetings	72	73	72	58	71
Races Held	564	555	553	454	574
Overall Starters	5,422	5,053	4,976	3,996	5,108
Average Starters/Race	9.6	9.1	9.0	8.8	8.9
Thoroughbred Stakes (\$)*	9,898,996	11,196,109	11,699,492	9,970,041	12,954,490
Covid-19 Welfare Payments (\$)	-	-	-	2,037,698	-
Thoroughbred Code Funding (\$)*	11,493,430	12,881,108	13,406,140	13,930,814	15,031,557

* Representing amounts expensed during the financial year. Unspent Code Funding Allocation is carried forward to future years which may include stakes.

FY20 Code funding includes COVID-19 support payments made during the industry closure. FY20 Stakes paid were impacted by that closure.

FY21 stakes includes 5 months worth of the 6% annualised increase which commenced in February 2021.

The allocation of Code Funding to Stakes and other code specific items is determined annually in consultation with the Thoroughbred Advisory Network.

Thoroughbred Award Winners

ATA Tasmanian Leading Trainer
TasBreeders Leading Tasmanian-based Sire
Grenville Stud Broodmare of the Year
Armidale Stud "Alpine Eagle" Leading Racemare or Filly
TasracingTV Media Award
Tasracing Industry Appreciation
ROAT Owner Recognition
TRC Leading Jockey
Skillinvest Leading Apprentice
TJA Dux of the Apprentice School
TAN Recognition for Services to the industry
Tasmanian Turf Club 2YO of the Year
Devonport Racing Club 3YO of the Year
Ladbrokes Horse of the Year
Magic Millions Leading Tasmanian-based Juvenile Sire

Scott Brunton
Wordsmith
Yarra Bank
Mystic Journey
Codi Jordan
Michael O'Grady
Mandy Gunn
David Pires
Codi Jordan
Erica Byrne Burke
Ross and Glenda Jones
Turk Warrior
Swoop Dog
Newhart
Wordsmith



HARNESS CODE REPORT



Harness

Harness racing in Tasmania received two funding increases in 2020/21. After industry consultation, the initial increase was allocated to additional races while the second increase was allocated directly to base stakes. This base-stakes increase placed Tasmanian harness racing stakes third nationally when comparing country prize money levels.

There were 16 feature races held in Tasmania during the reporting period with stake money of \$20,000 or more. Prize money across these races totalled \$655,000.

The Shallows, trained by Heath Woods, won the \$30,000 Tassie Golden Apple Final, and after disqualification of the interstate runner Bully's Delight, also took out the \$75,000 Tasmania Cup Final. Wivenhoe trainer Craig Hayes won the \$75,000 Easter Cup Final with his 6YO gelding Scooterwillrev.

The permanent change of the Harness racing calendar commenced 1 January 2021. This has had a major impact on the programming of Feature Events, specifically for two and three-year-olds, as well as delivering positive welfare outcomes for the industry. The TASBRED Sires Stakes races now scheduled later in the year are expected to achieve positive results in both field sizes and wagering.

The National Ratings Handicapping System introduced on 1 July 2019 has continued to deliver positives within the code across Australia. Increased wagering, field sizes and more competitive racing are the specific outcomes. A Ratings Review Team with representatives from each state meet on a regular basis to discuss feedback from the industry. Work around programming guidelines with Tasmania commenced in late 2020 and were introduced on 1 January 2021. These guidelines have created races to combat low-rated, high-win horses racing against low-win horses. These guidelines have received positive feedback from the industry.

Launceston was scheduled to host the annual Female Driver's Championship in March 2020 which was unfortunately cancelled due to COVID-19. Tasmania was subsequently offered the 2021 series which was held in Launceston in March 2021. In conjunction with the Team Teal initiative, representatives from each of the states competed for the title. The final points tally was:

Dannielle Veivers (QLD)	71
Narissa McMullen (QLD)	56
Emily Suvaljko (WA)	50
Dani Hill (SA)	49
Kate Gath (VIC) / Sam Gangell (TAS)	42
Lisa Ryan (SA)	40
Kerryn Manning (VIC)	39
Ashley Hart (NSW)	39
Hannah Vandongen (TAS)	36
Jocelyn Young (WA)	34
Stephanie Lippiatt (NSW)	29

King Island Racing was again held over the December-January period with seven combined Harness-thoroughbred meetings. There was an increase in standardbreds racing on the island, with two harness races held per meeting attracting an average of nine starters per race. This was an increase from the previous financial year.

The TASBRED bonus distribution was adjusted after the completion of the Harness Industry Review in late 2019 with two and three-year-olds now eligible for a

\$10,000 bonus for their first win. Four-year-old and older horses also continued to receive these bonuses for their first win under an amended structure. A total of 51 TASBRED bonuses were paid out at a total of \$364,500.

TASBRED Breeders Coupons and TASBRED Owners Breeding Incentive payments of \$123,257 (including a \$5,000 Yearling Sale Bonus) were also paid out during the reporting period.

The new \$2,000 foal born payment was made for 103 TASBRED foals, totalling \$206,000.

Payment of foal notification fees on behalf of breeders saved industry participants more than \$16,000.

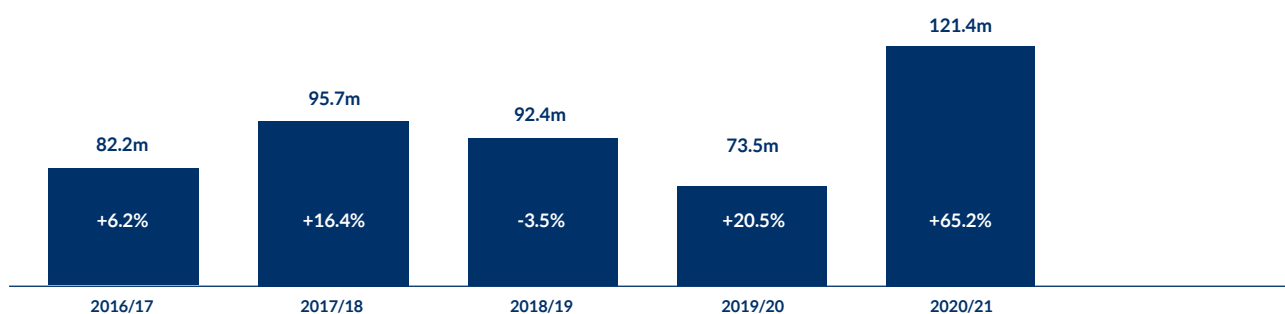
Double Seated Sulkies introduced in 2019 and used for promotional purposes were unfortunately unable to be used over 2020/21 due to COVID restrictions and social distancing requirements. The recommencement of the Double Seated Sulkies is planned for the 2021/22 season.

The Harness Industry Forum (HIF) continued to meet quarterly in 2020/21. Tasracing appreciates the time and effort all HIF participants commit to this process that facilitates direct interaction and consultation between Tasracing and industry.

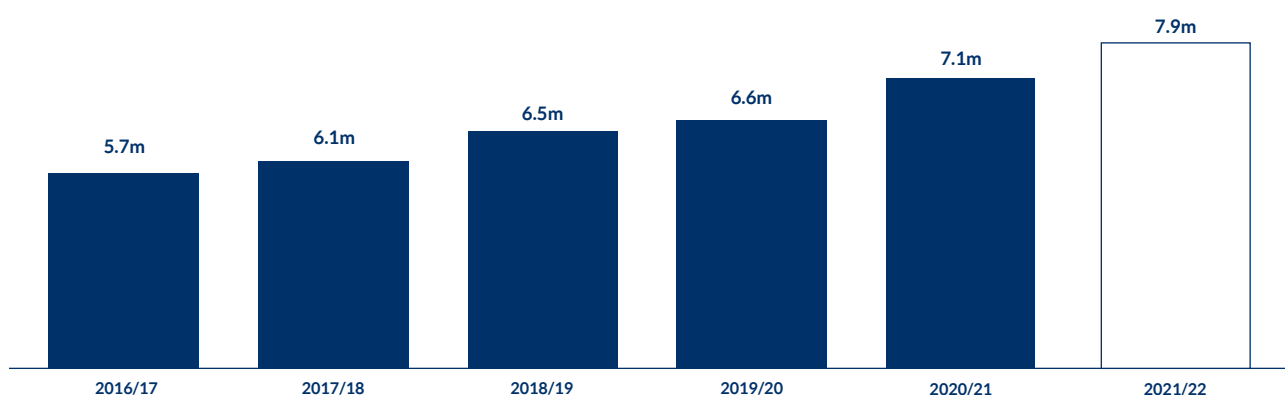
With the change of season commencing on 1 January, the premiership winners for the 19/20 Season were celebrated in March 2021.



Harness Wagering turnover (\$M)



Total code allocation Harness (\$M)



Key racing statistics Harness

	16/17	17/18	18/19	19/20	20/21
Meetings	84	81	90	68	85
Races Held	716	694	721	550	724
Overall Starters	6,582	6,979	7,050	5,520	7,249
Average Starters/Race	9.2	10.1	9.8	10.0	10.0
Harness Stakes (\$)*	5,133,719	5,429,725	5,689,119	4,381,981	6,131,689
Covid-19 Welfare Payments (\$)	-	-	-	1,465,765	-
Harness Code Funding (\$)*	5,861,173	6,230,039	6,492,477	6,700,609	7,096,794

* Representing amounts expensed during the financial year. Unspent Code Funding Allocation is carried forward to future years which may include stakes. FY20 Code funding includes COVID-19 support payments made during the industry closure. FY20 Stakes paid were impacted by that closure. FY21 stakes includes 5 months worth of the 6% annualised increase which commenced in February 2021. The allocation of Code Funding to Stakes and other code specific items is determined annually in consultation with the Harness Industry Forum.

Harness Award Winners

Leading Trainer	Ben Yole
Leading Driver	Gareth Rattray
Leading Junior Driver	Taylor Ford
Leading Female Trainer	Juanita McKenzie
Leading Female Driver	Hannah Vandongen
Tasracing Welfare Award	Brooke Hammond
TasracingTV Performance Award	Ricky Duggan
Tasracing Mini Trot Award	Alec MacDonald
2YO Colt or Gelding of the Year	Agouda Ruler
2YO Filly of the Year	Melnrowley
3YO Colt or Gelding of the Year	A Spanish Dance
3YO Filly of the Year	Kohanah
4YO & Older Horse of the Year	Ryley Major
4YO & Older Mare of the Year	Still Hungover
Broodmare of the Year	Tania Maree / Shez Ryleymak
Horse of the Year	Ryley Major
Beautide Award	The Shallows (Heath Woods)
Industry Award	Audrey Hamer
Young Achiever Award	Lachlan Dakin
Halwes Medal (sponsored by BOTRA)	Rohan Hillier
The Edgar Tatlow Medal	Phillip Young



GREYHOUND CODE REPORT



Greyhounds

The stakes increase of this financial year, together with part of the unexpended funds from the 2019/20 season, allowed the following allocation to industry, effective from 1 October 2020:

- Continued funding of a contribution to the Greyhound Adoption Program, insurance premium cover for handlers, the TASBRED Starter Bonus, the Grade 6 Bonus and vaccination assistance for pups.
- An increase in the assistance provided under the Greyhound Recovery Rebate Scheme and the extension of the cover to include official trials.
- Reimbursement of the laboratory costs for the DNA analysis for breeding females.
- A stakes increase of \$400 for all graded events.

In December 2020, the Minister for Racing, Jane Howlett, announced an additional six per cent annual increase on the stakes budget from 2019/20. This was used to provide a \$95 increase in base stakes, as well

as an increase to Feature Events of either \$1,000 or \$3,000 (depending on current funding level).

With racing returning two weeks prior to commencement of the new financial year after the shutdown, races and field numbers were impacted in July 2020. Despite those impacts, turnover for the year was an impressive 68 per cent above 2019/20 results. Significantly, TAB turnover was only up by 24.4 per cent while Betting Exchanges and Corporates were up nearly 100 per cent and nearly 92 per cent respectively.

The first Good Friday race meeting for greyhounds was held in 2021 at Devonport, which was a popular decision for the North-West Coast community. The meeting was also well supported with turnover exceeding \$3 million.

Tasracing continued to consult with the industry through the Greyhound Reference Group (GRG) which comprises delegates from each club and the Greyhound Owners, Trainers and Breeders Association of Tasmania.

The GRG held five formal face-to-face meetings during the year with a further meeting via teleconference in January to discuss the allocation of additional funding.

Further consultation occurred via the Programming Subcommittee which provided recommendations on programming and feature events. The Programming Subcommittee met on five occasions during the year.

Tasmania's only Group 1 race – the Ladbroke's Hobart Thousand – was won by the Western Australian star greyhound Tommy Shelby for trainer Steven Withers. The Group 2 Ladbroke's Launceston Cup and the Group 3 Ladbroke's Devonport Chase were won by local greyhound Wynburn Sheean, trained at Wynyard by Ben Englund.

Tasracing, in conjunction with the Launceston Greyhound Racing Club, hosted the annual awards dinner in February 2021 to celebrate the industry's achievers for 2020.

The function, which was well attended by industry participants, saw the following awards presented:

- Tasmanian Greyhound of the Year – Handsome Prince (nine wins and nine placings in Tasmania and New South Wales, and winner of the Million Dollar Chase in New South Wales).
- Leading Trainer – Anthony Bullock (212 winners).
- Leading Owner – Debbie Cannan (73 winners).
- Leading Breeding Female – She's All Class (progeny won 45 races).
- Leading Sire – Fernando Bale (progeny won 193 races in Tasmania).
- Most Consistent Greyhound – Gypsies Luck (18 wins and 19 placings from 48 starts in Tasmania).

Tasracing is working with TasTAFE to reintroduce industry training, with the project being funded by the Tasmanian Government thanks to an election commitment. It is expected that accredited training will be reintroduced for industry participants through the initiative.

Animal welfare is an integral part of the Tasmanian racing industry, which continues to be developed to ensure the expectations of the general community are met. A suite of Local Welfare Rules were adopted in March 2020 and have been reviewed and updated effective July 2021. The updates included notice to the industry that from mid-August 2021 synthetic material only can be used as a lure in training, education or preparation to race, race or trial. Work continues on an overarching Greyhound Injury Protocol policy that will provide clear direction to On-Track veterinarians,

officials and industry participants of the expectations around procedures and treatment for injuries.

To assist participants with the rehoming of their retired greyhounds to life as a pet after their racing career concludes, Tasracing introduced the Greyhound Desexing program which meets the cost of desexing of all greyhounds being retired as pets.

The National Rules Revision project has been a major focus in the latter half of the year. The project is now being finalised with the new rules to be implemented in late January 2022. Part of this project includes a review of the local rules to ensure they complement both the national rules and Tasmania's specific requirements.

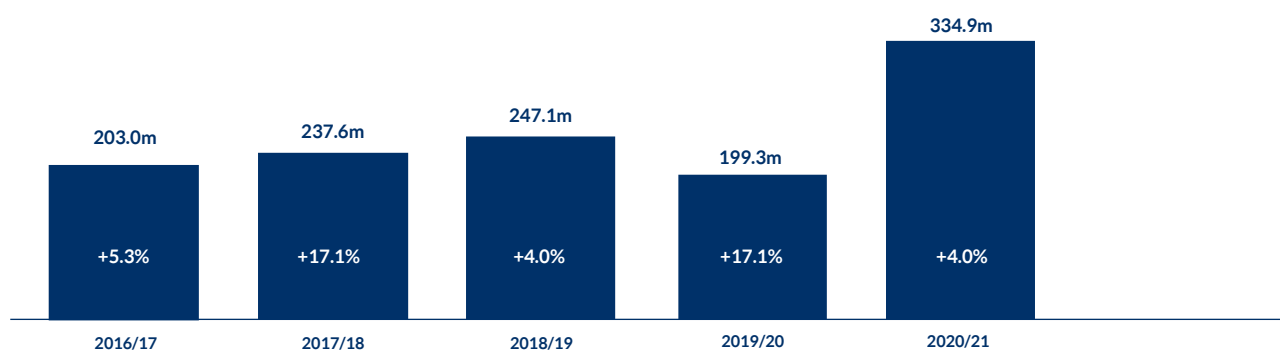
As is the case with all industries, new technology continues to emerge – a battery operated lure system is the latest innovation that appears set to become the future standard. Tasracing has tested the lure, which is already in use at a number of interstate tracks, at the Launceston track and an order has been placed.

During the year, an agreement for Tasracing to vacate the Devonport Showgrounds was reached to allow for the sale of the site to a developer. Tasracing is planning for the new greyhound and harness tracks on the North-West Coast. At the time of writing, the work was progressing positively.

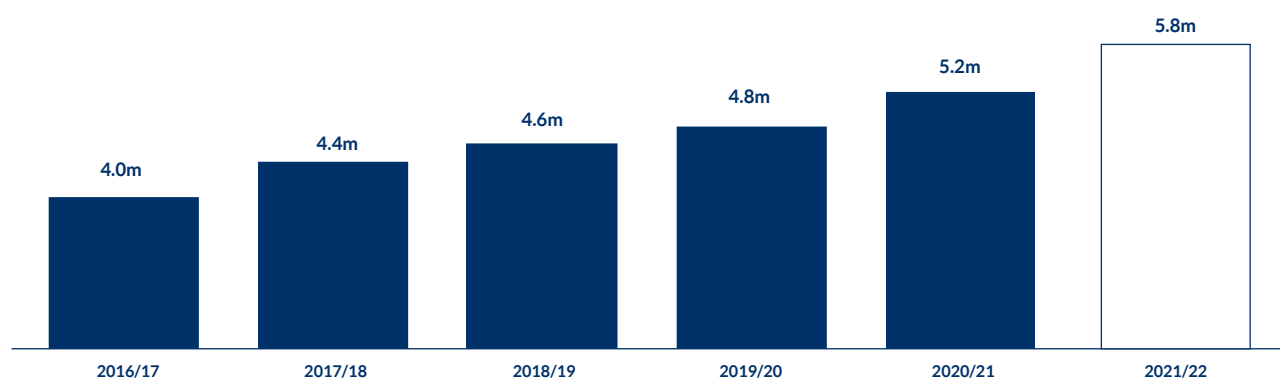
As the 2021/22 season commences, the industry is facing a number of challenges with the number of racing greyhounds at a low level, the proliferation of short sprint (278 and 340 metre) races and the decline in distance racing. These issues will need to be addressed by the industry if racing is to continue at the same level into the future.



Greyhound wagering turnover (\$M)



Total code allocation Greyhound (\$M)



Key racing statistics Greyhound

	16/17	17/18	18/19	19/20	20/21
Meetings	156	156	157	130	158
Races Held	1,568	1,602	1,585	1,252	1,558
Overall Starters	12,273	12,501	12,339	9,596	11,979
Average Starters/Race	7.8	7.8	7.8	7.7	7.7
Greyhound Stakes (\$)*	3,713,594	4,126,591	4,351,245	3,630,290	5,087,020
Covid-19 Welfare Payments (\$)	-	-	-	505,693	-
Greyhound Code Funding (\$)*	4,012,196	4,350,129	4,578,647	4,849,975	5,206,954

* Representing amounts expensed during the financial year. Unspent Code Funding Allocation is carried forward to future years which may include stakes. FY20 Code funding includes COVID-19 support payments made during the industry closure. FY20 Stakes paid were impacted by that closure. FY21 stakes includes 5 months worth of the 6% annualised increase which commenced in February 2021. The allocation of Code Funding to Stakes and other code specific items is determined annually in consultation with the Greyhound Reference Group.

Greyhound Award Winners

Tasmanian Greyhound of the Year

Leading Trainer

Leading Owner

Leading Breeding Female

Leading Sire

Most Consistent Greyhound

Handsome Prince

Anthony Bullock

Debbie Cannan

She's All Class

Fernando Bale

Gypsies Luck



CORPORATE GOVERNANCE

Tasracing is committed to the principles of good corporate governance. We believe in transparency, accountability and integrity for the benefit of our Shareholding Ministers, employees, industry participants and all other stakeholders. Tasracing operates under a framework that is consistent with the ASX Corporate Governance Council's eight corporate governance principles and recommendations in line with the Shareholding Ministers' expectations under the Tasmanian Government Businesses Governance Framework Guide. Our position on the eight core corporate governance principles and recommendations is summarised below:

PRINCIPLE 1: Lay solid foundations for management and oversight

FUNCTIONS OF THE BOARD

The Tasracing Board of Directors is responsible for the overall performance in achieving the company's objectives and legislative obligations – as set out in the *Racing Regulation Act 2004*, and the Members' Statement of Expectations. The key responsibilities of the Board include:

- considering and determining the strategic direction of Tasracing
- adopting annual corporate plans and budgets
- reviewing and assessing executives' performance against set objectives
- reviewing and approving major expenditure items and policies
- reviewing and monitoring risk management processes
- reviewing and approving rules of racing
- ensuring compliance with key policies, guidelines and legislative obligations
- appointing Chief Executive Officer and Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairperson, on all matters to do with the proper function of the Board.

MANAGEMENT AND DELEGATED AUTHORITIES

The Chief Executive Officer and Chief Financial Officer (Executives) are responsible for the general management and leadership of Tasracing, including day-to-day business operations, and are accountable to the Board for achieving the stated objectives. They are also responsible for reporting to the Board on a monthly basis and keeping Directors and Shareholding Ministers apprised of key strategic issues and developments. The Delegations Manual is a document that outlines the matters and financial limits reserved for the Board, Executives and Tasracing employees. The Board also delegates authority to a number of Board committees to assist it in carrying out its functions and to ensure its effective performance in specific areas. Directors sit on Board committees and are accountable to the board. The Board committees include: Audit and Risk, Asset and Safety, Racing Rules and Policy, HR and Remuneration and Board Nominations. They all operate under a Terms of Reference, which is reviewed annually.

Members of the Board and the Chief Executive Officer also sit on national Boards and committees for Racing Australia, Harness Racing Australia and Greyhounds Australasia, representing Tasracing's interests in national racing policy, rules and strategy.

PERFORMANCE EVALUATION

The Board's practice is to undertake an annual appraisal of its performance. An internal evaluation of the Board's performance and the assessment was completed in February 2021. The Executives and employees are also subject to an annual assessment of their performance against agreed objectives and expected behaviours.

In December each year, the Chairperson, Chief Executive Officer and Chief Financial Officer are required to attend and respond to questions at the Government Business Scrutiny Committee.

PRINCIPLE 2: Structure the board to add value

The composition of the Board is set out in the *Racing (Tasracing Pty Ltd) Act 2009* (the Act) and consists of seven members made up of a Chairperson and six directors. The directors include three directors who have the skills and experience to enable the Board to achieve its objectives and one Director from each of the thoroughbred code, Harness code and Greyhound code, who are nominated by participants. Directors are selected and appointed on the basis of their skills and experience and in consideration of diversity and independence, probity and background checks.

The Chairperson and all Tasracing Directors are independent directors. They are appointed in accordance with Tasracing's Constitution, the Act and the Guidelines for Tasmanian Government Businesses – Board Appointments. Prior to appointing new directors, the Board Nominations Committee undertakes a skills assessment to determine the skills and experience that may be necessary for the Board to achieve its objectives and strategic plans. The Board maintains a skills matrix which sets out the mix of skills and diversity of the Board.

A Director Selection Advisory Panel is then established to consider and nominate candidates for Cabinet approval. Directors have an ongoing requirement to notify the Board of any material personal interest in any matter relating to the affairs of Tasracing and make annual declarations regarding any related party transactions.

New directors on the Board undergo a formal induction to enable them to be fully informed and contribute positively to Board deliberations. The induction program is administered by the Chairperson with the support of the Company Secretary.

PRINCIPLE 3: Act ethically and responsibly

Our Code of Conduct applies to all our people: the Board, employees, contractors and volunteers. The Code of Conduct sets out the standard of expected behaviour. Tasracing also promotes its values (RACE) in all its business activities and operations. We have a number of more specific policies that relate to our commitment to comply with our legal obligations and to act ethically and responsibly. These include the right to information policy, public interest disclosure (whistleblower) policy, procurement policy, wagering policy, gifts, benefit and hospitality policy, compliance policy, workplace bullying, discrimination and harassment policy, and related party transactions disclosure policy.

PRINCIPLE 4: Safeguard integrity in corporate reporting

The Audit and Risk Committee meets regularly to consider and oversee matters relating to financial reporting, risk management, internal audit and compliance, and report accordingly to the Board. The Committee reviews the annual financial statements and provides recommendations to the Board.

Tasracing's auditor is the Tasmanian Audit Office, which conducts an audit of the financial statements at the end of each financial year and is invited to attend the annual general meeting each year. Tasracing's annual reports are tabled in each House of Parliament and are subject to the scrutiny of all members of the Parliament and the community.

PRINCIPLE 5: Make timely and balanced disclosure

The Chairperson and the CEO meet regularly with the Shareholding Ministers to provide briefings on key strategic issues and developments.

Tasracing also communicates regularly with its industry participants informing them of relevant matters, key projects and activities, as well as listening to their concerns. One avenue of formal communication is through Tasracing's participation in the racing code industry forums. Tasracing meets quarterly with industry bodies, including the Thoroughbred Advisory Network (TAN), the Harness Industry Forum (HIF) and the Greyhound Reference Group (GRG).

We also communicate via a variety of other forums, including email, SMS and online via our website. Details about disclosures made under the *Right to Information Act 2009*, the *Public Interest Disclosures Act 2002* and personal information provisions are set out in page 52.

PRINCIPLE 6: Respect the rights of security holders

Tasracing's Constitution outlines the rights and powers of Shareholding Ministers. Shareholding Ministers can issue various guidelines and directives to Tasracing. The Board has procedures for communication with Shareholding Ministers to ensure they have timely access to information about the Company, including its financial situation, performance, governance and any sensitive matters about which they need to be aware.

Tasracing also complies with various reporting obligations as set out in its Constitution, relevant legislation and guidelines for Tasmanian Government Businesses.

PRINCIPLE 7: Recognise and manage risk

The Board has established an Audit and Risk Committee which oversees financial, operational and strategic risks and internal controls in accordance with the Board-approved Risk Management Framework. Material risks are discussed directly with the Shareholding Ministers at the regular scheduled meetings. The Audit and Risk Committee oversees the internal audit function which is outsourced, including the approval of the audit plan, receiving reports of all audits undertaken and monitoring management actions to address the findings. The Audit and Risk Committee oversees this on a regular basis. In 2020-21, the Audit and Risk Committee held five meetings.

PRINCIPLE 8: Remunerate fairly and responsibly

The Board has established an HR & Remuneration Committee to oversee remuneration practices and policies in relation to directors, executives and other employees of the Company. The remuneration policy is designed to attract and retain high calibre employees and to align the interests of shareholders and stakeholders for value creation. The HR & Remuneration Committee meets quarterly to discharge these duties.

Tasracing adheres to the Treasury Guidelines for Executive and Board Remuneration. Director fees are set by the Tasmanian Government under the Director and Executive Remuneration Guidelines. Remuneration levels are reviewed annually and any increases are benchmarked against independent data.

The 2020-21 Financial Statements detail the remuneration of directors and executives.

LEGISLATIVE REPORTING OBLIGATIONS

Tasracing is committed to complying with all relevant legislative, regulatory and business obligations, including compliance with the Treasurer's Instructions and Guidelines for Tasmanian Government Businesses. To achieve this commitment, Tasracing's Compliance Management Framework and Compliance Policy adheres to the AS ISO 19600:2015 *Compliance management systems – Guidelines* to:

- maintain the highest standards of integrity as consistent with Tasracing's Code of Conduct and Values
- embed a positive compliance culture
- ensure the compliance framework and policy integrates Tasracing's governance, risk, legal, financial, business and safety management processes and Tasracing's corporate plan objectives

Public interest disclosures

Tasracing recognises the value of transparency, accountability and supports disclosures that reveal improper or corrupt conduct or detrimental actions of Tasracing's members, officers and employees in accordance with the *Public Interest Disclosures Act 2002* (PID Act).

Tasracing has adopted the Ombudsman's Model Procedures to achieve the objectives of the PID Act. Tasracing's Public Interest Disclosures Whistleblower Policy is aligned with Tasracing's values and is an integral part of Tasracing's corporate governance that encourages a culture of ethical and honest behaviour. The policy is available on our website tasracingcorporate.com.au.

Tasracing did not receive any PID Act disclosures this financial year.

Right to information

Tasracing understands and appreciates the need to make information readily available to the public and is committed to the objectives of the *Right to Information Act 2009* (RTI Act). Tasracing routinely publishes information that it considers to be of interest to the public via its website and social media. Where information is not disclosed but a request is made for provision of that information, Tasracing adheres to the requirements and processes established by the RTI Act.

In accordance with the RTI Act, the following disclosures were provided for 2020-21:

Right to Information Disclosures	
Number of applications for assessed disclosure received	0 ¹
Number of applications for assessed disclosure where information was disclosed in full	1
Number of applications for assessed disclosure refused and the basis for refusal	0
Number of applications for assessed disclosure where it related to exempt information and the basis for the exemption	0
Number of applications for internal review and the outcome of those reviews	0
Number of applications for external (Ombudsman) review and the outcome of those reviews	0

¹ One application for assessed disclosure was received in 2019-20 and accepted in 2020-21.

Personal information protection

Tasracing is committed to protecting the information it collects, holds and handles by complying with the *Personal Information Protection Act 2004*, *Privacy Act 1988* (Cth) and the Australian Privacy Principles. During the financial year no complaints were received and no breaches were recorded under this regime.

Overseas travel

There was no overseas travel in 2020-21 due to the COVID-19 border restrictions.

Tasmanian Government Reporting Requirements

Buy local

Purchases from Tasmanian businesses

% of purchases from Tasmanian businesses	71%
Value of purchases from Tasmanian businesses	\$22.0 million

Consultancies valued at more than \$50,000 (ex GST)

Name of Consultant	Location	Description	Period of engagement	Amount
Deloitte	Hobart	Income tax consulting services	1/7/2020-30/6/2021	\$57,754
Total				\$57,754
There were 12 consultants engaged for \$50,000 or less totalling				\$158,786
TOTAL PAYMENTS TO CONSULTANTS				\$216,540

Payment of accounts

ACCOUNTS DUE OR PAID IN 2020-21

Measure	
Creditor days	7.05
Number of accounts due for payment	7,670
Number of accounts paid on time	7,493
Amount due for payment	\$31,615,788
Amount paid on time	\$30,978,534
Number of payments for interest on overdue accounts	-
Interest paid on overdue accounts	-

Superannuation declaration

I, Paul Eriksson, hereby certify that Tasracing has met its obligations under the Commonwealth's *Superannuation Guarantee (Administration) Act 1992* in respect of any employee who is a member of a complying superannuation scheme to which Tasracing contributes.

Signed



Paul Eriksson

Chief Executive Officer



Tasracing Pty Ltd

Annual Financial Report

for the financial year ended 30 June 2021

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Directors' Declaration

The directors declare that:

- (a) in the directors opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) in the directors opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Australian Accounting Standards and give a true and fair view of the financial position and performance of the company;
- (c) the financial statements also comply with International Financial Reporting Standards as disclosed in the General Information note to the Financial Statements.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in dark ink, appearing to read 'G. Phair', with a horizontal line underneath.

G. Phair
Chairperson
Tasracing Pty Ltd
Hobart, 13 August 2021

Directors' Report

The directors present their report together with the financial report for the year ended 30 June 2021 and the independent auditor's report thereon.

Directors

The names of directors of the company in office during or since the end of the financial year are:

G. Phair (Chairperson, non-executive director)

H. Galloway (Deputy Chairperson, non-executive director)

D. Garnier (non-executive director)

M. Gordon (non-executive director)

D. McCarthy (non-executive director), retired 18 November 2020

J. Wallace (non-executive director)

M. Wallace (non-executive director), appointed 18 November 2020

R. Whishaw (non-executive director)

Principal activities

The principal activities during the course of the financial year were the administration, oversight and funding of racing in Tasmania.

Review of operations

For the year ended 30 June 2021, the company recorded a profit before tax of \$4,460,021 (2020: loss of \$3,789,689). No dividends were paid to members during the year (2020: Nil). The company had no options or unissued shares during the current or previous year.

Significant changes in state of affairs during the year

There was no significant change in the state of affairs of the company during the financial year.

Significant changes in the current reporting period

The financial performance of Tasracing has been particularly affected by the following material items during the year ended 30 June 2021:

- Racefield revenue increased by \$8.84m to \$22.16m. Racefield revenues in 2020 were lower due to the suspension of racing between 2 April 2020 and 14 June 2020 by the Tasmanian Government as part of its controls on COVID-19.
- In 2020-21, the first six months of point of consumption tax revenue was received of \$2.54m (2020: Nil). In line with the Share of Point of Consumption Tax Grant deed these funds were invested directly back into the industry in the areas of animal welfare, infrastructure and stakes. This included a 6% increase in stakes for the year, plus a further 6% increase in stakes effective 1 February 2021.
- In November 2020, Tasracing signed a Settlement and Release Deed to vacate the Devonport Showgrounds site by 28 February 2022, assuming all the conditions of the agreement are met. This resulted in the reassessment of the useful lives for assets at the Devonport Showgrounds which increased depreciation expense and reduced the Right-of-Use assets and associated Lease Liability.

- Employee benefits expense increased to \$8.66m (2020: \$8.06m) due to an increase in raceday wages associated with the prior year's suspension of racing, increased resourcing in animal welfare and track management and the impact of the defined benefit superannuation obligation.
- Tasracing's five year projections indicate that due to point of consumption tax funding for infrastructure, it is probable that future tax profits will be achieved. As a result an income tax benefit of \$1.46m was recognised in other comprehensive income.

Environmental regulations

The company is not subject to any environmental regulations under a law of the Commonwealth or the State of Tasmania.

Subsequent events

There has been no matter or circumstance which has occurred subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Future developments

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly this information has not been disclosed in this report.

Indemnification of officers and auditors

During the financial year the company paid a premium of \$39,172 (2020: \$29,170) in respect of insurance for directors and officers liability.

The company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or auditor of the company against a liability incurred by such an officer or auditor.

Auditor's independence declaration

The auditor's independence declaration is included on page xx of the financial statements.

Signed in accordance with a resolution of the Board of Directors:



Mr Gene Phair
Chairperson

13 August 2021

Statement of Comprehensive Income

for the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue and Other Income			
Racing revenue	A1	24,917,988	15,627,404
Government funding	A2	34,349,054	31,137,147
Interest revenue	A3	85,739	236,163
Total Revenue and Other Income		59,352,781	47,000,714
Expenses			
Prize money and industry funding		30,504,339	27,913,492
Raceday and racing expenses	A4	6,317,797	5,951,793
Depreciation and amortisation expenses	A5	5,046,977	4,464,818
Sales and marketing expenses	A6	1,049,713	974,072
Employee benefits expenses	A7	8,658,557	8,060,176
Finance and leasing costs	A8	705,158	831,678
Other expenses	A9	2,610,219	2,594,374
Total Expenses		54,892,760	50,790,403
Profit/(Loss) before tax		4,460,021	(3,789,689)
Income tax benefit/(expense)	A11	1,455,844	-
Profit/(Loss) for the year after tax		5,915,865	(3,789,689)
Actuarial gain/(loss) on defined benefit plan	A7	118,000	(135,000)
Income tax on other comprehensive income	A11	(35,400)	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		5,998,465	(3,924,689)

This statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

for the year ended 30 June 2021

	Note	2021	2020
		\$	\$
Current Assets			
Cash and cash equivalents	B1 (a)	8,908,081	4,006,115
Trade and other receivables	B2	1,847,112	1,835,069
Prepayments		606,761	416,288
Total Current Assets		11,361,954	6,257,472
Non-Current Assets			
Property, plant and equipment	B3	46,861,757	49,906,412
Intangible assets	B4	624,314	988,474
Other financial assets	B5	94,507	84,507
Right-of-Use assets	B10 (a)	1,509,026	3,812,089
Deferred tax assets	A11 (c)	2,549,760	-
Total Non-Current Assets		51,639,364	54,791,482
Total Assets		63,001,318	61,048,954
Current Liabilities			
Trade and other payables	B6	2,116,846	3,048,539
Borrowings	B7	846,683	2,808,945
Other financial liabilities	B8	190,097	164,475
Provisions	B9	3,165,681	3,020,080
Lease liabilities	B10 (b)	127,665	416,529
Total Current Liabilities		6,446,972	9,458,568
Non-Current Liabilities			
Borrowings	B7	6,279,673	7,126,356
Provisions	B9	2,979,496	2,990,236
Lease liabilities	B10 (b)	1,358,820	3,415,219
Deferred tax liabilities	A11 (c)	1,129,316	-
Total Non-Current Liabilities		11,747,305	13,531,811
Total Liabilities		18,194,277	22,990,379
Net Assets		44,807,041	38,058,576
Equity			
Contributed equity	B11	60,714,911	59,964,911
Accumulated losses	B12	(15,907,870)	(21,906,335)
Total Equity		44,807,041	38,058,576

This statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2021

	Note	Contributed Equity \$	Accumulated Losses \$	Total \$
Balance as at 30 June 2019		59,906,911	(17,981,646)	41,925,265
Equity contribution	B11	58,000	-	58,000
Profit /(Loss) for the year	B12	-	(3,789,689)	(3,789,689)
Actuarial gain/(loss) on defined benefit plan	B12	-	(135,000)	(135,000)
Income tax on other comprehensive income	B12	-	-	-
Total Comprehensive Income for the year		-	(3,924,689)	(3,924,689)
Balance as at 30 June 2020		59,964,911	(21,906,335)	38,058,576
Equity contribution	B11	750,000	-	750,000
Profit /(Loss) for the year	B12	-	5,915,865	5,915,865
Actuarial gain/(loss) on defined benefit plan	B12	-	118,000	118,000
Income tax on other comprehensive income	B12	-	(35,400)	(35,400)
Total Comprehensive Income for the year		-	5,998,465	5,998,465
Balance as at 30 June 2021		60,714,911	(15,907,870)	44,807,041

This statement should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash Flows from Operating Activities			
Receipts from customers		63,205,912	51,102,438
Payments to suppliers & employees		(54,097,185)	(49,789,171)
Interest received		87,058	282,653
Interest and other costs of finance paid		(529,973)	(581,764)
Net Cash provided by Operating Activities	B1 (b)	8,665,812	1,014,156
Cash Flows from Investing Activities			
Proceeds from disposal of non-current assets		26,905	3,926
Payments for non-current assets		(1,229,313)	(10,430,657)
Loan repayment received		-	15,000
Purchase of shares	B5	(10,000)	(84,507)
Net Cash used in Investing Activities		(1,212,408)	(10,496,238)
Cash Flows from Financing Activities			
Repayment of borrowings	B1 (c)	(2,808,945)	(772,954)
Proceeds from borrowings		-	2,000,000
Equity contribution	B11	750,000	58,000
Lease payments	B10 (b)	(492,492)	(477,267)
Transfer of RBF Defined Benefit superannuation		-	249,288
Net Cash provided by Financing Activities		(2,551,437)	1,057,067
Net Increase/(Decrease) in Cash and Cash Equivalents		4,901,966	(8,425,015)
Cash and Cash Equivalents at the beginning of the year		4,006,115	12,431,129
Cash and Cash Equivalents at end of the year	B1 (a)	8,908,081	4,006,115

This statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2021

GENERAL INFORMATION

Tasracing Pty Ltd (Tasracing) was incorporated on 1 July 2009 and is domiciled in Tasmania, Australia. Tasracing is a state owned company.

Tasracing was established by the *Racing (Tasracing Pty Ltd) Act 2009*. The Principal Act is the *Racing Regulation Act 2004*. The responsible Minister is the Minister for Racing. Section 11 of the *Racing Regulation Act 2004* sets out Tasracing's responsibilities in detail.

Tasracing's principal activity is the administration, oversight and funding of the three codes of racing in Tasmania. Tasracing's registered office and principal place of business is 6 Goodwood Road, Glenorchy TAS 7010.

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations and comply with other requirements of law. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company comply with International Financial Reporting Standards ("IFRS").

The financial report was authorised for issue by the directors on 13 August 2021.

Basis of preparation

The financial report has been prepared on the basis of historical cost and on a going concern basis. Historical cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

Critical accounting judgements and key sources of estimation uncertainty

In the application of Tasracing's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements and estimates which are material to the financial statements are found in the following notes:

Note	Page
A5 Asset useful lives	64
B3/B4 Impairment review of property, plant and equipment	70-71
B9 Employee entitlements	73
B9 TASBRED Thoroughbred Breeding Incentive Scheme	73
B9 Defined benefit superannuation fund obligations	75-77

Other accounting policies

Significant other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

Notes to the Financial Statements

The notes have been grouped into key themes to make the report easier to read and more relevant for the user. These themes are:

- Operations and Performance
- Financial Position
- Financing and Funding
- Other

Significant Changes in the Current Reporting Period

The financial performance of Tasracing has been particularly affected by the following material items during the year ended 30 June 2021:

- Racefield revenue increased by \$8.84m to \$22.16m. Racefield revenues in 2020 were lower due to the suspension of racing between 2 April 2020 and 14 June 2020 by the Tasmanian Government as part of its controls on COVID-19.
- In 2020-21, the first six months of point of consumption tax revenue was received of \$2.54m (2020: Nil). In line with the Share of Point of Consumption Tax Grant deed these funds were invested directly back into the industry in the areas of animal welfare, infrastructure and stakes. This included a 6% increase in stakes for the year, plus a further 6% increase in stakes effective 1 February 2021.
- In November 2020, Tasracing signed a Settlement and Release Deed to vacate the Devonport Showgrounds site by 28 February 2022, assuming all the conditions of the agreement are met. This resulted in the reassessment of the useful lives for assets at the Devonport Showgrounds which increased depreciation expense and reduced the Right-of-Use assets and associated Lease Liability.
- Employee benefits expense increased to \$8.66m (2020: \$8.06m) due to an increase in raceday wages associated with the prior year's suspension of racing, increased resourcing in animal welfare and track management and the impact of the defined benefit superannuation obligation.
- Tasracing's five year projections indicate that due to point of consumption tax funding for infrastructure, it is probable that future tax profits will be achieved. As a result an income tax benefit of \$1.46m was recognised in other comprehensive income.

OPERATIONS AND PERFORMANCE

REVENUE

	2021 \$	2020 \$
A1 Racing Revenue		
Racefield revenue	22,164,237	13,324,109
Sponsorship income	982,304	1,072,304
Rental income	181,239	188,076
Other racing income	1,590,208	1,042,915
	24,917,988	15,627,404

Accounting policy

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Tasracing's main source of income is in the form of state government funding.

Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as income in a manner consistent with the basis on which they are determined. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Racing revenue from contracts with customers

Racefield revenue	22,164,237	13,324,109
Magic Millions income	113,330	105,099
Sponsorship and digital revenue	1,767,873	945,619
Total revenue from contracts with customers	24,045,440	14,374,827
Timing of revenue recognition		
Goods transferred at a point in time	24,045,440	14,374,827
Services transferred over time	-	-
Total revenue from contracts with customers	24,045,440	14,374,827
Contract balances		
Trade receivables (Note B2)	1,388,941	1,193,883
Total contract balances	1,388,941	1,193,883

Performance obligations

Information about Tasracing's performance obligations are summarised below:

Racefield Revenue

The performance obligation is satisfied as races are run within Tasmania. Racefield Revenues are derived from wagering on races held in Tasmania. These contracts have been accounted for as a group. Tasracing recognises racefield revenue when it can be reliably measured. The wagering operator is required to pay racefield fees within 14 days of the prior month end.

Magic Millions Income

The performance obligation is satisfied when the sales are held and the associated race series is complete.

Payment is generally due within 30 days.

The contract is on an annual basis and is financially completed before the reporting date.

Sponsorship and Digital Revenue

Sponsorship income is earned from contracts with a number of parties with separately identifiable performance obligations, such as naming rights to racetracks, specific races and rights to provide products. Tasracing recognises the revenue as the performance obligations are met for each contract, for example, when a race has been completed or signage installed. Payment terms vary from contract to contract but are financially completed before the reporting date and generally due within 30 days. All remaining performance obligations are expected to be recognised within one year.

	2021 \$	2020 \$
A2 Government Grants		
Annual industry funding grant	31,461,712	30,787,147
Point of consumption tax funding	2,537,342	-
Thoroughbred & harness breeding grant	350,000	350,000
	34,349,054	31,137,147

Accounting policy

Government Funding

Government grants are not recognised until there is reasonable assurance that Tasracing will comply with the conditions attached to them and the grants will be received.

Government assistance which does not have conditions attached specifically relating to the operating activities of the company is recognised in the Statement of Comprehensive Income as operating income when the grant becomes receivable and as Tasracing gains control of the underlying assets.

Tasracing is funded by government appropriations provided each year, over a twenty year period from 1 July 2009 and subject to the conditions of a funding deed.

A3 Interest

Interest revenue is recognised when it is probable that the economic benefits will flow to Tasracing and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

EXPENSES

	2021 \$	2020 \$
A4 Race day and Racing Expenses		
Training and racing facilities	3,779,086	3,112,491
Race day & other racing expenses	1,742,291	1,531,218
Racing insurance	796,420	1,308,084
	6,317,797	5,951,793

	2021 \$	2020 \$
A5 Depreciation & Amortisation Expenses		
Racecourse leasehold improvements	3,733,342	3,121,446
Plant and equipment	421,027	462,633
Welfare facilities	30,242	8,012
Intangibles	381,508	408,376
Right-of-Use assets	480,858	464,351
	5,046,977	4,464,818

Accounting policy

Depreciation and amortisation expenses

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are amortised 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 and amortisation methods are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The following useful lives are used in the calculation of depreciation and amortisation:

Category	Term
Leasehold improvements	term of the lease or life of the asset
Welfare facilities	5 to 20 years
Plant and equipment	3 to 20 years
Racecourse plant and equipment	5 to 20 years
Right-of-use assets	term of the lease
Website and systems development	3 to 5 years

	2021 \$	2020 \$
A6 Sales & Marketing Expenses		
Sales	324,025	199,029
Marketing	725,688	775,043
	1,049,713	974,072

	2021 \$	2020 \$
A7 Employee Benefit Expense		
Recognised in profit/(loss) for the year		
Wages and salaries	7,477,672	6,560,385
Other associated personnel expenses	564,797	246,430
Contributions to defined contribution superannuation funds	702,737	621,451
Service cost of defined benefit scheme (excludes interest cost)	57,000	41,000
(Decrease)/Increase in liability for annual leave*	(217,717)	492,109
Increase in liability for long service leave	74,068	98,801
	8,658,557	8,060,176

Recognised in other comprehensive income for the year

Actuarial (losses)/gains	67,000	(145,000)
Actual return on plan assets less interest income	51,000	10,000
Total measurement recognised in other comprehensive income	118,000	(135,000)

* In 2020, an additional \$341,490 was recognised for casual employees in respect of the decision made in the Full Federal Court on 20 May 2020 in WorkPac Pty Ltd v Rossato [2020] FCAFC 84. In 2021, this was reversed after an appeal was upheld in the Full Federal Court on 4 August 2021.

	2021 \$	2020 \$
A8 Finance and Leasing Costs		
Finance costs		
Net interest cost in relation to defined benefit obligation (see note B9)	86,000	83,000
Interest expense	572,569	683,234
	658,569	766,234
Short-term leases and leases of low-value assets		
Occupancy lease rentals - short-term	-	5,450
Plant and equipment lease rentals	46,589	59,994
	46,589	65,444
Total finance and leasing costs	705,158	831,678

Accounting policy

Finance costs

Finance costs are expensed as incurred using the effective interest method. Borrowing costs include interest on bank overdrafts, borrowings, leases and unwinding of discounts.

Short-term leases and leases of low-value assets

Tasracing has elected not to recognise Right-of-Use assets and lease liabilities for short-term leases i.e. leases with a lease term of 12 months or less and leases of low-value assets when the value of the leased asset when new is \$10,000 or less. Tasracing recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

	2021 \$	2020 \$
A9 Other Expenses		
Insurance	795,928	635,894
Administration	656,642	729,441
Loss on disposal of assets	42,535	135,070
Digital & IT	1,047,071	1,015,068
Other	68,043	78,901
	2,610,219	2,594,374

	2021 \$	2020 \$
A10 Remuneration of Auditors		
External audit services	41,640	42,850
Internal audit services	43,319	47,299
	84,959	90,149

The Company paid \$41,640 to the Tasmanian Audit Office for the audit of the financial statements.

TAXATION

	2021 \$	2020 \$
A11 Income Taxes		
(a) Income tax recognised in profit or loss		
Tax expense/(income) comprises:		
Current tax expense/(income)	-	-
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	(1,455,844)	-
Total tax expense/(income)	(1,455,844)	-
Attributable to:		
Continuing operations	(1,455,844)	-
	(1,455,844)	-
The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:		
Profit from continuing operations	4,460,021	(3,789,689)
Profit from operations	4,460,021	(3,789,689)
Income tax expense calculated at 30%	1,338,007	(1,136,907)
Tax break		
Non-deductible expenses	5,304	8,566
Unused tax losses and tax offsets not recognised as deferred tax assets	(2,889,201)	-
Previously unrecognised and unused tax losses and tax offsets now recognised as deferred tax assets	-	-
Other	-	-
	(1,545,890)	(1,128,341)
(Over)/under provision of income tax in previous year	90,046	-
	(1,455,844)	(1,128,341)
Current income tax expense/(benefit) not recognised in Statement of Comprehensive Income	(1,455,844)	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(b) Income tax recognised directly in equity

The following current and deferred amounts were charged directly to equity during the period:

	2021 \$	2020 \$
Deferred tax:		
Actuarial movements on defined benefit plans	(35,400)	(40,500)
Deferred tax movement not recognised through equity	-	40,500
	(35,400)	-
(c) Recognised deferred tax balances		
Deferred tax assets comprise:		
Temporary differences	917,831	83,485
Tax losses (revenue)	1,631,929	-
	2,549,760	83,485
Deferred tax liabilities comprise:		
Temporary differences	1,129,316	83,485
	1,129,316	83,485
Net deferred tax asset / (liability)	1,420,444	-

Taxable and deductible temporary differences arise from the following:

	Opening Balance \$	Charged to Income \$	Charged to Equity \$	Closing Balance \$
2021				
Gross deferred tax liabilities:				
Prepayments	(82,766)	(77,398)	-	(160,164)
Receivables	(720)	396	-	(324)
Intangibles	-	(1,842)	-	(1,842)
Leases	-	(28,038)	-	(28,038)
Property, plant and equipment	-	(938,948)	-	(938,948)
	(83,486)	(1,045,830)	-	(1,129,316)
Gross deferred tax assets:				
Provisions	83,486	(48,086)	(35,400)	-
Property, Plant and Equipment	-	879,189	-	879,189
Leases	-	38,642	-	38,642
Tax losses (revenue)	-	1,631,929	-	1,631,929
	83,486	2,501,674	(35,400)	2,549,760
	-	1,455,844	(35,400)	1,420,444
	Opening Balance \$	Charged to Income \$	Charged to Equity \$	Closing Balance \$
2020				
Gross deferred tax liabilities:				
Prepayments	(118,563)	35,797	-	(82,766)
Receivables	(3,532)	2,811	-	(720)
	(122,095)	38,608	-	(83,486)
Gross deferred tax assets:				
Employee Benefits	122,094	(38,608)	-	83,486
Tax losses (revenue)	-	-	-	-
	122,094	(38,608)	-	83,486

(d) Unrecognised deductible temporary differences and unused tax losses

Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:

	2021 \$	2020 \$
Temporary differences	5,770,388	4,138,459
Tax losses – revenue	433,523	3,087,003
	6,203,911	7,225,462

Accounting policy

Income tax equivalent

Tasracing as a state owned company is registered under the National Tax Equivalent Regime. Income tax expense represents the sum of the tax currently payable and deferred tax.

Tasracing's five year projections indicate that it is probable that future tax profits will be achieved, therefore, it is considered appropriate to recognise deferred income tax assets.

FINANCIAL POSITION

CASH FLOW

B1 Cash Flow	2021	2020
	\$	\$
(a) Cash and cash equivalents		
Cash on hand and balances with banks	8,908,081	4,006,115
(b) Reconciliation of profit for the year to net cash flows from operating activities		
Profit/(Loss) for the year	4,460,021	(3,789,689)
Adjustments for:		
Depreciation and amortisation	5,046,977	4,464,818
(Profit)/loss on disposal of property, plant and equipment	(416,814)	131,144
Interest charged on lease liabilities	42,596	101,469
(Increase)/decrease in receivables	(12,043)	(245,452)
(Increase)/decrease in prepayments	(190,473)	105,268
(Decrease)/increase in creditors and accruals	(517,312)	(142,388)
Increase/(decrease) in provisions	252,860	388,986
Net cash from operating activities	8,665,812	1,014,156
(c) Reconciliation of liabilities arising from financing activities		
Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Statement of Cash Flows as cash flows from financing activities.		
Borrowings		
Balance as at 1 July	9,935,301	8,708,255
Changes from financing cash flows:		
Cash received	-	2,000,000
Cash repayments	(2,808,945)	(772,954)
Balance as at 30 June	7,126,356	9,935,301
Lease liabilities		
Balance as at 1 July	3,831,748	4,261,183
Changes from financing cash flows:		
Cash lease payments	(492,492)	(477,267)
Non-cash lease movement	(1,852,757)	47,831
Balance as at 30 June	1,486,499	3,831,748
(d) Financing facilities		
Credit and Stand By arrangements		
Credit Cards		
- amount used	85,500	88,500
- amount unused	24,500	21,500
Facility Limit	110,000	110,000
TASCORP borrowing facilities		
- amount used	7,126,356	9,935,301
- amount unused	34,153,932	31,577,899
Facility Limit	41,280,288	41,513,200

Accounting policy

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value and have a maturity of three months or less at the date of acquisition.

The amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables and payables. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

ASSETS

B2 Trade and Other Receivables

	2021 \$	2020 \$
Trade receivables	1,854,303	1,854,582
Provision for expected credit loss	(8,269)	(21,910)
	1,846,034	1,832,672
Interest receivable	1,078	2,397
	1,847,112	1,835,069

Reconciliation of movement in expected credit loss

Carrying amount at 1 July	(21,910)	(23,089)
Amounts written off during the year	5,010	25,520
Amounts recovered during the year	-	-
(Increase)/decrease in provision recognised in Statement of Comprehensive Income	8,631	(24,341)
Carrying amount at 30 June	(8,269)	(21,910)

Ageing of trade and other receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default.

The ageing of Tasracing's trade and other receivables was:

Past due between 31 and 60 days	95,821	13,871
Past due between 61 and 90 days	32,599	394
90+ days	43,999	138,359
Balance at end of year	172,419	152,624

Included in the trade receivables balance are debtors with a carrying amount of \$172,419 (30 June 2020: \$152,624) that are past due at the reporting date which Tasracing has not impaired as there has not been a significant change in credit quality and the amounts are still considered recoverable. Tasracing does not hold any collateral over these balances. Many of the long outstanding past due amounts have been lodged with Tasracing's debt collectors or are on payment arrangements.

Accounting Policy

Trade receivables

Trade receivables that do not contain a significant financing component are measured at amortised cost, which represents their transaction value. Impairment is recognised on an expected credit loss (ECL) basis. When determining whether the credit risk has increased significantly since initial recognition, and when estimating the ECL, Tasracing considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Tasracing's historical experience, an informed credit assessment and forward-looking information. Tasracing has established a provision matrix to facilitate the impairment assessment.

For receivables the average credit period on these items is 30 days with a large number of smaller debtors reducing the risk. No interest is charged on receivables.

B3 Property, Plant and Equipment	2021	2020
(a) Carrying amounts	\$	\$
Land		
At cost	650,600	650,600
Total	650,600	650,600
Racecourse leasehold improvements		
At cost	82,155,504	81,296,921
Less: accumulated depreciation	(39,298,058)	(35,564,870)
Total	42,857,446	45,732,051
Plant & equipment		
At cost	6,652,741	6,479,024
Less: accumulated depreciation	(4,462,141)	(4,261,490)
Total	2,190,600	2,217,534
Welfare facilities		
At cost	981,015	927,140
Less: accumulated depreciation	(41,786)	(8,012)
Total	939,229	919,128
Work in progress		
At cost	223,882	387,099
Total	223,882	387,099
Total Property, plant and equipment	46,861,757	49,906,412

(b) Reconciliation of movements in carrying amounts

	Land at cost	Racecourse Leasehold Improvements at cost	Plant & Equipment at cost	Welfare facilities at cost	Work in progress at cost	TOTAL
2021	\$	\$	\$	\$	\$	\$
Carrying amount at 1 July	650,600	45,732,051	2,217,534	919,128	387,099	49,906,412
Additions	-	-	3,237	-	1,196,754	1,199,991
Disposals	-	-	(42,687)	-	-	(42,687)
Impairment losses	-	-	-	-	-	-
Net transfers	-	858,737	433,543	50,343	(1,359,971)	(17,348)
Depreciation	-	(3,733,342)	(421,027)	(30,242)	-	(4,184,611)
Carrying amount at 30 June	650,600	42,857,446	2,190,600	939,229	223,882	46,861,757

	Land at cost	Racecourse Leasehold Improvements at cost	Plant & Equipment at cost	Welfare facilities at cost	Work in progress at cost	TOTAL
2020	\$	\$	\$	\$	\$	\$
Carrying amount at 1 July	185,000	34,678,137	2,387,656	-	7,760,028	45,010,821
Additions	-	-	6,384	-	8,882,121	8,888,505
Disposals	-	(17,245)	(5,337)	-	-	(22,582)
Impairment losses	-	-	-	-	(106,106)	(106,106)
Net transfers	465,600	14,192,605	297,848	927,140	(16,148,944)	(265,751)
Depreciation	-	(3,121,446)	(469,017)	(8,012)	-	(3,598,475)
Carrying amount at 30 June	650,600	45,732,051	2,217,534	919,128	387,099	49,906,412

Accounting policy

Property, plant and equipment

Property, plant and equipment and leasehold improvements are stated at cost less accumulated depreciation, amortisation and impairment. Cost includes expenditure that is directly attributable to the acquisition or construction of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

The asset capitalisation threshold adopted by Tasracing is \$1,000. Assets valued at less than \$1,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total). The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

	2021 \$	2020 \$
B4 Intangible Assets		
(a) Carrying amounts		
Website and software		
At cost	2,361,332	2,348,972
Less: accumulated amortisation	(1,737,018)	(1,360,498)
Total	624,314	988,474
Carrying amount at 1 July	988,474	1,131,099
Additions from work in progress	17,348	265,751
Amortisation	(381,508)	(408,376)
Carrying amount at 30 June	624,314	988,474

Accounting policy

Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimates being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Comprehensive Income when the asset is derecognised.

Impairment of non-financial assets

At the end of each reporting period, Tasracing reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, Tasracing estimates the recoverable amount of the cash generating unit to which it belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which

case the impairment loss is treated as a revaluation decrease. Impairment losses are allocated pro rata across assets in the cash generating unit.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. The impairment reversal is allocated pro rata across assets in the cash generating unit.

Current Year

There was no impairment charge in 2021.

Prior Year

There was no impairment charge in 2020.

B5 Other Financial Assets	2021	2020
	\$	\$
Ordinary share investment	94,507	84,507
	94,507	84,507

Tasracing purchased 50 ordinary shares (5% of the total number of issued shares) in Racing Information Services Enterprises Pty Ltd. The purchase was approved by the Shareholding Minister.

LIABILITIES

B6 Trade and Other Payables	2021	2020
	\$	\$
Trade payables - unsecured	2,116,846	3,048,539
	2,116,846	3,048,539

B7 Borrowings	2021	2020
	\$	\$

This note provides information about the contractual terms of Tasracing's interest bearing loans and borrowings. For more information about the company's exposure to interest rate risk, see note C1 (c).

Current:

Credit foncier loan 1 - operating loan	(i)	240,307	232,912
Credit foncier loan 2 - capital loan	(ii)	606,376	576,033
Overnight borrowings		-	2,000,000
		846,683	2,808,945

Non-Current

Credit foncier loan 1 - operating loan	(i)	1,039,981	1,280,288
Credit foncier loan 2 - capital loan	(ii)	5,239,692	5,846,068
		6,279,673	7,126,356

All loans are transacted through the Tasmanian Public Finance Corporation (TASCORP).

The funding deed provides that the State Government may provide debt support in the form of principal and interest repayments subject to the conditions of the deed. This support applies to both of the credit foncier loans.

- (i) Credit Foncier 1 - operating loan - principal and interest is payable every 6 months. Effective 30 June 2016, interest is 3.15% fixed until maturity 30 June 2026.
- (ii) Credit Foncier 2 - capital loan - Six monthly repayments of principal and interest will be made through to the review date in 2023. The maturity date of the loan has the option to be extended to 2029. Interest has been fixed for ten years at 5.20% per annum (to 2023). Previously, the State Government provided support for principal and interest repayments. The principal support component was treated as an equity contribution.
- (iii) Overnight Borrowings - principal and interest were payable on a rolling overnight basis at an interest rate of 0.90% per annum.

Under the funding deed Tasracing has a \$40 million debt facility with the Tasmanian Public Finance Corporation. On 15 June 2020 the Treasurer provided explicit support to the Tasmanian Public Finance Corporation for Tasracing's maximum borrowing limit of \$18.7 million. This limit includes support for borrowings of up to \$10 million for Tasracing as part of the Government's response to the COVID-19 pandemic. The interest on this additional debt was reimbursed for six months from the date of the first drawdown.

B8 Other Financial Liabilities	2021	2020
	\$	\$
Rental bonds	190,097	164,475
	190,097	164,475

B9 Provisions	2021	2020
	\$	\$
Current:		
Employee		
Annual leave	758,799	999,270
Long service leave	355,149	346,402
Superannuation - defined benefits	64,000	65,000
	1,177,948	1,410,672
Other	1,987,733	1,609,408
	3,165,681	3,020,080
Non-Current		
Employee		
Long service leave	282,496	254,236
Superannuation - defined benefits	2,697,000	2,736,000
	2,979,496	2,990,236
Total provisions	6,145,177	6,010,316

Accounting policy

Provisions

Provisions are recognised when Tasracing has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, 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.

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

Workers Compensation Insurance Policy

Tasracing has a workers compensation insurance policy for the year ending 31 March 2022. The premium varies between a minimum of \$620,000 and a maximum of \$2,560,000. At 30 June 2021, the injuries incurred in the previous insurance years were greater than the minimum premium. Tasracing is exposed to a potential cost of up to \$1,940,000 in the current insurance year being the difference between the maximum and minimum premiums and this depends upon the nature and extent of the injuries that occur. As an insurance year remains open for three years, injuries that occurred in prior years can impact on the current financial years expense recorded in the Statement of Comprehensive Income.

TASBRED Thoroughbred Breeding Incentive Scheme

Tasracing operates a thoroughbred breeders and owners incentive scheme for eligible yearlings. The scheme is funded by government grants and industry funding while costs are incurred as horses meet the relevant criteria. Tasracing has a provision representing the excess of funding over recognised costs. This provision provides for future costs of the scheme.

Employee benefit disclosures

Accounting Policy

Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by Tasracing in respect of services provided by employees up to the reporting date.

Classification of employee benefits

An employee benefit liability is classified as a current liability if there is no unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

Defined benefit plans

For defined benefit superannuation plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses are recognised in full in the Statement of Comprehensive Income in the period in which they occur.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise amortised on a straight-line basis over the average period until the benefits become vested.

The defined benefit obligation recognised in the Statement of Financial Position represents the present value of the defined benefit obligation, adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of the plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Liability for defined benefit obligation

Members of the Contributory Scheme receive lump sum benefits on resignation and lump sum or pension benefits on retirement, death or invalidity. The Contributory Scheme is closed to new members.

There are a number of risks to which the Scheme exposes Tasracing. The more significant risks relating to defined benefits are:

Investment risk - the risk that investment returns will be lower than assumed and Tasracing will need to increase contributions to offset this shortfall over the long term.

Salary growth risk - the risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and the associated employer contributions over the long term.

Inflation risk - the risk that inflation is higher than anticipated, increasing pension payments and the associated employer contributions over the long term.

Benefits options risk - the risk that a greater proportion of members who joined prior to 1 July 1994 will elect the pension option, which is generally more costly than the alternative lump sum option.

Pensioner mortality risk - the risk that pensioner mortality will be lower than expected, resulting in pensions being paid for a longer period.

Legislative risk - the risk that legislation changes could be made which increase the cost of providing the defined benefits.

There were no Scheme amendments affecting the defined benefits payable, curtailments or settlements during the year.

	2021 \$	2020 \$
Reconciliation of the net defined benefit liability/(asset)		
Defined benefit obligation	3,225,000	3,208,000
Fair value of plan assets	(464,000)	(407,000)
Net superannuation liability/(asset)	2,761,000	2,801,000
Current net liability	64,000	65,000
Non-current net liability	2,697,000	2,736,000
Total liability	2,761,000	2,801,000
Reconciliation of the fair value of scheme assets		
Fair value of plan assets at the beginning of the year	(407,000)	(393,000)
Interest income	(13,000)	(13,000)
Actual return on plan assets less interest income	(51,000)	(10,000)
Employer contributions	(65,000)	(61,000)
Contributions by plan participants	(16,000)	(12,000)
Benefits paid	88,000	82,000
Fair value of plan assets at the end of the year	(464,000)	(407,000)
Reconciliation of the defined benefit obligation		
Present value of defined benefit obligations at beginning of the year	3,208,000	2,996,000
Current service cost	57,000	41,000
Interest cost	99,000	96,000
Contributions by plan participants	16,000	12,000
Actuarial (gains)/losses arising from changes in demographic assumptions	-	(40,000)
Actuarial (gains)/losses arising from changes in financial assumptions	(24,000)	(26,000)
Actuarial (gains)/losses arising from liability experience	(43,000)	211,000
Benefits paid	(88,000)	(82,000)
Present value of defined benefit obligations at end of the year	3,225,000	3,208,000

The asset ceiling has no impact on the net defined benefit liability/(asset).

Fair Value of Scheme Assets

As at 30 June 2021[^]

Asset Category	Total	Quoted prices in active markets for identical assets - Level 1 (\$'000)	Significant observable inputs - Level 2 (\$'000)	Unobservable inputs - Level 3 (\$'000)
Cash deposits	-	-	-	-
Australian equities	73	-	73	-
International equities	93	-	93	-
Infrastructure	60	-	15	45
Diversified fixed interest	117	-	117	-
Property	87	-	6	81
Alternative investments	34	-	34	-
Total	464	-	338	126

[^] Estimated based on assets allocated to Tasracing as at 30 June 2021 and asset allocation of the RBF Scheme as at 30 June 2020.

Fair Value of Entities Own Financial Instruments

The fair value of Scheme assets includes no amounts relating to:

- any of Tasracing's own financial instruments
- any property occupied by, or other assets used by Tasracing

Assets are not held separately for each reporting entity but are held for the Fund as a whole. The fair value of Scheme assets for each reporting entity was estimated by allocating the total Fund assets in proportion to the value of each reporting entity's fund liabilities, calculated using the assumptions outlined in this report, with the exception of the discount rate. For the purposes of allocating assets to each reporting entity, we have used the Government Bond yield of 2.15%, in order to be consistent with the allocation of assets reported to the Department of Treasury and Finance.

Significant actuarial assumptions at the reporting date

Financial year ended	30 June 2021	30 June 2020
Assumptions to determine defined benefit cost and start of year DBO		
Discount rate (active members)	3.15% p.a	3.25% p.a
Discount rate (pensioners)	3.15% p.a	3.25% p.a
Expected rate of increase of compulsory preserved amounts	3.00% p.a	3.00% p.a
Expected salary increase rate	3.00% p.a	3.00% p.a
Expected pension increase rate	2.25% p.a	2.50% p.a
Assumptions to determine end of year DBO		
Discount rate (active members)	3.20% p.a	3.15% p.a
Discount rate (pensioners)	3.20% p.a	3.15% p.a
Expected salary increase rate	3.00% p.a	3.00% p.a
Expected rate of increase of compulsory preserved amounts	3.00% p.a	3.00% p.a
Expected pension increase rate	2.25% p.a	2.25% p.a

Sensitivity analysis

The defined benefit obligation as at 30 June 2021 under several scenarios is presented below.

Scenario A and B relate to discount rate sensitivity. Scenario C and D relate to expected pension increase rate sensitivity.

	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
		-0.5% p.a discount rate	+0.5% p.a discount rate	-0.5% p.a pension increase rate	+0.5% p.a pension increase rate
Discount rate	3.20%	1.20%	4.20%	3.20%	3.20%
Pension increase rate	2.25%	2.25%	2.25%	1.25%	3.25%
Defined benefit obligation (A\$'000s)	3,225	3,766	2,800	2,958	3,549

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

Asset-Liability matching strategies

We are not aware of any asset and liability matching strategies adopted by the Fund.

Funding arrangements

The employer contributes a percentage of each lump sum or pension benefit payment. This percentage may be amended by the Minister on the advice of the Actuary.

Expected Contributions

Financial year ending	30 June 2021 (\$'000)
Expected employer contributions	64

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation for Tasracing is 15.7 years.

B10 Leases

(a) Right-of-Use Assets	2021 \$	2020 \$
Carrying amounts		
Racecourse leaseholds	1,137,163	3,335,043
Motor vehicles	371,863	477,046
Total right-of-use assets at 30 June 2020	1,509,026	3,812,089
Reconciliation of movements in carrying amounts		
Carrying amount at 1 July on adoption of AASB16	3,812,089	4,261,183
Additions	300,012	15,257
Disposals	(2,122,217)	-
Amortisation expense	(480,858)	(464,351)
Carrying amount at 30 June 2020	1,509,026	3,812,089

Accounting Policy

Right-of-Use assets

Tasracing has lease contracts for various racecourses and motor vehicles used in its operations. Leases of racecourses generally have lease terms between 3 and 50 years, while motor vehicles and other equipment generally have lease terms between 3 and 5 years. There are several lease contracts that include extension and termination options.

(b) Lease Liabilities

Reconciliation of movements in carrying amounts		
Carrying amount at 1 July	3,831,748	4,261,183
Additions	301,802	15,257
Disposals	(2,197,155)	-
Interest	42,596	101,469
Payments and accruals	(492,506)	(546,162)
Total lease liabilities at 30 June	1,486,485	3,831,748
Current	127,665	416,529
Non Current	1,358,820	3,415,219
Total lease liabilities at 30 June	1,486,485	3,831,748

Accounting Policy

Lease liabilities

At the commencement date of the lease, Tasracing recognises lease liabilities measured at the present value of lease payments to be made over the lease term, unless the short-term or low-value exemption is applied.

In calculating the present value of lease payments, Tasracing uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

Tasracing has elected not to recognise Right-of-Use assets and lease liabilities for short-term leases i.e. leases with a lease term of 12 months or less and leases of low-value assets i.e., when the value of the leased asset when new is \$10,000 or less. Tasracing recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

EQUITY

B11 Contributed Equity	2021	2020
	\$	\$
Balance at the beginning of the year*	59,964,911	59,906,911
Equity contribution - Treasury	750,000	58,000
Balance at the end of the year	60,714,911	59,964,911

Fully paid shares (30 June 2021 and 30 June 2020: 2)

Tasracing is a state owned company. Tasracing's share capital is held on behalf of the State of Tasmania by the Minister for Racing and the Treasurer.

B12 Accumulated Losses	2021	2020
	\$	\$
Balance at the beginning of the year	(21,906,335)	(17,981,646)
Net Profit/(Loss)	5,915,865	(3,789,689)
Other comprehensive income	118,000	(135,000)
Income tax relating to components of other comprehensive income	(35,400)	-
Balance at the end of the year	(15,907,870)	(21,906,335)

FINANCING AND FUNDING

FINANCIAL INSTRUMENTS

C1(a) Capital Risk Management

Tasracing manages its capital to ensure that it will be able to continue as a going concern through the optimisation of the debt and equity balance.

The capital structure of Tasracing consists of debt, which includes the borrowings disclosed in note B7, cash and cash equivalents and equity attributable to equity holders of the company, comprising contributed equity and retained earnings as disclosed in notes B11 and B12 respectively.

Tasracing's policy is to endeavour to fund current and future activities through adequately maintained cash reserves. Where required Tasracing borrows through the Tasmanian Public Finance Corporation, TASCORP.

(b) Categories of Financial Instruments	2021 \$	2020 \$
Financial assets		
Cash and cash equivalents	8,908,081	4,006,115
Financial assets - at amortised cost	1,847,112	1,835,069
Other financial assets - at amortised cost	94,507	84,507
	10,849,700	5,925,691
Financial liabilities		
Held at amortised cost:		
Trade and other payables	2,116,846	4,311,830
Other financial liabilities	190,097	159,770
Borrowings	7,126,356	8,708,255
Lease liabilities - note B10	1,486,485	3,831,748
	10,919,784	17,011,603

Estimation of fair values

Tasracing considers that the carrying values of financial assets and liabilities are approximate to their fair values.

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

(i) Borrowings

Fair value is calculated based on discounted expected future principal and interest cash flows.

(ii) Trade and other receivables / payables

For receivables / payables with a remaining life of less than one year, the nominal amount is deemed to reflect the fair value. All other receivable / payables are discounted to determine the fair value.

Accounting policy

Financial assets

All Financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of any transaction costs.

Financial assets are classified into the following specified category: 'loans and receivables'. The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating 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 (including

all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through the Statement of Comprehensive Income'.

Financial assets/Trade and other receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'Financial assets - at amortised cost', which represents their transaction value. Impairment is recognised on an expected credit loss (ECL) basis. When determining whether the credit risk has increased significantly since initial recognition, and when estimating the ECL, Tasracing considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Tasracing's historical experience, an informed credit assessment and forward-looking information. Tasracing has established a provision matrix to facilitate the impairment assessment.

Interest income is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through the Statement of Comprehensive Income, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of a financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of the ECL account. When a trade receivable is considered uncollectable, it is written off against the ECL account. Changes in the carrying amount of the ECL account are recognised in the Statement of Comprehensive Income.

Derecognition of financial assets

Tasracing derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If Tasracing neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If Tasracing retains substantially all the risks and rewards of ownership of a transferred financial asset, Tasracing continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual agreement. Interest and dividends are classified as expenses or as distributions of profit consistent with the Statement of Financial Position classification of the related debt or equity instruments or component parts of compound instruments.

Financial liabilities

Financial liabilities are classified as other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Tasracing derecognises financial liabilities when, and only when, Tasracing's obligations are discharged, cancelled or they expire.

Financial risk management objectives

Tasracing has exposure to the following risks from the use of financial instruments:

- (i) Interest rate risk
- (ii) Credit risk, and
- (iii) Liquidity risk

(i) Interest rate risk management

Interest rate risk is limited to movements in “at call” and “short term fixed” interest rates on Investments. The majority of Tasracing’s borrowings are at fixed rates of interest.

Interest rate sensitivity analysis

	Impact on Statement of Comprehensive Income/(Loss)		Impact on Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
	\$	\$	\$	\$
30 June 2021	44,540	(44,540)	44,540	(44,540)
30 June 2020	20,031	(20,031)	20,031	(20,031)

(ii) Credit risk management

Credit risk represents the loss that would be recognised if debtors failed to meet their obligations under a contract or arrangement. The major exposure to credit risk arises from receivables. Tasracing has a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk.

The average credit period on these items is 30 days with a large number of smaller debtors reducing the risk. No interest is charged on receivables. An allowance has been made for estimated unrecoverable trade receivable amounts arising from past transactions, determined by reference to past default experience. Further details are disclosed in note B2.

(iii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of Tasracing’s short, medium and long term funding and liquidity management requirements. Tasracing manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows.

The table below shows the contractual maturities of financial liabilities and expected maturities of financial assets.

	< 1 year	1-2 years	2-5 years	> 5 years	Total	Weighted Average Effective Interest Rate
30 June 2021	\$	\$	\$	\$	\$	
Financial Assets						
Cash and cash equivalents	8,908,081	-	-	-	8,908,081	0.15%
Financial assets - at amortised cost	1,846,034	-	-	-	1,846,034	-
Other financial assets - at amortised cost	94,507	-	-	-	94,507	-
Total Financial Assets	10,848,622	-	-	-	10,848,622	0.13%
Financial Liabilities						
Trade and other payables	2,116,846	-	-	-	2,116,846	-
Other financial liabilities	190,097	-	-	-	190,097	-
Borrowings	846,683	5,487,628	792,045	-	7,126,356	4.77%
Lease liabilities - note B10	127,665	96,057	145,192	1,117,571	1,486,485	1.82%
Total Financial Liabilities	3,281,291	5,583,685	937,237	1,117,571	10,919,784	3.12%

	< 1 year	1-2 years	2-5 years	> 5 years	Total	Weighted Average Effective Interest Rate
30 June 2020	\$	\$	\$	\$	\$	
Financial Assets						
Cash and cash equivalents	4,006,115	-	-	-	4,006,115	0.31%
Financial assets - at amortised cost	1,832,672	-	-	-	1,832,672	-
Other financial assets- at amortised cost	84,507	-	-	-	84,507	-
Total Financial Assets	5,923,294	-	-	-	5,923,294	0.21%
Financial Liabilities						
Trade and other payables	3,048,539	-	-	-	3,048,539	-
Other financial liabilities	164,475	-	-	-	164,475	-
Borrowings	2,808,946	846,683	6,279,672	-	9,935,301	3.98%
Lease liabilities - note B10	23,221	343,086	115,484	3,349,957	3,831,748	1.97%
Total Financial Liabilities	6,045,181	1,189,769	6,395,156	3,349,957	16,980,063	2.33%

OTHER

COMMITMENTS

D1 Expenditure commitments

(i) Capital expenditure commitments

Leasehold Improvements

Contractual commitments for the acquisition of property, plant or equipment:

- not later than one year

	2021	2020
	\$	\$
- not later than one year	1,780,031	130,357
(ii) Other contractual commitments		
Non-cancellable contracts payable:		
- not later than one year	1,632,230	1,705,596
- later than 1 year but not later than 5 years	1,741,531	2,508,829
	3,373,761	4,214,425

Commitments in place are for vision and broadcast, medical services and general property maintenance service agreements.

KEY MANAGEMENT PERSONNEL COMPENSATION

D2 Key Management Personnel

Tasracing's remuneration policy has been designed to align key management personnel objectives with business objectives by providing a fixed remuneration. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage Tasracing, as well as create goal congruence between directors, executives, shareholders and other key stakeholders.

The Board is remunerated in accordance with the Tasmanian State Government remuneration framework which recommends the maximum remuneration amount available to the members of Government boards. Tasracing has complied with the Guidelines for Tasmanian Government Businesses – Director and Executive Remuneration with the exception of the CEO's remuneration being outside the remuneration band established by the Government Business Executive Remuneration Advisory Panel. The exception was approved by the Government on 5 November 2018. The CEO remuneration package was endorsed by the Panel prior to the position being advertised.

The Board's policy for determining the nature and amount of remuneration for Tasracing's key management personnel is as follows:

- Remuneration is approved by the remuneration committee and then approved by the Board after professional advice is sought from independent external consultants.
- All key management personnel receive a base salary (which is based on factors such as position, competency, length of service and experience), superannuation and other benefits.
- No performance incentives exist for the current members of the executive.
- The remuneration committee reviews key management personnel packages annually by reference to Tasracing's performance, executive performance and comparable information from industry sectors.

Consistent with legislated requirements, key management personnel receive a superannuation guarantee contribution, which is currently 9.50%, and do not receive any other retirement benefits.

All remuneration paid to key management personnel is valued at the cost to Tasracing and expensed. All transactions with key management personnel, including the payment of prize money, including payments to syndicates, were conducted on an arm's length basis in the ordinary course of business and on commercial terms and conditions.

Non-executive directors

The Board's policy is to remunerate non-executive directors in accordance with guidelines and sizing statements provided by The Department of Treasury and Finance and Department of Premier and Cabinet respectively.

Remuneration details for the Year Ended 30 June 2021

The key management personnel of Tasracing Pty Ltd during the year were:

Board of Directors

G. Phair (Chairperson, non-executive director)
H. Galloway (Deputy Chairperson, non-executive director)
D. Garnier (non-executive director)
M. Gordon (non-executive director)
D. McCarthy (non-executive director), retired 18 November 2020
J. Wallace (non-executive director)
M. Wallace (non-executive director), appointed 18 November 2020
R. Whishaw (non-executive director)

Executive Management

P. Eriksson (Chief Executive Officer)
D. Heald (Chief Financial Officer)

Table of benefits and payments for the year ended:

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	Directors Remuneration		Executive Remuneration		Consolidated	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	216	218	427	436	643	654
Post-employment benefits	22	19	37	36	58	55
Other long-term benefits	0	0	24	25	24	25
Termination benefits	0	0	0	0	0	0
	238	237	487	497	725	735

For Executive remuneration, short-term employment benefits includes base salary, short-term incentive payments, vehicles, other benefits and other non-monetary benefits. Post employment benefits represents superannuation contributions and other long-term employee benefits includes leave movements. Termination benefits are as provided for below.

(a) Remuneration for Board of Directors

The following tables disclose the remuneration details for each person that acted as a director during the current and previous financial years:

Board remuneration		30 June 2021		
Name	Position	Directors Fees ¹ \$'000	Superannuation ² \$'000	Total \$'000
Mr G Phair	Chairperson	52	5	57
Mrs H Galloway	Deputy Chairperson	27	3	30
Mr D Garnier	Director	27	3	30
Mr M Gordon	Director	27	3	30
Mr D McCarthy * (retired 18 November 2020)	Director	12	0	12
Mr J Wallace	Director	27	3	30
Mr M Wallace (appointed 18 November 2020)	Director	17	2	19
Mrs R Whishaw	Director	27	3	30
Total		216	22	238

Board remuneration		30 June 2020		
Name	Position	Directors Fees ¹ \$'000	Superannuation ² \$'000	Total \$'000
Mr G Phair	Chairperson	52	5	57
Mrs H Galloway	Deputy Chairperson	27	3	30
Mr D Garnier (appointed 26 November 2019)	Director	15	1	16
Mr M Gordon	Director	27	3	30
Mr D McCarthy *	Director	30	0	30
Ms T Price (retired 26 November 2019)	Director	13	1	14
Mr J Wallace	Director	27	3	30
Mrs R Whishaw	Director	27	3	30
Total		218	19	237

¹ Amounts are all forms of consideration paid, payable or provided by the company, i.e. disclosure is made on an accruals basis as at 30 June.

² Superannuation means the contribution to the superannuation fund of the individual.

* Paid by contract to employing firm.

(b) Executive Remuneration

The following tables disclose the remuneration details for each person that acted as a senior executive during the current and previous financial year:

Executive Remuneration		30 June 2021							
Name	Position	Base Salary ¹ \$'000	Superannuation ² \$'000	Vehicles ³ \$'000	Other Benefits ⁴ \$'000	Total Remuneration Package \$'000	Termination Benefits ⁵ \$'000	Other Long Term Benefits ⁶ \$'000	Total \$'000
Mr P Eriksson	Chief Executive Officer	249	22	15	0	286	0	14	300
Mr D Heald	Chief Financial Officer	158	15	6	0	179	0	10	189
Total		407	37	21	0	465	0	24	489

Executive Remuneration		30 June 2020							
Name	Position	Base Salary ¹ \$'000	Superannuation ² \$'000	Vehicles ³ \$'000	Other Benefits ⁴ \$'000	Total Remuneration Package \$'000	Termination Benefits ⁵ \$'000	Other Long Term Benefits ⁶ \$'000	Total \$'000
Mr P Eriksson	Chief Executive Officer	254	21	15	0	290	0	17	307
Mr D Heald	Chief Financial Officer	161	15	6	0	182	0	8	190
Total		415	36	21	0	472	0	25	497

¹ Base salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.

² Superannuation means the contribution to the superannuation fund of the individual.

³ Includes the private use of Motor Vehicles provided by Tasracing, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

⁴ Other benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.

⁵ Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

⁶ Other long-term benefits include annual and long service leave movements.

D3 Transactions with Related Parties

During the year, Tasracing entered into the following transactions with related parties.

Nature of the transaction	Amount of transactions during the year	Transaction description
TASBRED Nomination, Advertising and Sponsorship	\$6,836	Armidale Stud, which is controlled by a member of KMP of Tasracing, nominated a horse for the TASBRED scheme, made a sponsorship payment to the Thoroughbred Awards Dinner and purchased advertising in the Tasmanian Thoroughbred Racing Calendar.
Stakes payments (including prize monies, and bonus payments)	\$190,744	Stakes and prize money payments were made to KMP. These payments are made in the ordinary course of business in line with Tasracing stakes payment procedures.

D4 Economic Dependency

A significant proportion of Tasracing's revenue is dependent on a funding deed through to 2029 with the State Government which provides base funding of \$30.79m increasing by CPI annually. In addition, the deed allows for a \$40m debt facility with TASCORP of which Treasury will provide support in the form of principal and interest reimbursements, subject to certain conditions.

D5 Other significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

Subsequent Events

No matters or circumstances have occurred subsequent to the end of the financial year that have significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Changes in Accounting Policies

a) Accounting standards adopted

In the current year Tasracing has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

b) Future pronouncements

There were no significant accounting standards or amendments available for early adoption that were applied by Tasracing in these financial statements.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to Tasracing's activities, or have no material impact. The directors anticipate that the adoption of these standards and interpretations in future periods will have no material financial impact on the financial statements of Tasracing.



Level 8, 144 Macquarie Street, Hobart, Tasmania, 7000
Postal Address GPO Box 851, Hobart, Tasmania, 7001
Phone: 03 6173 0900
Email: admin@audit.tas.gov.au
Web: www.audit.tas.gov.au

13 August 2021

The Board of Directors
Tasracing Pty Ltd
PO Box 730
GLENORCHY TAS 7010

Dear Board Members

Auditor's Independence Declaration

In accordance with section 307C of the *Corporations Act 2001*, I provide the following declaration of independence.

As the auditor of the financial report of Tasracing Pty Ltd for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) any applicable code of professional conduct in relation to the audit.

In accordance with the *Corporations Act 2001* a copy of this declaration must be included in the Directors' Report.

Yours sincerely

Stephen Morrison
**Assistant Auditor-General – Audit
Delegate of the Auditor-General**



Independent Auditor's Report
To the Members of Tasracing Pty Ltd
Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Tasracing Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2021 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In my opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

I confirm that the independence declaration required by the *Corporations Act 2001*, was provided to the directors on the same date as this auditor's report and is included in the Directors' Report.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Property, plant and equipment <i>Refer to note B3</i>	
<p>The carrying value of property, plant and equipment was \$46.86m at 30 June 2021. Property, plant and equipment are significant to the statement of financial position.</p> <p>Property, plant and equipment are stated at cost less accumulated depreciation, amortisation and impairment. Where there are indicators of impairment, management is required to estimate the recoverable amount. This involves considerable judgement in the assessment of the recoverable amount, using the 'value in use' model. Judgements relate to the forecast cash flows and applicable discount rate.</p>	<ul style="list-style-type: none"> • Reviewing management's assessment as to whether there were any indicators of impairment. • Reviewing the impairment methodology including material assumptions, cash flow model and underlying data. • Assessing the adequacy of relevant disclosures in the financial statements, including those regarding key assumptions used. • Assessing the adequacy of relevant disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's Directors' Report for the year ended 30 June 2021, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company 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.

I communicate with the directors 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.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Stephen Morrison
Assistant Auditor-General – Audit
Delegate of the Auditor-General
Tasmanian Audit Office

13 August 2021
Hobart





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