



ANNUAL REPORT

2022




tasracing



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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 2017 TO 30 JUNE 2022)



\$347.7 M / 68% 

Wagering turnover



\$13.8 M / 131% 

Race Field Fee revenue



\$30.5 M

Capital investment in industry infrastructure



\$6.8M

Point of consumption tax funding



\$9.7 M / 45% 

Code funding



\$8.0 M / 43% 

Stakes paid





FROM THE CHAIRPERSON

The 2021/22 reporting period was a successful one for the Company – and by extension the Tasmanian Racing Industry – for a number of reasons.

Our total comprehensive profit totalled \$4.23 million (\$6.00 million: 2020/21). The before tax profit remained steady at \$4.87 million (\$4.46 million: 2020/21).

Point of Consumption Tax funding increased to \$6.83 million (\$2.54 million: 2020/21) due to the 2021/22 reporting period being the first full year of funding.

In line with the associated Share of Point of Consumption Tax Grant deed, this funding was applied by Tasracing to stakes, animal welfare and infrastructure investment.

At the same time, prize money and Industry funding increased by \$4.58 million. This included a \$3.63 million increase in sustainable Code Funding, plus a one-off investment of \$1.31 million in club and code initiatives.

In partnership with Ladbrokes and the host racing clubs, Tasracing hosted the second summer of racing carnival featuring all three codes across 22 race days.

The summer racing season is extremely important to the Tasmanian Racing Industry for a number of reasons - it provides a great opportunity to showcase the state's racing product to a wider national audience, the racecourse experience and the overall importance of the industry to key audiences.

Just prior to the start of the summer racing carnival at the end of the 2021 calendar year, Ladbrokes agreed to extend its contract with Tasmanian racing as venue and major race day naming rights partner by four years. The decision to extend the partnership confirms the significance of the industry in Tasmania and its future growth potential.

Significantly, Tasracing entered a media partnership with the Sports Entertainment Network (SEN) during the reporting period. SEN operates a network of sports and racing radio and digital assets in 15 Australian markets, including in Tasmania, and 26 markets in New Zealand.

The partnership led to the creation of new in-depth pre and post-race content that helped Tasracing to attract more Australian racing fans to Tasmania's greyhound, harness and thoroughbred codes. It complemented Tasracing's existing exclusive live racing broadcast rights partnership with Sky Racing.

Tasracing is consistently focused on growing market share in the highly competitive wagering market. The media partnership with SEN provides the perfect example of ways we are continuing to work to achieve this.

As a result of this and other initiatives, Racefield Revenue returns increased by 13.7 per cent to \$25.20 million (\$22.16 million: 2020/21). Since the 2018/19 financial year, national wagering on Tasmanian racing product has increased by \$261.41 million to an impressive \$860.33 million, with a \$10.06 million increase in commercial Racefield Revenue.

The \$1.31 million in one-off investment in Club and Code initiatives referenced earlier was possible because of the higher than forecast Racefield Revenue.

These continuing strong results demonstrate the significance of our investment in digital and broadcast of the Tasmanian racing product. This investment ensures Tasmanian races are featured and promoted by all wagering service providers, that Tasmanian races are scheduled and broadcast to optimise audience reach and that we generate loyalty among wagering customers by providing market-leading form analysis products.

In the infrastructure space, capital expenditure for the reporting period was \$3.53 million. This figure is below forecasted targets because the Company resolved to cease work at the Latrobe site of a proposed new greyhound and harness track and agreed to develop a dual code facility at a new site in the region.

The decision followed a Natural Values Assessment on the site which identified a critically endangered Black Gum forest and woodland community. The assessment work followed community consultation and formed part of the normal due diligence work required to prepare a Development Application for the Latrobe Council.

A new preferred location on 27 hectares of land opposite the Devonport Airport (acquired by the Company subject to a subdivision and Development Application being approved) has been identified. Site investigation works have been completed, including geotechnical and agricultural assessment and compliance.

Next steps (at the time of writing) included the preparation and submission of a DA to the Latrobe Council.

A well-credentialled industry project committee, comprising representatives from both the greyhound and harness codes, continues to work very closely with Tasracing on the project.

As was widely reported at the time, the harness and greyhound codes vacated the Devonport Showgrounds following a decision by the Devonport Agricultural Pastoral Society (DAPS).

Tasracing is a strong supporter of racing in the region and worked to ensure that impact on local participants by the DAPS decision was mitigated where possible. With this in mind, subsidies were applied to north-west based licensed trainers and drivers who participated in a transferred race meeting or trial session.

Though it occurred just outside the 2021/22 financial year, after more than three years in the role, former Chief Executive Officer Paul Eriksson departed the business.



Mr Eriksson made a significant contribution to the development of the broader Tasmanian racing industry during his tenure in a number of areas, including the delivery of a strategic five-year plan, significantly improving transparency around the reporting of welfare and injury statistics, code funding growth and delivery of COVID industry support payments from internal funding resources.

On behalf of the Board, I would like to thank Mr Eriksson for his work as Chief Executive Officer.

I would also like to thank and congratulate the Tasracing management team and all employees for their contributions during the year that delivered the results that this annual report describes.

It is also important to recognise the significant contributions of my colleagues on the Board during our deliberations during the reporting period. At the AGM we farewelled Joel Wallace and welcomed Neil Grose to the Board.

Mr Wallace was a director of Tasracing for six years and represented Tasracing on the Harness Racing Australia Board. I would like to particularly thank Mr Wallace for his work, both this year and in previous years.

Finally, I would like to recognise former Racing Minister Jane Howlett and the current Racing Minister, Madeleine Ogilvie, for their ongoing and strong support of the Tasmanian racing industry.



Gene Phair
Chairperson





FROM THE (ACTING) CHIEF EXECUTIVE OFFICER

There were a number of significant events during the reporting period that delivered important benefits to the state and the racing industry. Ultimately, the 2021/22 financial year has been a positive one for the Company. After successfully recovering from the industry shutdown of 2019/20, the industry continued to strongly position itself for future growth, driven in large part by commercial decisions taken by Tasracing.

Importantly, Tasracing's cash position increased during the year to \$18.94 million in support of a \$23.90 million investment budget for 2022/23. This is a good result that will enable a sustainable level of investment in infrastructure.

Financial performance

Tasracing recorded a Total Comprehensive Profit of \$4.23 million for 2021/22 (\$6.00 million: 2020/21). This included a profit before tax of \$4.87 million (\$4.46 million: 2020/21) with a \$1.08 million tax expense (a \$1.46 million tax benefit was recognised in 2020/21) and an after-tax reduction in Defined Benefit Obligations of \$0.44 million (\$0.08 million in 2020/21).

Point of Consumption Tax funding increased to \$6.83 million (\$2.54 million in 2020/21) due to 2021/22 being the first full year of funding. In line with the Share of Point of Consumption Tax Grant deed, this funding was applied to stakes, animal welfare and cash for infrastructure investment.

Racefield Revenue returns increased by 13.7 per cent to \$25.20 million (\$22.16 million: 2020/21).

Impressively, since 2016/17 national wagering on Tasmanian racing has increased by \$347.7 million to \$860.33 million, with a \$13.8 million increase in commercial Race Field Revenue.

These results have been supported by our investment in digital and broadcast of the Tasmanian racing product. It ensures Tasmanian races are featured and promoted by all wagering service providers, that Tasmanian races are scheduled and broadcast to optimise audience reach as far as possible and that we generate loyalty among wagering customers by providing market-leading form analysis products.

One-off initiatives were allocated to raceday and racing expenses where an extra \$0.92 million was allocated for priority maintenance works across the state bringing total raceday and racing expenses to \$7.36 million (\$6.31 million in 2020/21).

Employee benefits increased \$0.77 million, of which \$0.34 million was due to a write back of leave in 2020/21. The remaining increase was primarily due to the full year impact of additional racing resourcing implemented in 2021, additional resourcing at Mowbray and the new Chief Operating Officer position from January 2022.

Other Expenses increased by \$0.62 million with insurance costs increasing \$0.25 million and impairment losses associated with the North West Tracks project of \$0.26 million.

Capital expenditure during the year was \$17.32 million below target due to environmental issues causing delays with the North West Tracks project and difficulties accessing contractors and supplies.

Prize money and industry funding

Prize money and industry funding benefitted from the trading conditions, with an increase of \$4.58 million for the year.

This included a \$3.63 million increase in sustainable code funding, plus one-off investments in club and code

initiatives of \$1.31 million. These one-off initiatives in support of strategic objectives were made possible by the higher than forecast Racefield Revenue and were undertaken after consultation with industry bodies and participants.

Since 2016/17, code funding has increased by 45 per cent.

Assets and infrastructure

Given the Company's strong financial performance, Tasracing is in a good position to invest sustainably in industry infrastructure.

Further, during the 2021/22 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 breakdown of investments is as follows:

- Longford Training Centre - thoroughbred track drainage upgrade.
- Longford Training Centre - construction of new 800m trial starting chute.
- Brighton Training Centre - thoroughbred track drainage upgrade.
- Brighton Training Centre - harness track upgrade.
- Spreyton Park Amenities - building upgrade.

For some time these important training facility upgrades have been identified as areas requiring improvement to ensure training infrastructure was fit for purpose allowing trainers to adequately prepare their animals for racing.

The training facilities identified are used 365 days a year by participants across all three codes. As part of Tasracing's commitment to these projects, additional funds have been committed. These projects are at various levels of completion, though all are expected to be completed in 2022/23.

In addition, more than \$330,000 was awarded to Tasmanian racing clubs under the Tasmanian Community Racing Club Infrastructure Grants. Seven grants were awarded to four clubs as follows:

- Carrick Park Pacing Club – additional funding to support the demolition of existing judges' box and erection of a new box, including removal of overhead wiring and its placement underground and levelling of the surrounding foot traffic area.
- Carrick Park Pacing Club - installation of new fibre optic cable to support raceday SKY Channel coverage.
- Carrick Park Pacing Club – upgrade of female driver rooms.

- Devonport Racing Club – install smoking area, add hot bitumen, and upgrades to toilet block and ticket box.
- Tasmanian Turf Club – second phase of refurbishment of jockey rooms, improving appearance and functionality.
- Burnie Harness Racing Club – replacement of photo finish camera.
- Burnie Harness Racing Club – upgrade of photo finish lighting system.

In 2021/22, Tasracing's capital expenditures budget allocation saw the following projects completed:

- Upgrade of Elwick Mounting Yard.
- Installation of asphalt within raceday stalls at Elwick.
- Upgrade of lights and electrical within Brighton stable complex.
- Refurbishment of Mowbray owners and trainers bar.
- Construction of 11 new training boxes at Carrick Park.
- Construction of new swab and urine box at Carrick Park.
- Refurbishment of Elwick harness track.
- Refurbishment of Mowbray harness track.
- Painting of Mowbray grandstand.
- Upgrade of inside running rail to Mawsafe rail at Brighton Training Centre.
- Upgrade of day yards at Brighton Training Centre.
- Commissioning of new Safechase lure at Mowbray.
- Commissioning of new starting boxes at Mowbray.

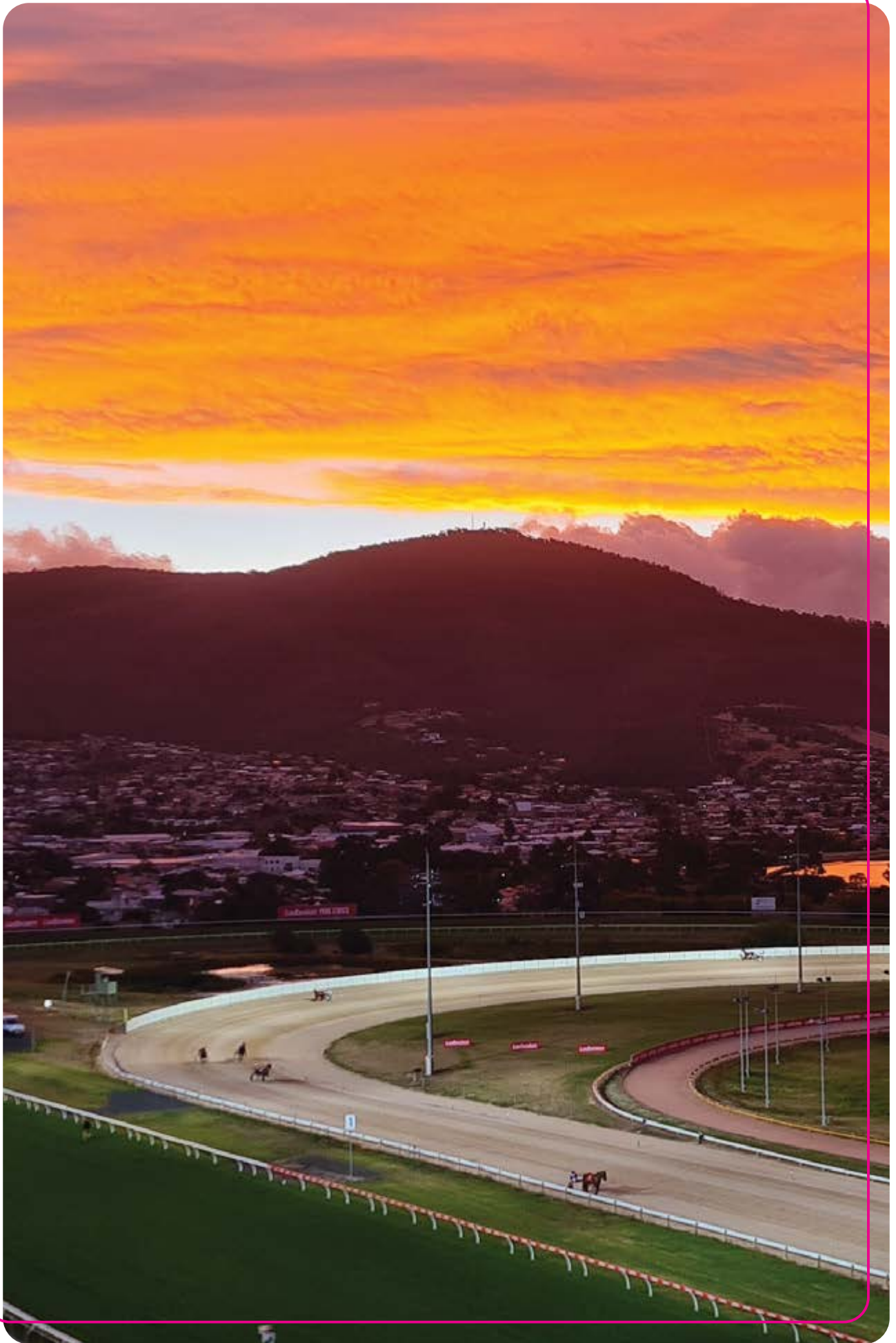
At the same time, significant improvements have been made to tracks across the state of all three codes which have positively impacted wagering turnover. This augurs well for the 2022/23 racing season when we can again expect to see good racing.

Importantly, the track management and maintenance processes for Tasracing's three thoroughbred tracks have been well received by industry.

Mowbray performed to a high standard throughout the season. Autumn renovations were completed at the conclusion of the race meeting on Good Friday. Renovations consisted of dethatching, aeration, seeding, topdressing and fertilising the track.

After this successful renovation program, the track performed well during three scheduled race meetings for the winter period. It was the first time in a number of years that such meetings could be scheduled to provide participants with additional turf racing at that time of year.

The Spreyton Tapeta track continued to perform well. Standard track renovations are undertaken monthly.



This maintenance program includes an annual “flipping” of the track in order to thoroughly mix the profile of the track to ensure it is even and consistent, and to ensure that the track is draining appropriately while minimising kickback.

The Elwick thoroughbred track continues to improve in visual appearance and performance, particularly during the reporting period.

In summary, time to mature, management of usage and ongoing turf maintenance are the three most vital components in producing an ongoing sustainable racing surface at Elwick. The Company continues to self-audit, test track soils and turf foliage for nutrient levels and is also continuing to work with Sportsturf Pty Ltd and Strathayr to ensure industry best practices are being observed.

Moving forward, key areas of focus for the Elwick thoroughbred track will be to:

- Ensure the track maintenance program is implemented in conjunction with daily visual requirements.
- Take an aggressive approach towards diffusing the organic layers within the surface of the track.
- Target unwanted *Poa annua* grass species and eradicate as time and the racing program permits.
- Continue to monitor growing medium nutrition levels and adjust as required (promoting root growth).
- Manage track usage, including managing usage numbers when appropriate.
- Closely monitor rail placements moving forward, ensuring adequate rotation is achieved.

Though this occurred outside the reporting period, Tasracing announced its preferred location for harness and greyhound tracks on the North-West Coast on 27 hectares of private land opposite the Devonport Airport.

The new site was identified after a Natural Values Assessment on a site at Latrobe identified a critically endangered Black Gum forest and woodland community. As a result, Tasracing resolved to cease work at the site and identify a new site for a dual code facility.

Initial site investigation works have been completed, as well as a concept layout design for the tracks and amenities building.

Tasracing has acquired the land, subject to subdivision and development approvals.

Racing

In thoroughbreds, the Bill Ryan-trained mare Still A Star – which won the Group 2 Rose of Kingston Stakes during the Victorian Spring Carnival – was named the Ladbrokes Tasmanian Horse of the Year. She was also named the Armidale Stud “Alpine Eagle” Leading Tasmanian Filly or Race mare for the season.

Bello Beau (three wins from five starts) was named the Tasmanian Turf Club 2YO Horse of the Year and Alpine Wolf (two wins from four starts) won the Devonport Racing Club 3YO Horse of the Year award.

Apprentice jockey Codi Jordan won both the Tasmanian Racing Club Leading Jockey and the Skillinvest Leading Apprentice Award with 61 wins, while Chelsea Baker won the Tasmanian Jockeys’ Association and Carbine Club DUX of the Apprentice School Award for 2021/22.

Scott Brunton was the Australian Trainers Association Leading Trainer (74 winners) for the ninth year in a row.

The 2022 Tasmanian Magic Millions Yearling Sale was again a success with a record gross of \$4.34 million and clearance rate of 82 per cent.

From a catalogue of 146 lots, 138 lots were offered for sale, with 113 lots sold at an average of \$38,447 an increase of more than nine per cent on the 2021 Tasmanian Magic Millions Sale results.

A filly by Toronado out of the mare Il Sogno offered by Armidale Stud topped the sale, purchased by A List Stud in Victoria for \$150,000.

In harness, The Shallows was the horse of the year award winner, Ben Yole was named the leading trainer, Tammy Langley was the leading female trainer, Conor Crook was the leading driver and Jordan Chibnall was the leading female driver.

There were 18 feature races held in Tasmania during the reporting period with stakes money of \$20,000 or more. Prize money across these races totalled \$800,000.

The Mark Reggett-trained Gotta Good Reason won the \$30,000 Tassie Golden Apple Final, and after changing stables to northern-based trainer Mark Yole, also won the Group One \$100,000 Tasmania Cup. Victorian-based trainer Emma Stewart won the Group One \$100,000 Easter Cup with her Tasmanian-bred and part-owned 4YO horse Longfellow.

In greyhounds, Tasmania’s only feature Group 1 race – the Ladbrokes Hobart Thousand – was won by Victorian Aussie Secret. The Group 2 Ladbrokes Launceston Cup was won by Hill Top Jack, also from Victoria, while the Group 3 Ladbrokes Devonport Chase was won by the locally trained Superior Wallis.

Tasracing, in conjunction with the Launceston Greyhound Racing Club, hosted the annual awards dinner, recognising the following award winners:

- Tasmanian Greyhound of the Year – Wynburn Sheean.
- Leading Trainer – Anthony Bullock.
- Leading Owner – Robyn Johnson.
- Leading Breeding Female – She’s All Class.
- Leading Sire – Fernando Bale.
- Most Consistent Greyhound – Headwall.



Welfare

GREYHOUND ADOPTION PROGRAM (GAP)

The Greyhound Adoption Program Tasmania (GAP Tasmania) was established by Tasracing with the objective of giving permanent homes to greyhounds when they retire from racing.

There were 81 adoptions for the reporting period, with zero greyhounds euthanised and 14 greyhounds returned.

July 2021 was the biggest adoption month (13), followed by December 2021 (11).

Tasracing's vision for GAP continues to be transforming it into a best practice rehoming organisation.

Kennel management software was introduced in July 2021, and GAP manager Lianne Salerno was awarded unmuzzling accreditation, with support provided by Dr Adam Richardson, the Office of Racing Integrity regulatory veterinarian. Discussions commenced with behaviour specialist Dr Liam Clay to provide a behaviour modification program and GAP audit.

GAP marketing expanded during the reporting period, showcasing greyhounds in shopping centres and on outside advertising billboards across the state.

GAP announced a partnership with the Hobart Chargers basketball club in 2022, and a game day partnership with the Jack Jumpers NBL basketball club to promote . It also signed a partnership with the Brighton Football Club to host National Adoption Day on 30 April that resulted in 32 adoption applications in April and 33 in May (compared to 17 in April 2021 and 29 in May 2021).

AFL games record holder Brent Harvey put his name to GAP Tasmania as an ambassador during the financial year. Having played a record 432 games with the North Melbourne Football Club, he provided his sporting profile to promote the activities of the adoption program in the state.

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
2021/2022	66	81	0	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 - Unsuited for rehoming; euthanised on behavioural grounds (does not include euthanasia on medical grounds)

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



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
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%
2021/22	11,887	177	1.49%	58	0.49%	50	0.42%	9	0.08%	294	2.47%

Data source – ORI Stewards Reports

^ In FY20, racing was shut down for 10 weeks

Data source – ORI Stewards Reports

Note:

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

FY17-19

Very minor (0-5 days)

Minor (6-10 days)

Medium (11-21 days)

Major (> 21 days)

Catastrophic (Euthanised / deceased)

FY20 onwards

Category A (0 days)

Category B (1-10 days)

Category C (11-21 days)

Category D (22 or more days)

Category E (Euthanised / deceased)

Greyhound retirement data

	2017/2018		2018/2019		2019/2020		2020/2021		2021/2022	
	Number of dogs	(%)	Number of dogs	(%)	Number of dogs	(%)	Number of dogs	(%)	Number of dogs	(%)
Breeding	20	4.40	11	2.68	8	2.25	23	6.76	11	3.6
Deceased	25	5.50	38	9.27	24	6.74	18	5.29	32	10.5
Euthanised	198	43.50	137	33.41	90	25.28	40	11.76	43	14.1
Rehomed	212	46.60	224	54.63	233	65.45	259	76.18	219	71.8
Other	0	0.00	0	0.00	1	0.28	0	0.00	0	0
Total	455		410		356		340		305	

Data source – OzChase National System

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

- Considerable improvement across the years in rehoming rate and the number of greyhounds deceased/euthanised
 - In FY22, 71.8% of all greyhounds exiting the industry retired to pet life (up from 46.6% in FY18).
 - In FY22, 14.1% of all greyhounds exiting the industry were euthanised (down from 43.5% in FY18).

Greyhound breeding data

	2017/18	2018/19	2019/20	2020/21	2021/22
Number of Litters	48	40	32	40	44
Pups Whelped	330	248	203	283	294

Data source – OzChase National System

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





Harness retirement data

	2018/19		2019/20		2020/21		2021/22	
	Number of horses	(%)	Number of horses	(%)	Number of horses	(%)	Number of horses	(%)
Breeding	5	2.70	16	7.80	9	6.25	23	11.4
Deceased	23	12.43	17	8.29	10	6.95	32	15.8
Euthanised	73	39.46	73	35.61	54	37.50	31	15.4
Rehomed	83	44.86	99	48.29	71	49.31	116	57.4
Other	1	0.54	0	0.00	0	0.00	0	0
Total	185		205		144		202	

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 FY22, 57.4% of Standardbreds retiring from the industry were rehomed (up from 44.86% in FY19)
 - In FY22, 15.4% of Standardbreds exiting the industry were euthanised (down from 39.46% in FY19)



Thoroughbred retirement data

	2019/2020		2020/2021		2021/2022	
	Number of horses	(%)	Number of horses	(%)	Number of horses	(%)
Breeding	62	15.31	57	15.92	63	22.0
Deceased	30	7.41	19	5.31	13	4.6
Euthanised	60	14.81	43	12.01	23	8.0
Rehomed	245	60.49	237	66.20	181	63.3
Other	8	1.98	2	0.56	6	2.1
Total	405		358		286	

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 who 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

- Steady improvement across the years in rehoming rate of Thoroughbreds
 - In FY22, 63.3% of Thoroughbreds retiring from the industry were rehomed (up from 60.49% in FY20)

Off The Track (OTT)

The program continued to develop in the reporting period. Specifically, Tasracing supported owners looking to rehome their retired racehorses by enabling them to promote the horse in the classified advertisement section of the Off The Track (OTT) webpage.

The Company sponsored 28 events / shows using the OTT brand.

There were 930 vouchers issued during the reporting period to assist 93 horses under the Subsidies Lessons Program.

The program 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.

Tasracing continued its partnership (launched on 1 June 2021) with national feed company Hygain to provide new owners / lessees of newly retired racehorses with feed and nutritional advice. Hygain also supply product vouchers for use at OTT sponsored events in Tasmania (Tasracing made a financial contribution to the cost of these vouchers). Ninety-seven applicants were approved for Hygain support during the reporting period.

Tasracing signed a new partnership with equine care provider Cavalor (on 26 June 2022). Under the deal, eligible owners / lessees of retired racehorses are provided with equine products and information.

Sales and marketing

The strong trading results outlined earlier enabled one-off initiatives in sales and marketing of \$1.09 million, bringing total sales and marketing costs for the year to \$2.29 million (\$1.05 million in: 2020/21).

The focus of these one-off initiatives was to drive customer acquisition, expanding the “It’s why we race” campaign and an extended Greyhound Adoption Program promotion.

During the reporting period Tasracing’s digital product, Formplus PRO, and tasracing.com.au achieved growth of just under 10 per cent thanks to expanded social media marketing, partnerships with SEN, RSN and NewsCorp and numerous tipping competitions resulting in new sign-ups.

Formplus PRO provides customers with the form analysis tools of Formplus, and adds in new replay and photo finish angles and staking strategies. In the reporting period PRO form guides with rates markets and race strength indicators were added, as were new racing replay camera angles.

Formplus PRO sign-ups exceeded the initial five-year KPI sign up target by 171 per cent within two years of operations commencing. The product also achieved pro customer growth of 92.8 per cent.

Social media reach increased substantially: organic reach was up by 261 per cent, while paid reach improved by 37 per cent. Instagram reach increased by 100 per cent.

Industry consultation

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

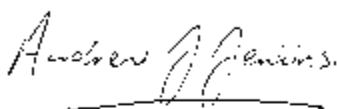
There are also regular meetings on specific matters with the Tasmanian Trainers’ Association, the Tasmanian Jockeys Association, and the Harness and Greyhound Owner, Trainer and Breeders associations.

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.

Conclusion

In closing I would like to acknowledge the ‘stars of the show’ – our hard-working participants and our wonderful horses and greyhounds.

Ensuring a sustainable and growing racing industry requires us all to work together and I look forward to doing so again next year.



Andrew Jenkins

Chief Executive Officer (Acting) | Tasracing



STATEMENT OF CORPORATE INTENT

for the year ended 30 June 2022

The following table provides a summary of the Statement of Corporate Intent for the year ended 30 June 2022.

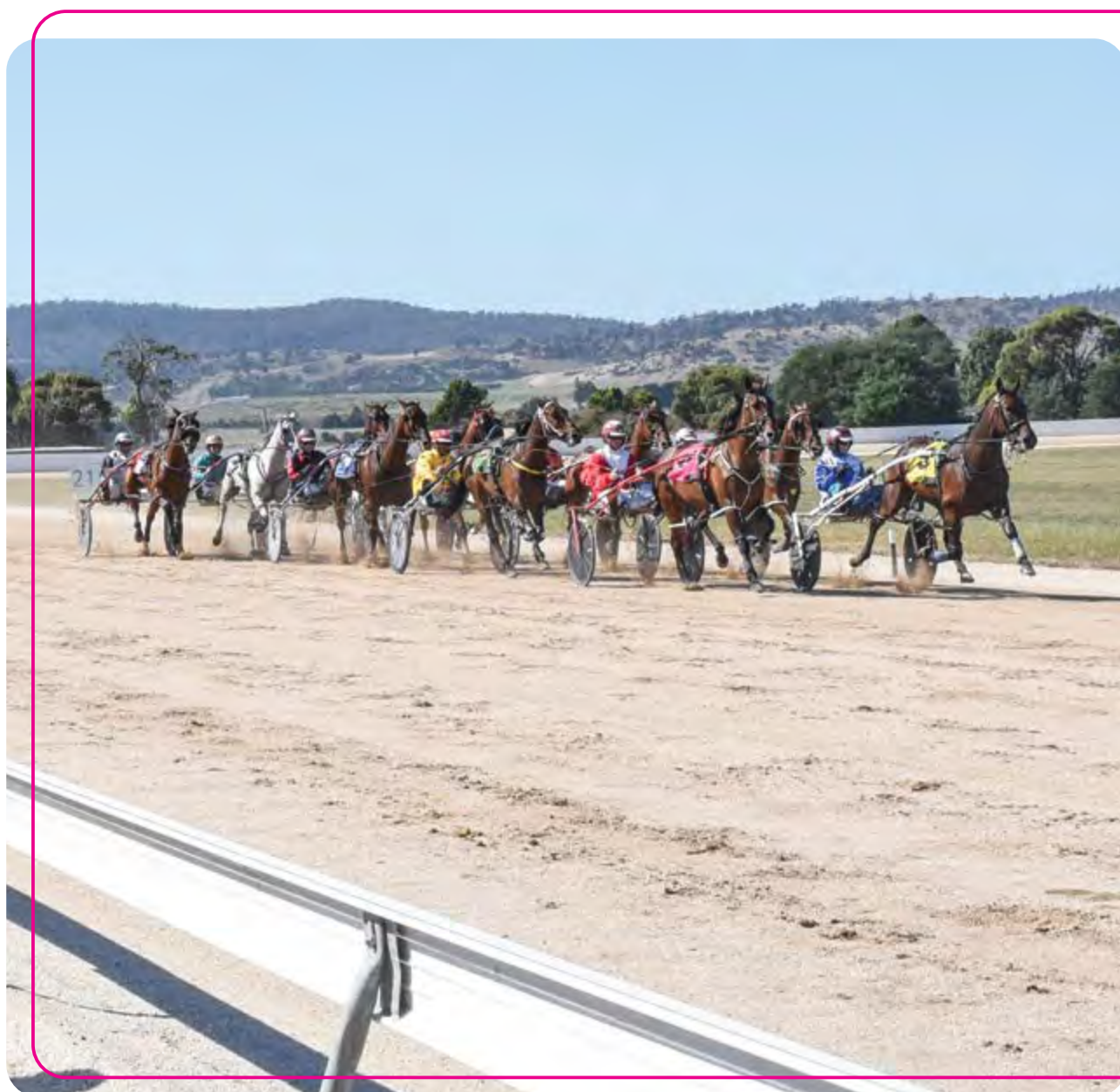
FINANCIAL

	FY2022 \$ Million Actual	FY2022 \$ Million Target
Net Profit After Tax	4.23	2.69
Race Field Revenue	25.20	19.20
Code Funding	31.04	29.72
Capital Expenditure	3.48	20.79
Animal Welfare Funding	1.51	1.60
Workers Compensation	0.94	1.00
Capital Expenditure Segmentation		
POCT Infrastructure Program	0.15	1.03
North-West Tracks Project	0.46	13.00
Government Equity Contribution	0.65	3.00
Other Projects	2.27	3.76
Wagering Turnover	860.33	738.56

NON-FINANCIAL

Racing Information		FY2022 Actual	FY2022 Target
Thoroughbred	Number Races	543	570
	Total Starters	4,875	5,326
	Average Starters per Race	9.0	9.3
Harness	Number Races	737	720
	Total Starters	7,722	7,350
	Average Starters Per Race	10.5	10.2
Greyhound	Number Races	1,539	1,600
	Total Starters	11,734	12,339
	Average Starters Per Race	7.6	7.7
Licensed Persons		1,257	1,499
Stakes Money Paid		\$26.78 M	\$26.41 M
Breeder Bonuses Paid		104	165
Work Health & Safety		FY2022 Actual	FY2022 Target
Lost Hours (Employees)		3140.0	500.0
Toolbox Meetings Held		53	48
Jockey Raceday Injury Claims		13.0	2.0
Jockey Training Injury Claims (External)		0.0	1.0
Jockey Training Injury Claims (Tasracing)		3.0	5.0

Welfare	FY2022 Actual	FY2022 Target
Greyhounds Euthanased (Non Injury/Safety)	0	0
Greyhounds Rehomed	81	150
Horse Attendance OTT Clinics	1,010	1,250
Operations	FY2022 Actual	FY2022 Target
Brand Awareness Growth	9%	6%
Video Hours Consumption Growth	-4%	14%
Administration Costs	5.3%	6.0%
Asset Life Percentage	48%	56%
Assets Fit for purpose or better	93%	92%
Thoroughbred Track Performance	FY2022 Actual	FY2022 Target
Summer (% of tracks presented good 3 to dead 5)	100%	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.

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. The industry generated almost \$165 million in direct expenditure in the Tasmanian economy with 45 per cent of this in regional communities.¹

Almost 63 per cent of 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.

In part 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)



OUR OPERATING ENVIRONMENT

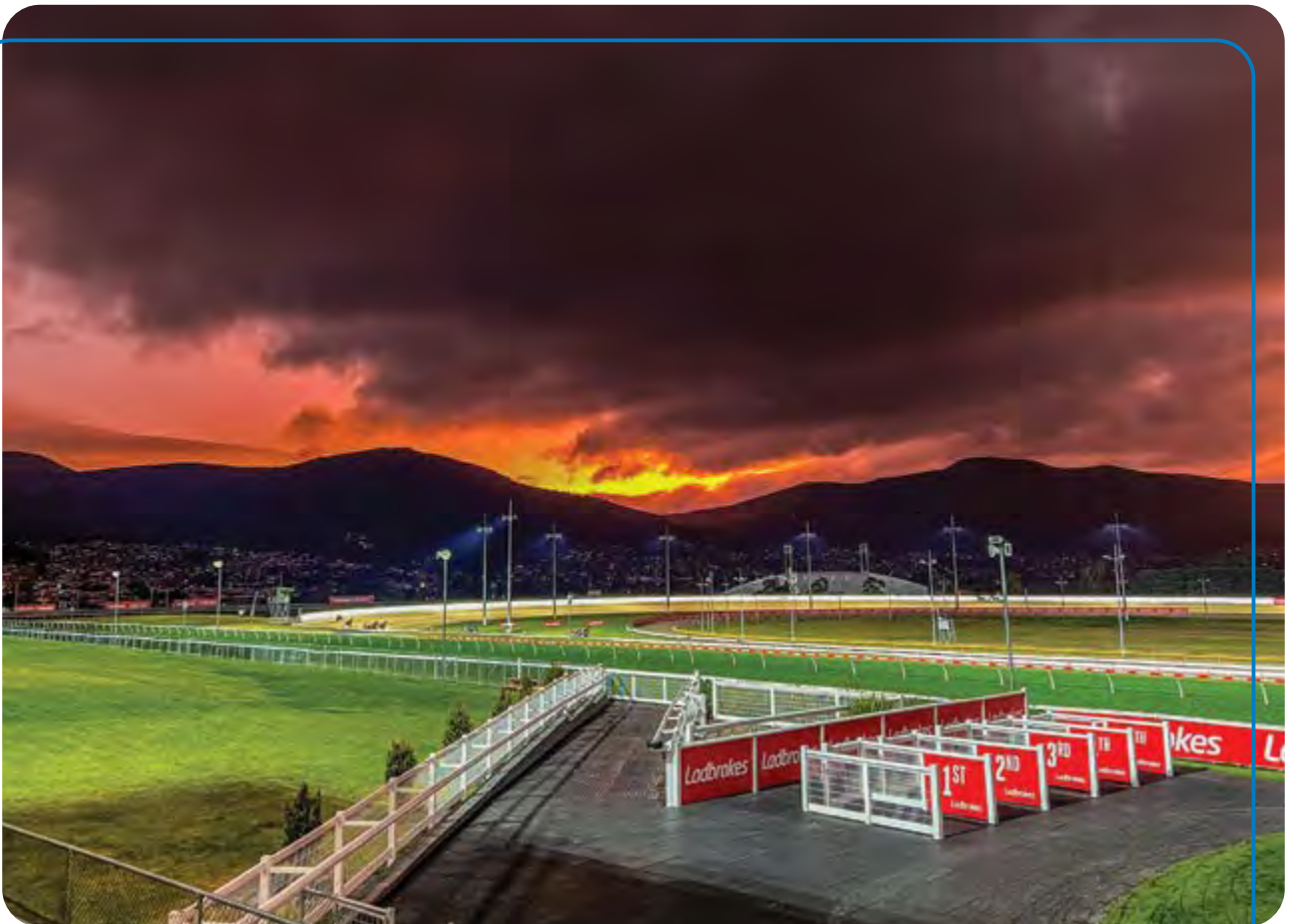
Tasracing, as a tri-code racing authority, must manage competing interests between codes, venues and participants. To achieve our strategic objectives, Tasracing needs to consult, collaborate and focus on fostering a commercial mindset, while respecting the passion and personal pursuits of participants.

Racing is elite-level competitive 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.

Enhancing animal 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.

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 25 November 2021, Mr Neil Grose was appointed to the Board as a non-executive director. Mr Joel Wallace retired from the Board after serving for six years.

The Board wishes to thank Mr Wallace for his significant contributions and valued services to the Board during his six-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 - May 2023

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 a member 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.



Neil Grose

Appointed: 25 November 2021

Current term: 25 November 2021 – November 2024

Member: Assets & Safety and Racing, Rules & Policy Committees

Mr Grose has a diverse business experience across tourism, journalism, publishing, education, local government and regional economic development. He is currently the Bell Bay Hydrogen Cluster Manager responsible for the regional economic development of local Tasmanian businesses as a key part of the emerging global green hydrogen industry.

He is a member of the Boards of Harness Racing Australia and Rise Racing Australia representing Tasracing. Mr Grose holds two degrees in fine art and education and is a member of the AICD.



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, and is a member of the Board Nominations Committee.

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 being 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.



Joel Wallace (Preceding Director)

Appointed: 1 December 2015

Retirement: 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 represented Tasracing on the Board of Harness Racing Australia.

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

Directors' meeting attendance 2021/22

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	13	13							3	3	2*	2
Helen Galloway ²	13	13	5*	5					3*	3	2	2
Michael Gordon	13	13					3	1	3	3	2	2
Robyn Whishaw	13	13					3*	3				
David Garnier	13	13	5	5	3	3						
Martin Wallace	13	12	5	5	3*	3						
Neil Grose	7	7			1	1	1	1				
Joel Wallace ³	6	6			2*	2	2	2				

* Committee Chairperson

A Eligible

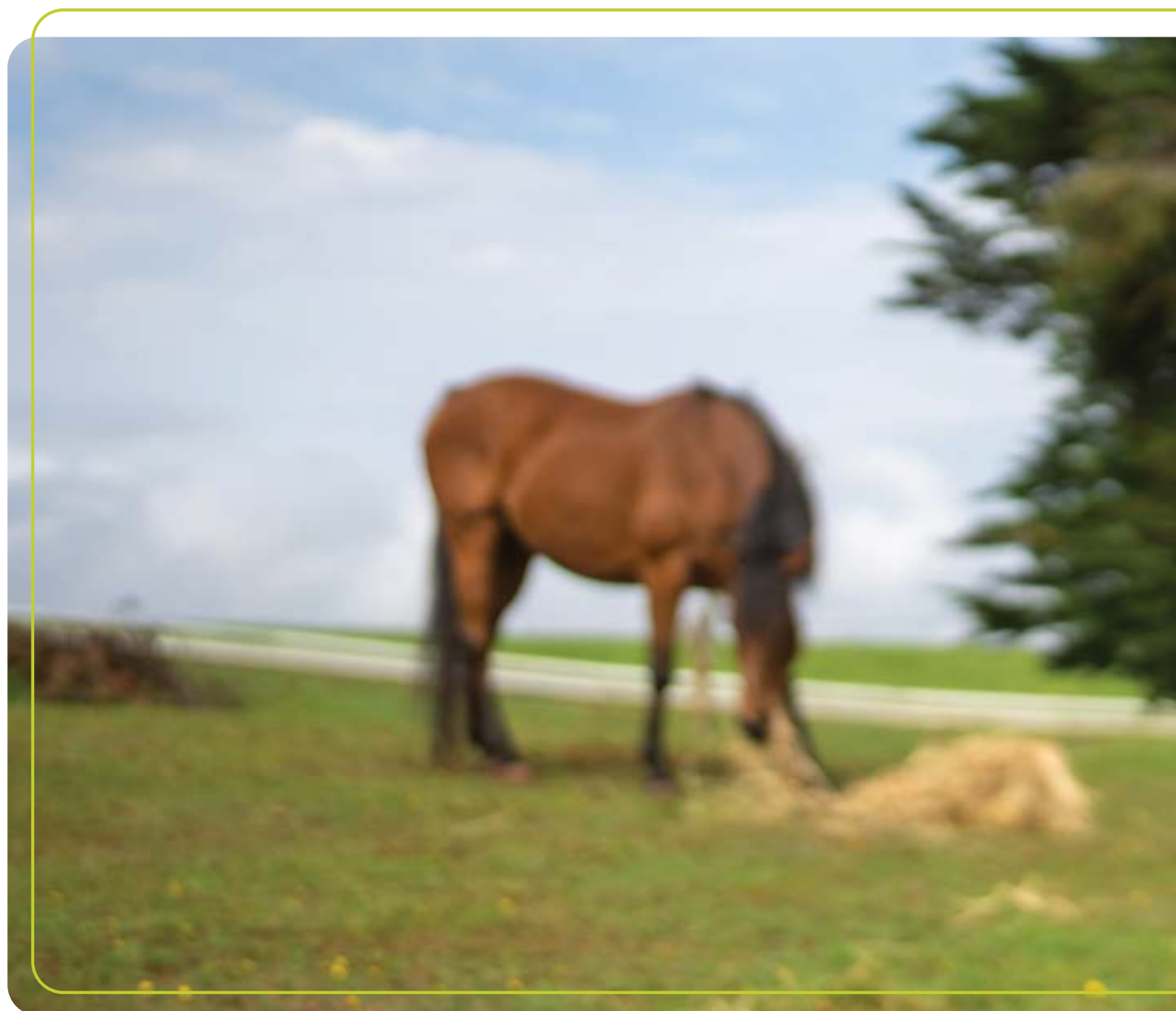
B Attended

¹ Chairperson

² Deputy Chairperson

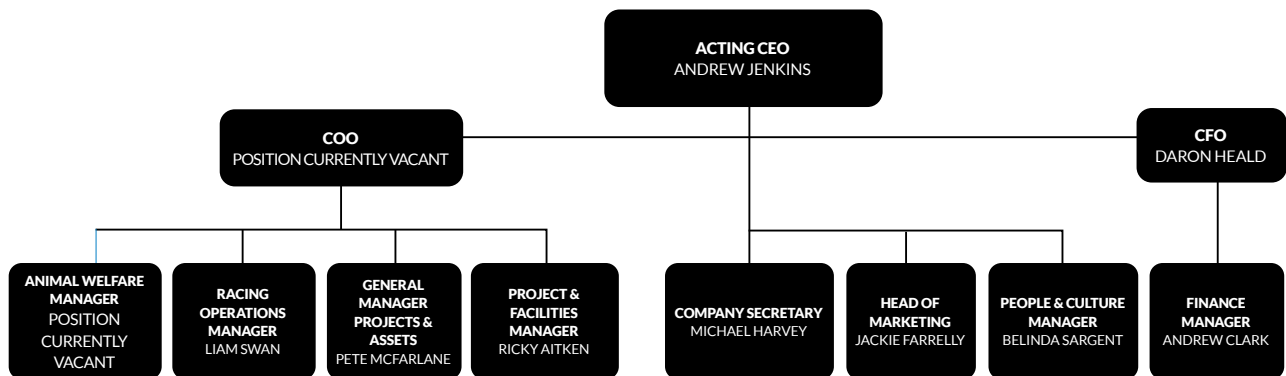
³ Preceding Director

Reallocation of Committee memberships were ratified in December 2021



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.



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 & 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. The team strives 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.

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 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



Andrew Jenkins
Chief Executive Officer (Acting)



Daron Heald
Chief Financial Officer



Michael Harvey
Company Secretary



Liam Swan
Racing Operations Manager



Pete McFarlane
General Manager Projects & Assets



Ricky Aitken
Projects & Facilities Manager



Jackie Farrelly
Head of Marketing (Acting)



Andrew Clark
Finance Manager



Belinda Sargent
People & Culture Manager

The following senior managers left the business during or immediately after the reporting period:

Paul Eriksson July 2022

Ann Swain May 2022

Belinda Lewis March 2022

Sam Steven September 2022

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 12.6 per cent (\$1,887,292) to \$16.92 million in 2021/22. The increase in stakes was used to raise base stakes across the board for all races.

Wagering turnover on Tasmanian thoroughbred racing totalled \$369.5 million during the year, compared to \$343 million in 2020/21.

Jockey Codi Jordan won the Tasmanian Racing Club Tasmanian Leading Jockey Award and the Skillinvest Leading Apprentice award with 61 wins. She achieved the biggest win for the season in the Newmarket Handicap aboard Deroche. Chelsea Baker continued the great start to her career when she was named the Tasmanian Jockeys Association & Carbine Club DUX of Apprentice School.

For the ninth season in a row, Scott Brunton won the Australian Trainers Association Tasmanian Leading Trainer award as an individual trainer with 74 winners. His highlights for the season included Lim's Cruiser winning the Tasmanian Stakes and Mowbray Stakes and The Inevitable winning the Conquering Stakes.

Craig Kettle from the Angela Brakey stable was presented with the Tasracing Industry Appreciation Award.

The Bill Ryan-trained mare Still A Star – which won the Group 2 Rose of Kingston Stakes during the Victorian Spring Carnival – was named the Ladbrokes Tasmanian Horse of the Year. She was also named the Armidale Stud "Alpine Eagle" Leading Tasmanian Filly or Racemare for the season.



Alpine Wolf from the Barry Campbell stable was named the Devonport Racing Club Tasmanian 3YO of the Year after wins in the Tasmanian Guineas and Launceston Guineas.

Bello Beau, trained by Adam Trinder, was a clear winner of the Tasmanian Turf Club Tasmanian 2YO of the Year award after wins in the Alexandra Plate, Elwick Stakes and Gold Sovereign Stakes during the Ladbrokes Tasmanian Summer of Racing.

Alpine Eagle, who stands at Armidale Stud, was named the Magic Millions Leading Tasmanian-based Juvenile Sire. The Tasbreeders Leading Tasmanian-based Sire was once again won by Wordsmith, who stands at Gee Gee Stud.

The Grenville Stud Tasmanian Broodmare of the Year was Lita, the dam of Still A Star.

White Hawk, trained by Angela Brakey and ridden by Mehmet Ulucinar won the Devonport Cup in a thrilling finish. This gave both Brakey and Ulucinar the biggest wins of their training and riding careers.

The well-travelled Ho Ho Khan from the Mitchell Freedman stable at Ballarat won the Ladbrokes Hobart Cup by four lengths. Victorian apprentice Tahlia Hope was the successful jockey.

Aurora's Symphony from the Symon Wilde stable at Warrnambool made it a clean sweep for interstate horses of the two major Tasmanian Cups when he was too good for his opposition in the Launceston Cup. He defeated Hobart Cup winner Ho Ho Khan and denied its connections the lucrative \$100,000 Ladbrokes Double Cup Bonus.

The 2022 Tasmanian Magic Millions Yearling Sale was again a success with a record gross of \$4.34 million and clearance rate of 82 per cent.

From a catalogue of 146 lots, 138 lots were offered for sale, with 113 lots sold at an average of \$38,447 an increase of more than nine per cent on the 2021 Tasmanian Magic Millions Sale results.

A filly by Toronado out of the mare Il Sogno offered by Armidale Stud topped the sale, purchased by A List Stud in Victoria for \$150,000.

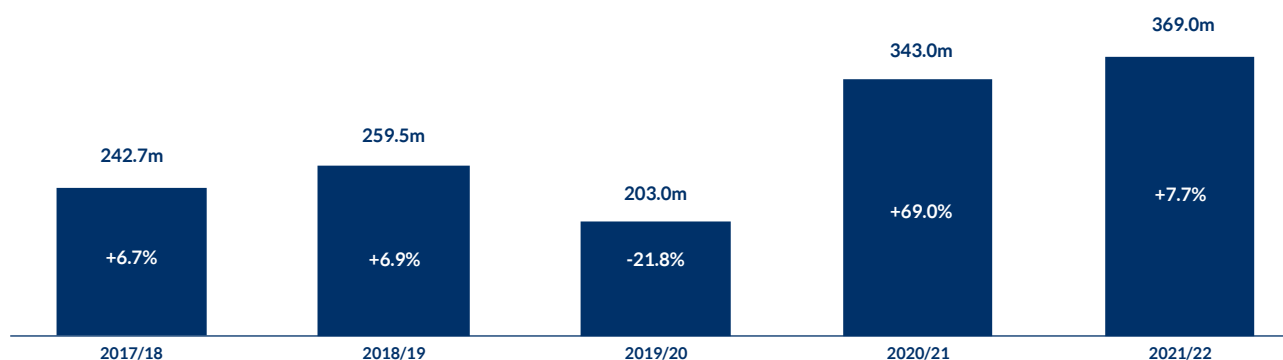
Night racing at Launceston continued to be successful with race meetings still generating high returns for Tasmanian product. There were two Friday night meetings held in Launceston during 2021/22. The meeting held on 22 October to coincide with Manikato Stakes night at Moonee Valley produced a turnover figure of \$10.8 million. This was a significant increase on the previous year and was only bettered for the year by the turnover figure on Launceston Cup Day.

Average turnover generated per meeting was \$7.2 million per meeting, an increase of 26.3 per cent from 2020/21.

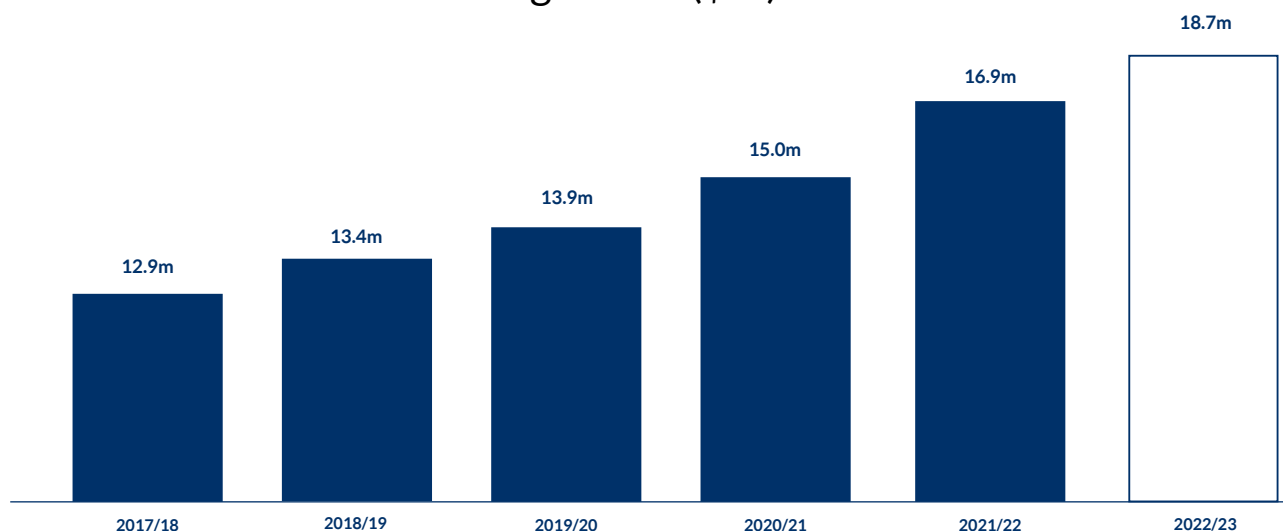
Tasracing acknowledges the efforts of the members of the Thoroughbred Advisory Network (TAN) who meet with Tasracing on a quarterly basis. Tasracing looks forward to continuing to work with TAN members to further strengthen and improve thoroughbred racing in Tasmania.

Tasracing continued to deliver raceday function 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 complements Tasracing's ongoing statewide responsibilities for tracks and assets.

Thoroughbred wagering turnover (\$M)



Total code allocation thoroughbreds (\$M)



Key racing statistics thoroughbreds

	17/18	18/19	19/20	20/21	21/22
Meetings	73	72	58	71	65
Races Held	555	553	454	574	534
Overall Starters	5,053	4,976	3,996	5,108	4875
Average Starters/Race	9.1	9.0	8.8	8.9	9.1
Thoroughbred Stakes (\$)*	11,196,109	11,699,492	9,970,041	12,954,490	14,276,370
COVID-19 Welfare Payments (\$)	-	-	2,037,698	-	-
Thoroughbred Code Funding (\$)*	12,881,108	13,406,140	13,930,814	15,031,557	16,918,849

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



Thoroughbred Award Winners

ATA Tasmanian Leading Trainer	Scott Brunton
TasBreeders Leading Tasmanian-based Sire	Wordsmith
Broodmare of the Year	Lita
Leading Racemare or Filly	Still A Star
Tasracing Industry Appreciation	Craig Kettle
ROAT Owner Recognition	Gary Richards
TRC Leading Jockey	Codi Jordan
Skillinvest Leading Apprentice	Codi Jordan
TJA & Carbine Club DUX of Apprentice School	Chelsea Baker
TAN Recognition for Services to the industry	Nigel Schuurings
Tasmanian Turf Club 2YO of the Year	Bello Beau
Devonport Racing Club 3YO of the Year	Alpine Wolf
Ladbroke's Horse of the Year	Still A Star
Magic Millions Leading Tasmanian-based Juvenile Sire	Alpine Eagle



HARNESS CODE REPORT

Harness

Tasmanian Harness code funding increased by 15.3 per cent (\$1,089,004) to \$8.19 million in 2021/22. The increase in stakes was used to raise base stakes across the secondary meetings, implement a new Tasbred series and fund increases across some key Feature Events.

Wagering turnover on Tasmanian harness racing totaled \$131.1 million during the year, compared to \$121.4 million in 2020/21.

There were 18 feature races held in Tasmania during the reporting period with stakes money of \$20,000 or more. Prize money across these races totalled \$800,000.

The Mark Reggett-trained Gotta Good Reason won the \$30,000 Tassie Golden Apple Final, and after changing stables to northern-based trainer Mark Yole, also won the Group One \$100,000 Tasmania Cup. Victorian-based trainer Emma Stewart won the Group One \$100,000 Easter Cup with her Tasmanian-bred and part-owned 4YO horse Longfellow.

With the change of the Harness Racing Season the Tasbred Sire Stakes were moved to the latter part of the year. Improvements were seen across both wagering and field sizes, specifically in the 3YO and 4YO Series.

The national Ratings Based Handicapping System has continued to deliver positives in the code across Australia. Increased wagering, field sizes and more competitive racing are some of the specific outcomes. A Ratings Review Team with representatives from each state meet on a regular basis to discuss feedback from the industry. Programming guidelines introduced in January 2021 continue to be reviewed and amended with the assistance of the Programming sub-committee.

King Island racing was again scheduled for the December/January period with seven combined Harness / Thoroughbred meetings. Unfortunately, due to a COVID outbreak on the island, the season was cut short and only two meetings were held. A subsidy was paid to trainers on the island to assist with the financial impact.



Barrie Rattray stepped down as the Harness Academy Instructor during the year after its reimplementation in 2019. Tasracing would like to thank him for his time and effort given to the role. As an interim replacement, Victorian trainer/driver David Miles has stepped into the role with a positive response received from the industry to date.

The Team Teal promotion was held for six weeks from 1 February to mid-March concluding in Tasmania with a fundraising event at the Tasmania Cup meeting in Hobart. Leading female driver Jordan Chibnall was the Team Teal ambassador with Amber Spring the Mini Trot ambassador. Wearing teal pants for the promotional period, \$200 for each female winning drive was donated – Tasmania tallied 11 wins. Tabcorp matched dollar for dollar for each female winning drive. A total of \$178,300 was raised nationally (including in New Zealand) from female winning drives.

Introduced to the Tasmania Harness calendar in 2022 was the Pacing for Pink promotion which raises funds for the McGrath Foundation. Held in May, sponsored drivers wore pink pants with all sponsorship funds donated. Fifteen Tasmanian drivers took part

contributing \$6,000. Further funds were raised at the Mothers Day function held at the LPC. This is planned to become an annual event.

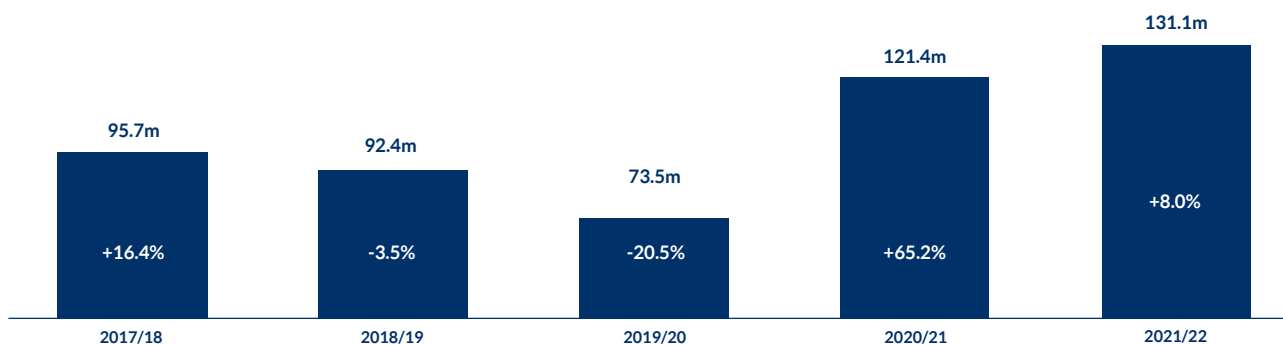
Improvements to the Tasbred bonus scheme continued with 4YO and older bonus payments being made equivalent to the cash payment of 2 and 3YOs. A total of 46 Tasbred bonuses were paid out at a total of \$366,500.

Tasbred Breeders Coupon payments of \$67,619 (including a \$5,000 Yearling Sale Bonus) were also paid out during the reporting period. The \$2,000 foal born payment was made for 135 Tasbred foals totaling \$270,000. Payment of foal notification fees on behalf of breeders saved industry participants more than \$16,000.

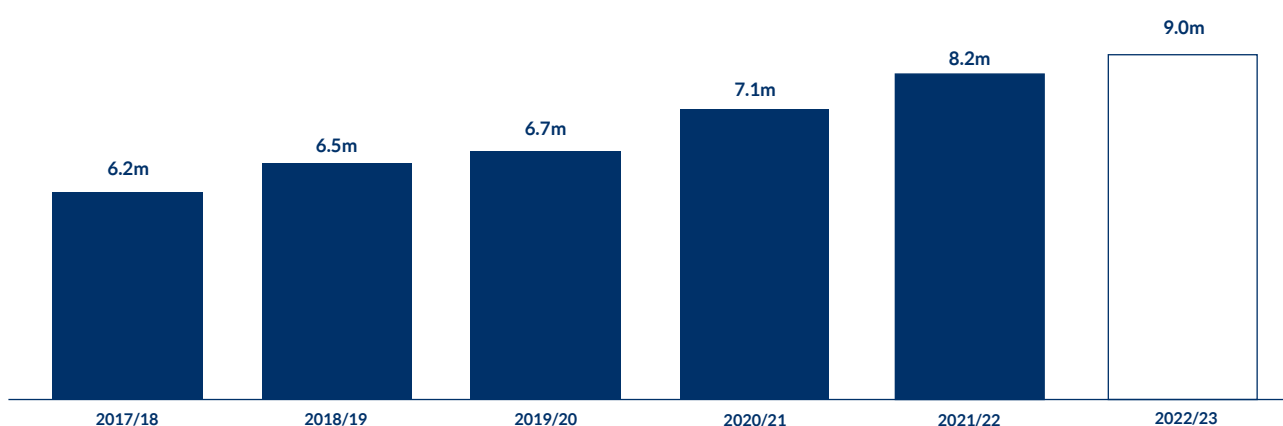
The Harness Industry Forum (HIF) met quarterly in 2021/22. Tasracing appreciates the time and effort all HIF participants commit to this process that allows for direct interaction and consultation between Tasracing and industry.

With the Harness racing season now commencing on 1 January the premierships winners for the 2021 Season were celebrated on 9 April 2022.

Harness Wagering turnover (\$M)



Total code allocation Harness (\$M)



Key racing statistics Harness

	17/18	18/19	19/20	20/21	21/22
Meetings	81	90	68	85	85
Races Held	694	721	550	724	737
Overall Starters	6,979	7,050	5,520	7,249	7722
Average Starters/Race	10.1	9.8	10.0	10.0	10.5
Harness Stakes (\$)*	5,429,725	5,689,119	4,381,981	6,131,689	6,903,737
COVID-19 Welfare Payments (\$)	-	-	1,465,765	-	-
Harness Code Funding (\$)*	6,230,039	6,492,477	6,700,609	7,096,794	8,185,798

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

Harness Award Winners

Leading Trainer	Ben Yole
Leading Driver	Conor Crook
Leading Junior Driver	Jordan Chibnall
Leading Female Trainer	Tammy Langley
Leading Female Driver	Jordan Chibnall
Tasracing Mini Trot Award	Amber Spring
2YO Colt or Gelding of the Year	Mickey Oh
2YO Filly of the Year	Miss Papenhuyzen
3YO Colt or Gelding of the Year	Longfellow
3YO Filly of the Year	Barooga Rock
4YO & Older Horse of the Year	The Shallows
4YO & Older Mare of the Year	Iden Gorgeous
Broodmare of the Year	Artifice
Horse of the Year	The Shallows
Beautide Award	Paul Williams
Industry Award	Craig Woods
Young Achiever Award	Liam Older
Halwes Award	Conor Crook





GREYHOUND CODE REPORT

Greyhounds

Tasmanian Greyhound code funding increased by 13.9 per cent (\$723,477) to \$5.93 million in 2021/22. The increase in stakes was used to raise base stakes by \$150 per race and increase Group Race heats by \$2000 each.

Wagering turnover on Tasmanian greyhound racing totaled \$359.7 million during the year, compared to \$334.9 million in 2020/21.

Code funding increases during the reporting period enabled the continuation of the following industry-specific initiatives:

- Insurance premium coverage for handlers.
- The Tasbred Starter Bonus.
- Grade 6 Bonus.
- Vaccination assistance for pups.

In addition, there was an increase in the assistance provided under the Greyhound Recovery Rebate Scheme and the extension of the cover to include official trials. Group Race heats increased by \$2,000 each and a stake increase of \$150 for all graded events was introduced.

Code funding increases introduced from 1 January 2022 were used to provide a further \$140 increase

in base stakes, as well as a further increase to the Greyhound Welfare allocation and the Greyhound Recovery Rebate Scheme.

Turnover on greyhound wagering increased by seven per cent compared to 2020/21. While TAB turnover fell, corporate turnover (including betting exchanges) increased.

On Good Friday in Hobart the first combined harness and greyhound meeting was held. The event (seven harness races and eight greyhound races), was successful. On-track attendance figures were good and wagering turnover was strong.

Tasracing consulted with the industry throughout the reporting period via the Greyhound Reference Group (GRG) that comprises delegates from each club and the Greyhound Owners, Trainers and Breeders Association of Tasmania. The GRG held four formal meetings during the year. In addition, the Programming Sub-committee met on five occasions during the year.

Tasmania's only feature Group 1 race – the Ladbrokes Hobart Thousand – was won by Victorian Aussie Secret for trainer Jason Thompson. The Group 2 Ladbrokes Launceston Cup race was won by Hill Top Jack, also from Victoria, trained by David Geall, while the Group 3 Ladbrokes Devonport Chase was won by the locally trained Superior Wallis for Nicole Howard.



Tasracing, in conjunction with the Launceston Greyhound Racing Club, hosted the annual awards dinner in February 2022. The function, which was well attended by industry participants and supporters, recognised the following award winners:

- Tasmanian Greyhound of the Year – Wynburn Sheean (12 wins and one placing in Tasmania and Queensland, and winner of the Launceston Cup, Rising Stars, and Ivory Memorial Classic).
- Leading Trainer – Anthony Bullock (210 winners).
- Leading Owner – Robyn Johnson (69 winners).
- Leading Breeding Female – She’s All Class (progeny won 48 races).
- Leading Sire – Fernando Bale (progeny won 240 races in Tasmania).
- Most Consistent Greyhound – Headwall (16 wins and 11 placings from 39 starts in Tasmania).

Animal welfare continues to be a critical issue for Tasracing and the broader industry. Local welfare rules continue to be monitored and reviewed to ensure the most current and up-to-date welfare standards are being adhered to.

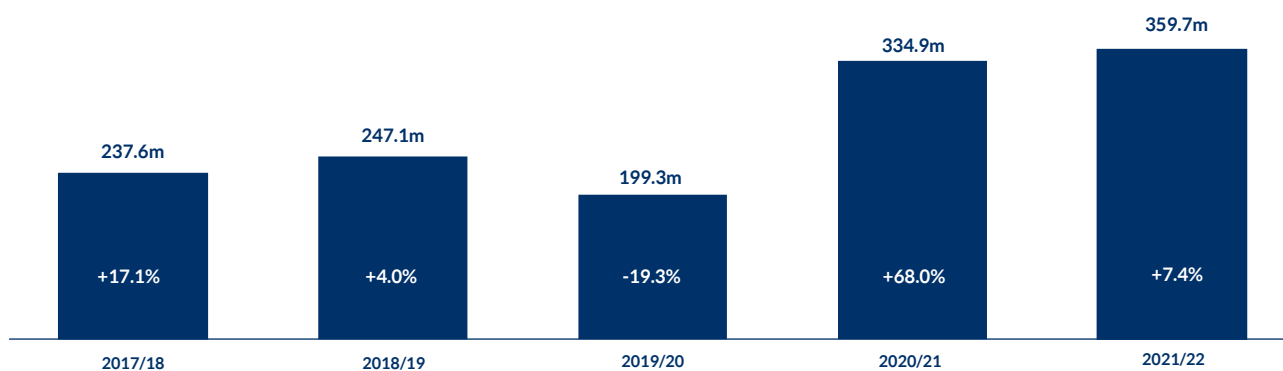
Greyhounds Australasia reviewed the national rules of greyhound racing – essentially to simplify them and ensure the rules are easily understood by current and

future participants. These rules were implemented on 1 May 2022 with key aims being the welfare of greyhounds, public confidence and integrity and the long-term viability of greyhound racing. As a part of this project was a review of the Local Rules to ensure they complement both the national rules and our specific State requirements. The amended Local Rules were also implemented on 1 May 2022.

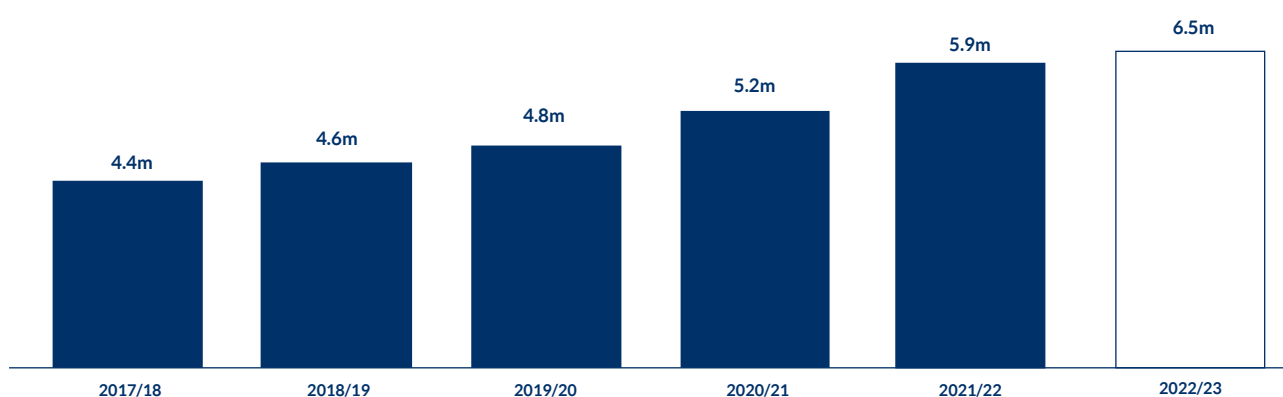
Tasracing has implemented the SafeChase lure at the Mowbray track and has been racing with it for 12 months. Due to its success, the lure system will be implemented at Elwick at the start of 2023 and at the Brighton straight track towards the end of 2022.

Tasracing vacated the Devonport Showgrounds in March after settlement of the sale of the site to a developer. Tasracing’s planning for the new greyhound and harness tracks on the North-West Coast is progressing positively with a site near the Devonport Airport secured for the project (subject to subdivision and DA approval).

Greyhound wagering turnover (\$M)



Total code allocation Greyhound (\$M)



Key racing statistics Greyhound

	17/18	18/19	19/20	20/21	21/22
Meetings	156	157	130	158	159
Races Held	1,602	1,585	1,252	1,558	1,539
Overall Starters	12,501	12,339	9,596	11,979	11,734
Average Starters/Race	7.8	7.8	7.7	7.7	7.6
Greyhound Stakes (\$)*	4,126,591	4,351,245	3,630,290	5,087,020	5,599,286
COVID-19 Welfare Payments (\$)	-	-	505,693	-	-
Greyhound Code Funding (\$)*	4,350,129	4,578,647	4,849,975	5,206,954	5,930,431

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

Greyhound Award Winners

Tasmanian Greyhound of the Year
Leading Trainer
Leading Owner
Leading Breeding Female
Leading Sire
Most Consistent Greyhound

Wynburn Sheean
Anthony Bullock
Robyn Johnson
She's All Class
Fernando Bale
Headwall



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 the Chief Executive Officer and the 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 the 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; and
- ensure the compliance framework and policy integrates Tasracing's governance, risk, legal, financial, business, safety management processes and Tasracing's corporate plan objectives.

Public Interest Disclosures Act 2002

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's has adopted the Ombudsman's Model Procedures to achieve the objectives of the PID Act. Tasracing's Public Interest Disclosures Whistleblower Policy was replaced by a new Whistleblower Policy, which was approved by the Audit and Risk Committee in October 2021. The Whistleblower Policy includes the Ombudsman's Model Procedures and incorporates the requirements regarding whistleblowing under the *Corporations Act 2001* (Cth) (Corporations Act). This policy is available on our website tasracingcorporate.com.au.

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

Right to Information Act 2009

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* (Tas) (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 RTI Act.

In accordance with the RTI Act, the following disclosures were provided for 2021/22:

Right to Information Disclosures	
Number of applications for assessed disclosure received	4 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	1
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 ultimately treated as an active disclosure under the RTI Act. One application for assessed disclosure was received but not decided during this financial year.

Personal information protection

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

Tasmanian Government Reporting Requirements

Buy local

Purchases from Tasmanian businesses

% of purchases from Tasmanian businesses	64%
Value of purchases from Tasmanian businesses	\$15.2 million

Purchases from Tasmanian businesses were prepared on a cash basis and do not include prizemoney payments.

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

Name of Consultant	Location	Description	Period of engagement	Amount
Deloitte Pty Ltd	Hobart, TAS	Income tax consulting services	1/7/2021 - 30/6/2022	\$71,453
Dr David Sykes	Forster, NSW	Animal welfare consulting services	1/7/2021 - 30/6/2022	\$50,000
Total				\$121,453
There were 14 consultants engaged for \$50,000 or less totalling				\$145,875
TOTAL PAYMENTS TO CONSULTANTS				\$267,328

Payment of accounts

ACCOUNTS DUE OR PAID IN 2020/21

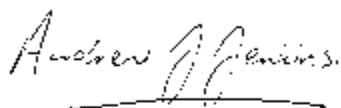
Measure

Creditor days	3.07
Number of accounts due for payment	8,209
Number of accounts paid on time	8,079
Amount due for payment	25,432,676
Amount paid on time	24,765,313

Superannuation declaration

I, Andrew Jenkins, 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



Andrew Jenkins

Chief Executive Officer



Tasracing Pty Ltd

Annual Financial Report

for the financial year ended 30 June 2022

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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 black ink, appearing to read 'G. Phair', with a horizontal line underneath.

G. Phair
Chairperson
Tasracing Pty Ltd
Hobart, 12 August 2022

Directors' Report

The directors present their report together with the financial report for the year ended 30 June 2022 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)
N. Grose (non-executive director), appointed 25 November 2021
J. Wallace (non-executive director), retired 25 November 2021
M. Wallace (non-executive director)
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 2022, the company recorded a profit before tax of \$4,866,895 (2021: profit of \$4,460,021). No dividends were paid to members during the year (2021: 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 were 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 2022:

- Racefield revenue increased by \$3.03m to \$25.20m (2021: \$22.16m) on the back of strong trading conditions and continuing investment in digital assets and promotion.
- Other Racing Revenue increased \$0.81m to \$2.40m primarily due to one off benefits from vacating the Devonport Showgrounds site. In November 2020, Tasracing signed a Settlement and Release Deed to vacate the site. This was completed on the 25th March 2022.
- Point of Consumption Tax revenue increased \$4.29m to \$6.83m (2021: \$2.54m) with a full 12 months received compared with 6 months in 2021. 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.
- Code funding increased by \$3.70m (13.5%) to \$31.04m including Stakes expenditure to \$26.78m (2021: \$24.17m).
- Employee benefits expense increased to \$9.43m (2021: \$8.66m) due to an increase in annual leave liability, the full

year impact of additional Racing resourcing implemented in 2021, increased resourcing at Mowbray and the new position of Chief Operating Officer from January 2022.

- Due to strong trading conditions during the year, one-off additional expenditure to promote Corporate Plan initiatives was undertaken in the areas of Club funding, Other industry funding, Training and racing facilities maintenance projects and Sales and marketing expenses.
- Cash increased to \$18.9m (2021: \$8.9m) in support of the Infrastructure plan which includes planned capital investment of \$23.9m in FY23.

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 \$105,618 (2021: \$39,172) 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 89 of the financial statements.

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



Mr Gene Phair
Chairperson
12 August 2022

Statement of Comprehensive Income

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue and Other Income			
Racing revenue	A1	28,812,430	24,917,988
Government funding	A2	32,162,486	31,811,712
Point of Consumption Tax funding		6,829,619	2,537,342
Interest revenue	A3	84,201	85,739
Total Revenue and Other Income		67,888,736	59,352,781
Expenses			
Prizemoney and industry funding	A4	35,094,860	30,510,339
Raceday and racing expenses	A5	7,355,714	6,311,797
Depreciation and amortisation expenses	A6	4,952,856	5,046,977
Sales and marketing expenses	A7	2,288,351	1,049,713
Employee benefits expenses	A8	9,432,071	8,658,557
Finance and leasing costs	A9	671,494	705,158
Other expenses	A10	3,226,495	2,610,219
Total Expenses		63,021,841	54,892,760
Profit/(Loss) before tax		4,866,895	4,460,021
Income tax benefit/(expense)	A12	(1,076,169)	1,455,844
Profit/(Loss) for the year after tax		3,790,726	5,915,865
Actuarial gain/(loss) on defined benefit plan	A8	625,000	118,000
Income tax on other comprehensive income	A12	(187,500)	(35,400)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		4,228,226	5,998,465

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

Statement of Financial Position

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Current Assets			
Cash and cash equivalents	B1 (a)	18,937,967	8,908,081
Trade and other receivables	B2	2,133,486	1,847,112
Prepayments		753,651	606,761
		21,825,104	11,361,954
Non-Current Assets			
Property, plant and equipment	B3	45,944,567	46,861,757
Intangible assets	B4	315,943	624,314
Other financial assets	B5	94,507	94,507
Right-of-Use assets	B10 (a)	1,339,431	1,509,026
Deferred tax assets	A12 (c)	1,514,879	2,549,760
Total Non-Current Assets		49,209,327	51,639,364
Total Assets		71,034,431	63,001,318
Current Liabilities			
Trade and other payables	B6	3,394,464	2,116,846
Borrowings	B7	886,254	846,683
Other financial liabilities	B8	200,578	190,097
Provisions	B9	3,698,812	3,165,681
Lease liabilities	B10 (b)	320,909	427,596
Total Current Liabilities		8,501,017	6,746,903
Non-Current Liabilities			
Borrowings	B7	5,393,419	6,279,673
Provisions	B9	2,496,205	2,979,496
Lease liabilities	B10 (b)	1,000,419	1,058,889
Deferred tax liabilities	A12 (c)	1,358,104	1,129,316
Total Non-Current Liabilities		10,248,147	11,447,374
Total Liabilities		18,749,164	18,194,277
Net Assets		52,285,267	44,807,041
Equity			
Contributed equity	B11	63,964,911	60,714,911
Accumulated losses	B12	(11,679,644)	(15,907,870)
Total Equity		52,285,267	44,807,041

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

Statement of Changes in Equity

for the year ended 30 June 2022

	Note	Contributed Equity \$	Accumulated Losses \$	Total \$
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
Equity contribution	B11	3,250,000	-	3,250,000
Profit /(Loss) for the year	B12	-	3,790,726	3,790,726
Actuarial gain/(loss) on defined benefit plan	B12	-	625,000	625,000
Income tax on other comprehensive income	B12	-	(187,500)	(187,500)
Total Comprehensive Income for the year		-	4,228,226	4,228,226
Balance as at 30 June 2022		63,964,911	(11,679,644)	52,285,267

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

Statement of Cash Flows

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash Flows from Operating Activities			
Receipts from customers		70,275,135	63,205,912
Payments to suppliers & employees		(58,274,436)	(54,097,185)
Interest received		70,763	87,058
Interest and other costs of finance paid		(476,476)	(529,973)
Net Cash provided by Operating Activities	B1 (b)	11,594,986	8,665,812
Cash Flows from Investing Activities			
Proceeds from disposal of non-current assets		6,898	26,905
Payments for non-current assets		(3,479,497)	(1,229,313)
Purchase of shares	B5	-	(10,000)
Net Cash used in Investing Activities		(3,472,599)	(1,212,408)
Cash Flows from Financing Activities			
Repayment of borrowings	B1 (c)	(846,683)	(2,808,945)
Equity contribution	B11	3,250,000	750,000
Lease payments	B10 (b)	(495,818)	(492,492)
Net Cash provided by Financing Activities		1,907,499	(2,551,437)
Net Increase/(Decrease) in Cash and Cash Equivalents		10,029,886	4,901,966
Cash and Cash Equivalents at the beginning of the year		8,908,081	4,006,115
Cash and Cash Equivalents at end of the year	B1 (a)	18,937,967	8,908,081

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

Notes to the Financial Statements

for the year ended 30 June 2022

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 12 August 2022.

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	65
B3/B4	Impairment review of property, plant and equipment	71
B9	Employee entitlements	74
B9	TASBRED Thoroughbred Breeding Incentive Scheme	74
B9	Defined benefit superannuation fund obligations	74

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 2022:

- Racefield revenue increased by \$3.03m to \$25.20m (2021: \$22.16m) on the back of strong trading conditions and continuing investment in digital assets and promotion.
- Other Racing Revenue increased \$0.81m to \$2.40m primarily due to one off benefits from vacating the Devonport Showgrounds site. In November 2020, Tasracing signed a Settlement and Release Deed to vacate the site. This was completed on the 25th March 2022.
- Point of Consumption Tax revenue increased \$4.29m to \$6.83m (2021: \$2.54m) with a full 12 months received compared with 6 months in 2021. 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.
- The Defined Benefit obligation increased in 2020, with an impact of \$0.13m.
- Employee benefits expense increased to \$9.43m (2021: \$8.66m) due to an increase in annual leave liability, the full year impact of additional Racing resourcing implemented in 2021, increased resourcing at Mowbray and the new position of Chief Operating Officer from January 2022.
- Due to strong trading conditions during the year, one-off additional expenditure to promote Corporate Plan initiatives was undertaken in the areas of Club funding, Other industry funding, Training and racing facilities maintenance projects and Sales and marketing expenses.
- Cash increased to \$18.9m (2021:\$8.9m) in support of the Infrastructure plan which includes planned capital investment of \$23.9m in FY23.

OPERATIONS AND PERFORMANCE

REVENUE

	2022 \$	2021 \$
A1 Racing Revenue		
Racefield revenue	25,197,483	22,164,237
Sponsorship income	1,014,590	982,304
Rental income	198,033	181,239
Other racing income	2,402,324	1,590,208
	28,812,430	24,917,988

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 via appropriation from a funding deed.

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	25,197,483	22,164,237
Magic Millions income	112,335	113,330
Sponsorship and digital revenue	1,095,285	1,059,063
Total revenue from contracts with customers	26,405,103	23,336,630

Timing of revenue recognition

Goods transferred at a point in time	26,405,103	23,336,630
Services transferred over time	-	-
Total revenue from contracts with customers	26,405,103	23,336,630

Contract balances

Contract receivables (Note B2)	1,574,354	1,388,941
Total contract balances	1,574,354	1,388,941

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.

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.

	2022 \$	2021 \$
A2 Government Funding		
Annual Industry Funding Grant	31,812,486	31,461,712
Thoroughbred & Harness Breeding Grant	350,000	350,000
	32,162,486	31,811,712

Accounting policy

Government Funding

Government monies 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 Revenue

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

	2022	2021
A4 Prizemoney and Industry Funding	\$	\$
Club funding	2,002,347	1,417,139
Code funding	31,035,078	27,408,557
COVID-19 costs & industry support	231,007	326,760
Other industry funding	2,076,428	1,681,135
Insurance contribution (recognised as Racing Insurance in Note A5)	(250,000)	(250,000)
	35,094,860	30,583,591

Code Funding

Details about the allocation of funding to each racing code is summarised below:

	Thoroughbred	Harness	Greyhound	Total
2022	\$	\$	\$	\$
Stakes	14,276,370	6,903,737	5,599,286	26,779,393
Animal welfare contribution*	142,764	69,037	119,737	331,538
Breeding bonuses	600,000	683,737	159,000	1,442,737
Insurance contribution	250,000	-	3,441	253,441
Payments to jockeys and drivers	1,333,738	529,287	-	1,863,025
Other code funding**	315,977	-	48,967	364,944
Total	16,918,849	8,185,798	5,930,431	31,035,078

	Thoroughbred	Harness	Greyhound	Total
2021	\$	\$	\$	\$
Stakes	12,954,490	6,131,689	5,087,020	24,173,199
Animal welfare contribution*	129,545	61,317	117,389	308,251
Breeding bonuses	600,000	468,468	160,200	1,228,668
Insurance contribution	250,000	-	3,612	253,612
Payments to jockeys and drivers	1,337,362	429,320	-	1,766,682
Other code funding**	(239,840)	6,000	(161,267)	(321,855)
Total	15,031,557	7,096,794	5,206,954	27,408,557

* Animal welfare contribution from code funding represents only a portion of total animal welfare expenditure, with additional costs recognised in other areas of the business.

** Other code funding may include unspent code funding allocation which is carried forward to future years.

The allocation of code funding to stakes and other code specific items is determined annually in consultation with the Thoroughbred Advisory Network, Harness Industry Forum and Greyhound Reference Group.

	2022	2021
	\$	\$
A5 Raceday and Racing Expenses		
Training and racing facilities	4,513,580	3,779,086
Race day & other racing expenses	1,794,582	1,736,291
Racing insurance	1,047,552	796,420
	7,355,714	6,311,797

	2022	2021
	\$	\$
A6 Depreciation and Amortisation Expenses		
Racecourse leasehold improvements	3,657,963	3,733,342
Plant and equipment	464,464	421,027
Welfare facilities	31,255	30,242
Intangibles	317,611	381,508
Right-of-Use assets	481,563	480,858
	4,952,856	5,046,977

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

	2022	2021
	\$	\$
A7 Sales & Marketing Expenses		
Sales	748,659	324,025
Marketing	1,539,692	725,688
	2,288,351	1,049,713

Due to strong trading conditions during 2022, one-off additional expenditure to promote Corporate Plan initiatives was undertaken in the areas of Sales and Marketing expenses.

	2022	2021
	\$	\$
A8 Employee Benefit Expense		
Recognised in profit/(loss) for the year		
Wages and salaries	7,838,004	7,477,672
Other associated personnel expenses	560,767	564,797
Contributions to defined contribution superannuation funds	774,950	702,737
Service cost of defined benefit scheme (excludes interest cost)	54,000	57,000
(Decrease)/Increase in liability for annual leave*	135,173	(217,717)
Increase in liability for long service leave	69,177	74,068
	9,432,071	8,658,557
Recognised in other comprehensive income for the year		
Actuarial (losses)/gains in relation to defined benefit obligation (DBO) (see note B9)	687,000	67,000
Actual return on plan assets less interest income in relation to DBO (see note B9)	(62,000)	51,000
Total measurement recognised in other comprehensive income	625,000	118,000

* 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.

	2022	2021
	\$	\$
A9 Finance and Leasing Costs		
Finance costs		
Net interest cost in relation to DBO (see note B9)	117,000	86,000
Interest expense	501,557	572,569
	618,557	658,569
Short-term leases and leases of low-value assets		
Occupancy lease rentals - short-term	12,567	-
Plant and equipment lease rentals	40,370	46,589
	52,937	46,589
Total finance and leasing costs	671,494	705,158

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.

	2022	2021
	\$	\$
A10 Other Expenses		
Insurance	1,049,316	795,928
Administration	749,793	656,642
Impairment losses	260,951	-
Loss on disposal of assets	22,036	42,535
Digital & IT	1,068,138	1,047,071
Other	76,261	68,043
	3,226,495	2,610,219

	2022	2021
	\$	\$
A11 Remuneration of Auditors		
External audit services	43,190	41,640
Internal audit services	31,009	43,319
	74,199	84,959

The Company paid \$43,190 to the Tasmanian Audit Office in 2022 for the audit of the financial statements.

TAXATION

	2022 \$	2021 \$
A12 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	1,076,169	(1,455,844)
Total tax expense/(income)	1,076,169	(1,455,844)
Attributable to:		
Continuing operations	1,076,169	(1,455,844)
	1,076,169	(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/(loss) from continuing operations	4,866,895	4,460,021
Profit/(loss) from operations	4,866,895	4,460,021
Income tax expense calculated at 30%	1,460,069	1,338,007
Tax break		
Non-deductible expenses	13,152	5,304
Unused tax losses and tax offsets not recognised as deferred tax assets	(372,180)	(2,889,201)
Previously unrecognised and unused tax losses and tax offsets now recognised deferred tax assets	-	-
Other	-	-
	1,101,041	(1,545,890)
(Over)/under provision of income tax in previous year	(24,871)	90,046
	1,076,170	(1,455,844)
Current income tax (benefit)/expense recognised in Statement of Comprehensive Income	1,076,170	(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:		
	2022 \$	2021 \$
Deferred tax:		
Actuarial movements on defined benefit plans	(187,500)	(35,400)
Deferred tax movement not recognised through equity	-	-
	(187,500)	(35,400)
(c) Recognised deferred tax balances		
Deferred tax assets comprise:		
Temporary differences	692,448	917,831
Tax losses (revenue)	822,430	1,631,929
	1,514,878	2,549,760
Deferred tax liabilities comprise:		
Temporary differences	1,358,104	1,129,316
	1,358,104	1,129,316
Net deferred tax asset/(liability)	156,774	1,420,444

Taxable and deductible temporary differences arise from the following:

	Opening Balance \$	Charged to Income \$	Charged to Equity \$	Closing Balance \$
2022				
Gross deferred tax liabilities:				
Prepayments	(160,164)	(42,482)	-	(202,646)
Receivables	(324)	(4,054)	-	(4,378)
Intangibles	(1,842)	(33,856)	-	(35,698)
Leases	(28,038)	1,014	-	(27,024)
Property, plant and equipment	(938,948)	(149,410)	-	(1,088,358)
	(1,129,316)	(228,788)	-	(1,358,104)
Gross deferred tax assets:				
Provisions	-	474,147	(187,500)	286,647
Property, Plant and Equipment	879,189	(35,227)	-	843,962
Leases	38,642	7,524	-	46,166
Payables	-	(484,327)	-	(484,327)
Tax losses (revenue)	1,631,929	(809,499)	-	822,430
	2,549,760	(847,382)	(187,500)	1,514,878
	1,420,444	(1,076,170)	(187,500)	156,774
Attributable to:				
Continuing operations				156,774
				156,774

	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

(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:

	2022 \$	2021 \$
Temporary differences	5,831,731	5,770,388
Tax losses – revenue	-	433,523
	5,831,731	6,203,911

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

	2022 \$	2021 \$
B1 Cash Flow		
(a) Cash and cash equivalents		
Cash on hand and balances with banks	18,937,967	8,908,081
(b) Reconciliation of profit for the year to net cash flows from operating activities		
Profit/(Loss) for the year	4,866,895	4,460,021
Adjustments for:		
Depreciation and amortisation	4,952,856	5,046,977
(Profit)/loss on disposal of property, plant and equipment	269,190	(416,814)
Interest charged on lease liabilities	25,081	42,596
(Increase)/decrease in receivables	(286,378)	(12,043)
(Increase)/decrease in prepayments	(146,890)	(190,473)
(Decrease)/increase in creditors and accruals	1,239,391	(517,312)
Increase/(decrease) in provisions	674,841	252,860
Net cash from operating activities	11,594,986	8,665,812
(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	7,126,356	9,935,301
Changes from financing cash flows:		
Cash received	-	-
Cash repayments	(846,683)	(2,808,945)
Balance as at 30 June	6,279,673	7,126,356
Lease liabilities		
Balance as at 1 July	1,486,499	3,831,748
Changes from financing cash flows:		
Cash lease payments	(495,818)	(492,492)
Non-cash lease movement	330,647	(1,852,757)
Balance as at 30 June	1,321,328	1,486,499
(d) Financing facilities		
Credit and Stand By arrangements		
Credit Cards		
- amount used	86,500	85,500
- amount unused	23,500	24,500
Facility Limit	110,000	110,000
TASCORP borrowing facilities		
- amount used	6,279,673	7,126,356
- amount unused	34,760,308	34,153,932
Facility Limit	41,039,981	41,280,288

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

	2022 \$	2021 \$
B2 Trade and Other Receivables		
Trade receivables	550,230	465,362
Contract receivables	1,574,354	1,388,941
Provision for expected credit loss	(5,613)	(8,269)
	2,118,971	1,846,034
Interest receivable	14,515	1,078
	2,133,486	1,847,112
Reconciliation of movement in expected credit loss		
Carrying amount at 1 July	(8,269)	(21,910)
Amounts written off during the year	6,736	5,010
Amounts recovered during the year	-	-
(Increase)/decrease in provision recognised in Statement of Comprehensive Income	(4,080)	8,631
Carrying amount at 30 June	(5,613)	(8,269)

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	34,942	95,821
Past due between 61 and 90 days	18,329	32,599
90+ days	63,669	43,999
Balance at end of year	116,940	172,419

Included in the trade receivables balance are debtors with a carrying amount of \$116,940 (30 June 2021: \$172,149) 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	2022	2021
(a) Carrying amounts	\$	\$
Land		
At cost	650,600	650,600
Total	650,600	650,600
Racecourse leasehold improvements		
At cost	81,119,575	82,155,504
Less: accumulated depreciation	(41,292,620)	(39,298,058)
Total	39,826,955	42,857,446
Plant & equipment		
At cost	7,562,491	6,652,741
Less: accumulated depreciation	(4,853,416)	(4,462,141)
Total	2,709,075	2,190,600
Welfare facilities		
At cost	991,829	981,015
Less: accumulated depreciation	(73,041)	(41,786)
Total	918,788	939,229
Work in progress		
At cost	1,839,149	223,882
Total	1,839,149	223,882
Total Property, plant and equipment	45,944,567	46,861,757

(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
2022	\$	\$	\$	\$	\$	\$
Carrying amount at 1 July	650,600	42,857,446	2,190,600	939,229	223,882	46,861,757
Additions	-	-	10,397	-	3,511,033	3,521,430
Disposals	-	(6,343)	(10,465)	-	-	(16,808)
Impairment losses	-	-	-	-	(258,890)	(258,890)
Net transfers	-	633,815	983,007	10,814	(1,636,876)	(9,240)
Depreciation	-	(3,657,963)	(464,464)	(31,255)	-	(4,153,682)
Carrying amount at 30 June	650,600	39,826,955	2,709,075	918,788	1,839,149	45,944,567

	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

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.

	2022 \$	2021 \$
B4 Intangible Assets		
(a) Carrying amounts		
Website and software		
At cost	2,370,572	2,361,332
Less: accumulated amortisation	(2,054,629)	(1,737,018)
Total	315,943	624,314
Carrying amount at 1 July	624,314	988,474
Additions from work in progress	9,240	17,348
Amortisation	(317,611)	(381,508)
Carrying amount at 30 June	315,943	624,314

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 prorata 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 prorata across assets in the cash generating unit.

Current Year

There was no impairment charge in 2022.

Prior Year

There was no impairment charge in 2021.

	2022	2021
	\$	\$
B5 Other Financial Assets		
Ordinary share investment	94,507	94,507
	94,507	94,507

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

	2022	2021
	\$	\$
B6 Trade and Other Payables		
Trade payables - unsecured	3,394,464	2,116,846
	3,394,464	2,116,846

	2022	2021
	\$	\$
B7 Borrowings		

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)	247,936	240,307
Credit foncier loan 2 - capital loan	(ii)	638,318	606,376
		886,254	846,683

Non-Current

Credit foncier loan 1 - operating loan	(i)	792,045	1,039,981
Credit foncier loan 2 - capital loan	(ii)	4,601,374	5,239,692
		5,393,419	6,279,673

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.

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.

B8 Other Financial Liabilities	2022	2021
	\$	\$
Rental bonds	200,578	190,097
	200,578	190,097

B9 Provisions	2022	2021
	\$	\$
Current		
Employee		
Annual leave	788,950	758,799
Long service leave	297,122	355,149
Superannuation - defined benefits	67,000	64,000
Other	1,153,072	1,177,948
Provision for TASBRED Scheme - Thoroughbred	566,508	728,883
Provision for Code Funding Carried Forward	388,905	170,732
Other	1,590,327	1,088,118
	2,545,740	1,987,733
Total current provisions	3,698,812	3,165,681
Non-Current		
Employee		
Long service leave	347,205	282,496
Superannuation - defined benefits	2,149,000	2,697,000
Total Non Current provisions	2,496,205	2,979,496
Total provisions	6,195,017	6,145,177

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 2023. The premium varies between a minimum of \$700,000 and a maximum of \$2,612,000. At 30 June 2022, 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 is dependant 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

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.

During the year the *Public Sector Superannuation Reform Regulations 2017* were amended, but these amendments did not materially affect the defined benefits payable under the Scheme. There were no curtailments or settlements during the year.

	2022 \$	2021 \$
Reconciliation of the net defined benefit liability/(asset)		
Defined benefit obligation	2,627,000	3,225,000
Fair value of plan assets	(411,000)	(464,000)
Net superannuation liability/(asset)	2,216,000	2,761,000
Current net liability	67,000	64,000
Non-current net liability	2,149,000	2,697,000
Total liability	2,216,000	2,761,000
Reconciliation of the fair value of scheme assets		
Fair value of plan assets at the beginning of the year	464,000	407,000
Interest income	15,000	13,000
Actual return on plan assets less interest income	(62,000)	51,000
Employer contributions	61,000	65,000
Contributions by plan participants	16,000	16,000
Benefits paid	(83,000)	(88,000)
Fair value of plan assets at the end of the year	411,000	464,000
Reconciliation of the defined benefit obligation		
Present value of defined benefit obligations at beginning of the year	3,225,000	3,208,000
Current service cost	54,000	57,000
Interest cost	102,000	99,000
Contributions by plan participants	16,000	16,000
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(633,000)	(24,000)
Actuarial (gains)/losses arising from liability experience	(54,000)	(43,000)
Benefits paid	(83,000)	(88,000)
Present value of defined benefit obligations at end of the year	2,627,000	3,225,000

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

Fair Value of Scheme Assets

As at		30 June 2022 [^]		
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	72	-	72	-
International equities	87	-	87	-
Infrastructure	53	-	14	39
Diversified fixed interest	91	-	91	-
Property	77	-	7	70
Alternative investments	31	-	31	-
Total	411	-	302	109

[^] Estimated based on assets allocated to Tasracing as at 30 June 2022 and asset allocation of the RBF Scheme as at 30 June 2021.

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 3.85%, 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 2022	30 June 2021
Assumptions to determine defined benefit cost and start 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 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	2.25% p.a
Financial year ended	30 June 2022	30 June 2021
Assumptions to determine end of year DBO		
Discount rate (active members)	5.35% p.a	3.20% p.a
Discount rate (pensioners)	5.35% p.a	3.20% p.a
Expected salary increase rate	3.50% p.a	3.00% p.a
Expected rate of increase of compulsory preserved amounts	5.50% for 22/23 then 3.50% p.a	3.00% p.a
Expected pension increase rate	5.50% for 22/23 3.25% for 23/24 then 2.50% p.a	2.25% p.a

Sensitivity analysis

The defined benefit obligation as at 30 June 2022 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
		-1.0% p.a discount rate	+1.0% p.a discount rate	-1.0% p.a pension increase rate	+1.0% p.a pension increase rate
Discount rate	5.35%	4.35%	6.35%	5.35%	5.35%
Pension increase rate	2.50%	2.50%	2.50%	1.50%	3.50%
Defined benefit obligation (A\$'000s)	2,627	2,971	2,346	2,452	2,835

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

The pension increase assumptions in the above table are long term pension increase assumptions.

Higher rates are assumed for the next two years. In Scenario C & D, both the short term and long term assumptions have been adjusted.

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 2022 (\$'000)
Expected employer contributions	67

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation for Tasracing is 12.4 years.

B10 Leases	2022 \$	2021 \$
(a) Right-of-Use Assets		
Carrying amounts		
Racecourse leaseholds	928,812	1,137,163
Motor vehicles	410,619	371,863
Total right-of-use assets at 30 June	1,339,431	1,509,026
Reconciliation of movements in carrying amounts		
Carrying amount at 1 July	1,509,026	3,812,089
Additions	352,280	300,012
Disposals	(40,312)	(2,122,217)
Amortisation expense	(481,563)	(480,858)
Carrying amount at 30 June	1,339,431	1,509,026

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 10 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	1,486,485	3,831,748
Additions	352,280	301,802
Disposals	(64,335)	(2,197,155)
Interest	25,081	42,596
Payments and accruals	(478,183)	(492,506)
Total lease liabilities at 30 June	1,321,328	1,486,485
Current	320,909	427,596
Non Current	1,000,419	1,058,889
Total lease liabilities at 30 June	1,321,328	1,486,485

The maturity analysis of lease liabilities is as follows:

Present value of future minimum lease payments

Year 1	320,909	427,596
Year 2	290,484	191,468
Year 3	158,419	166,497
Ongoing	551,516	700,924
Total	1,321,328	1,486,485

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

	2022	2021
	\$	\$
B11 Contributed Equity		
Balance at the beginning of the year	60,714,911	59,964,911
Equity contribution - Treasury	3,250,000	750,000
Balance at the end of the year	63,964,911	60,714,911

Fully paid shares (30 June 2022 and 30 June 2021: 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.

	2022	2021
	\$	\$
B12 Accumulated Losses		
Balance at the beginning of the year	(15,907,870)	(21,906,335)
Net Profit/(Loss)	3,790,726	5,915,865
Other comprehensive income	625,000	118,000
Income tax relating to components of other comprehensive income	(187,500)	(35,400)
Balance at the end of the year	(11,679,644)	(15,907,870)

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	2022 \$	2021 \$
Financial assets		
Cash and cash equivalents	18,937,967	8,908,081
Financial assets - at amortised cost	2,133,486	1,847,112
Other financial assets - at amortised cost	94,507	94,507
	21,165,960	10,849,700
Financial liabilities		
Held at amortised cost:		
Trade and other payables	3,394,464	2,116,846
Other financial liabilities	200,578	190,097
Borrowings	6,279,673	7,126,356
	9,874,715	9,433,299

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 2022	94,690	(94,690)	94,690	(94,690)
30 June 2021	44,540	(44,540)	44,540	(44,540)

(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 2022	\$	\$	\$	\$	\$	
Financial Assets						
Cash and cash equivalents	18,937,967	-	-	-	18,937,967	1.31%
Financial assets - at amortised cost	2,133,486	-	-	-	2,133,486	-
Other financial assets - at amortised cost	94,507	-	-	-	94,507	-
Total Financial Assets	21,165,960	-	-	-	21,165,960	1.17%
Financial Liabilities						
Trade and other payables	3,394,464	-	-	-	3,394,464	-
Other financial liabilities	200,578	-	-	-	200,578	-
Borrowings	5,487,628	255,808	536,237	-	6,279,672	3.90%
Total Financial Liabilities	9,082,670	255,808	536,237	-	9,874,714	2.48%

	< 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	1,847,112	-	-	-	1,847,112	-
Other financial assets- at amortised cost	94,507	-	-	-	94,507	-
Total Financial Assets	10,849,700	-	-	-	10,849,700	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%
Total Financial Liabilities	3,153,626	5,487,628	792,045	-	9,433,299	3.61%

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

	2022	2021
	\$	\$
- not later than one year	1,616,723	1,780,031
(ii) Other contractual commitments		
Non-cancellable contracts payable:		
- not later than one year	1,679,591	1,632,230
- later than 1 year but not later than 5 years	534,517	1,741,531
	2,214,108	3,373,761

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 10.00%, 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 prizes, 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 2022

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)
- N. Grose (non-executive director), appointed 25 November 2021
- J. Wallace (non-executive director), retired 25 November 2021
- M. Wallace (non-executive director)
- R. Whishaw (non-executive director)

Executive Management

- P. Eriksson (Chief Executive Officer)
- D. Heald (Chief Financial Officer)
- A. Jenkins (Chief Operating Officer), appointed 17 January 2022

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	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	231	216	521	429	751	643
Post-employment benefits	24	22	48	37	73	58
Other long-term benefits	0	0	21	24	21	24
Termination benefits	0	0	0	0	0	0
	255	238	590	489	845	725

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.

(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 2022

Name	Position	Directors Fees ¹ \$'000	Superannuation ² \$'000	Total \$'000
Mr G Phair	Chairperson	56	6	62
Mrs H Galloway	Deputy Chairperson	29	3	32
Mr D Garnier	Director	29	3	32
Mr M Gordon	Director	29	3	32
Mr N Grose (appointed 25 November 2021)	Director	17	2	19
Mr J Wallace (retired 25 November 2021)	Director	13	1	14
Mr M Wallace	Director	29	3	32
Mrs R Whishaw	Director	29	3	32
Total		231	24	255

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

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 2022

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	23	10	0	287	0	5	293
Mr D Heald	Chief Financial Officer	166	17	2	0	185	0	8	193
Mr A Jenkins	Chief Operating Officer (appointed 17 January 2022)	84	8	4	0	97	0	8	104
Total		504	48	16	0	569	0	21	590

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		408	37	21	0	465	0	24	489

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	\$5,450	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)	\$165,748	Stakes and prizemoney 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:

- 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
- 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 B, 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

15 August 2022

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 2022, 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
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 2022 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 2022 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 and impairment <i>Refer to note B3</i>	
The carrying value of property, plant and equipment was \$45.95 million at 30 June 2022. Property, plant and equipment are significant to the statement of financial position. 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. During the year \$0.26 million of work in progress was impaired, which included \$0.21 million of expenditure related to a new development in the North-West of the State that had to be abandoned due to environmental concerns.	• Reviewing management's assessment as to whether there were any indicators of impairment. • Reviewing the impairment methodology and outcomes, 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.

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 2022, 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
Delegate of the Auditor-General
 Tasmanian Audit Office

17 August 2022
 Hobart





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