

2019

ANNUAL REPORT



OUR FUTURE

The 2018/2019 (August to July) year was a significant period for the Club.

Much was achieved and future strategic goals and plans were established to continue to build on the momentum of the Club's success and to ensure we maintain our leading position in the industry.

The year was highlighted by the successful opening of the world leading new Club Stand on Derby Day in 2018. This milestone represents the essence of our future. To be bold, ambitious and to lead with purpose.

To that end, every pillar of our strategy and every point in our vision is moving confidently ahead. Our stated vision and overarching objective is to be treasured by all as a world leader in racing and event entertainment, in order to guarantee an unrivalled experience at every turn.

That vision is exactly what you'll see reflected in these pages. We'll work toward goals that continue to ensure that the pillars of our success are achieved: a financially strong business, a positive, vibrant membership community, and an undisputable leadership role within our industry.

The future of the Victoria Racing Club shows more promise than ever before, and it's incumbent upon us all to firmly grasp the opportunities before us.

We invite you to review the accomplishments of 2018/2019 season, and join us as we prepare to achieve even more in the years ahead.

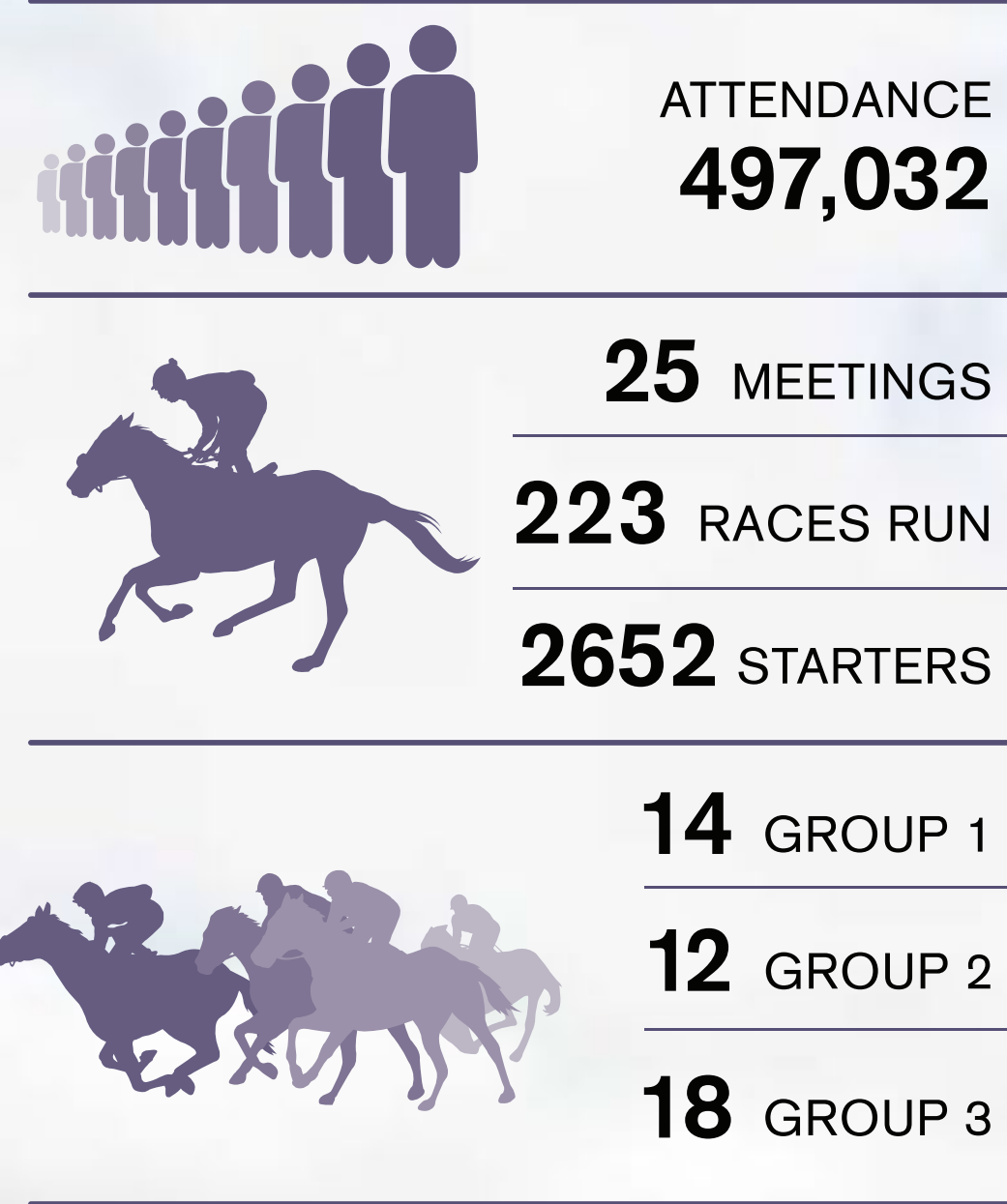
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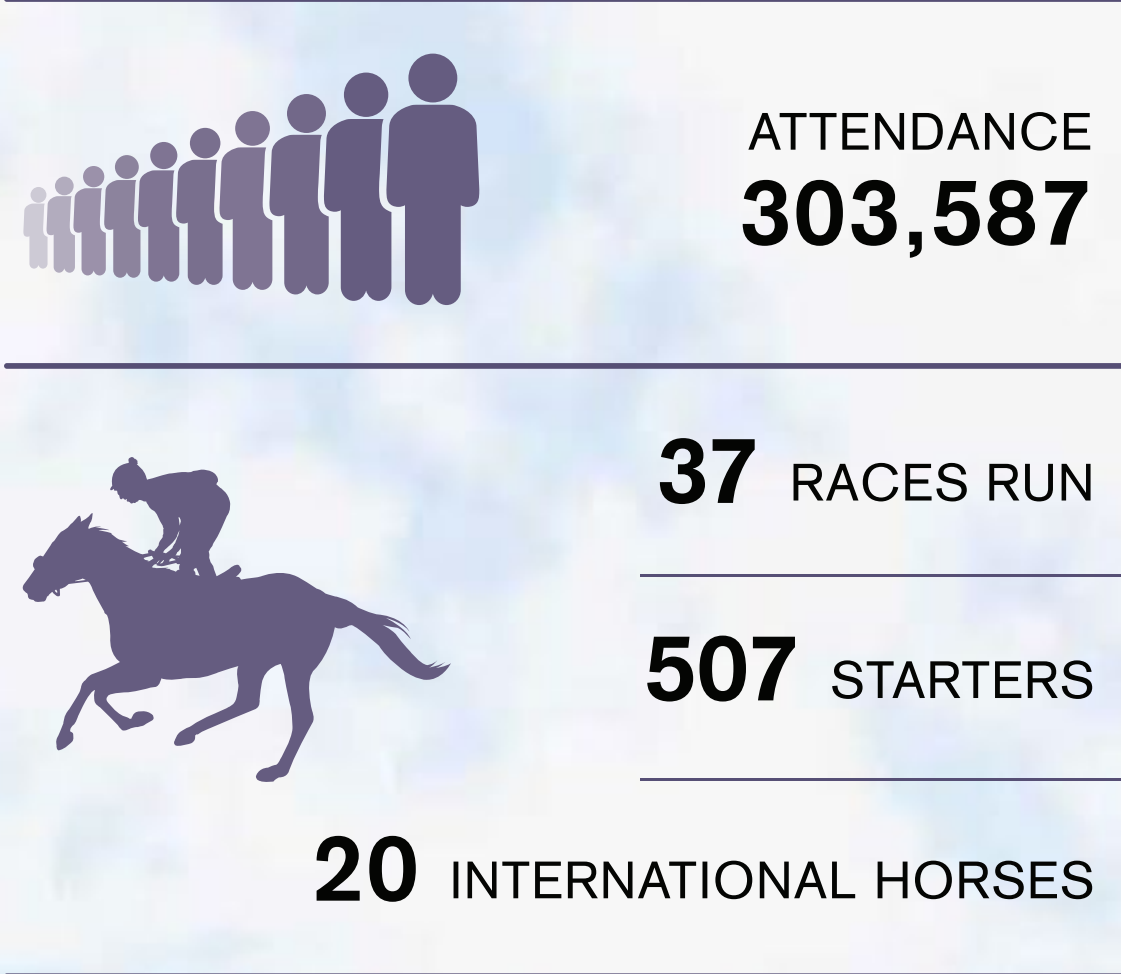


BUSINESS OVERVIEW

2018/19 RACING



2018 MELBOURNE CUP CARNIVAL



LEXUS MELBOURNE CUP TOUR

In 2018, the VRC remained committed to taking the coveted Lexus Melbourne Cup trophy to the people of Australia through its annual tour.

The Cup Tour broadened its scope in order to present a more international profile, taking the Cup directly to the July Festival in Newmarket.

By profiling the heroes and champions that are intrinsically linked to the Melbourne Cup, the tour is a way to involve and interact with local communities across Australia and, beyond that, to engage with other locations and communities across the globe.

The 2018/19 season marked the 16th year of the tour, which saw the “People’s Cup” visit 37 metropolitan and regional destinations across Australia, New Zealand, Ireland, United Kingdom and South Korea, ultimately covering more than 100,000 kilometres. Refer to page 25 for destinations.

LEXUS MELBOURNE CUP PARADE

Since 1984, the Lexus Melbourne Cup Parade – a centrepiece on Victoria’s sporting events calendar – has captured the hearts of thousands of spectators as it makes its way through the Melbourne CBD. In 2018, more than 60,000 people lined the streets of Melbourne to experience the colour, vibrancy and tradition of the 35th running of the parade, proudly supported by the City of Melbourne.



LEXUS MELBOURNE CUP TOUR DESTINATIONS



CUSTOMER EXPERIENCE INNOVATION

2018 saw significant developments take place, all to elevate the customer experience at Flemington in every way.

THE CLUB STAND

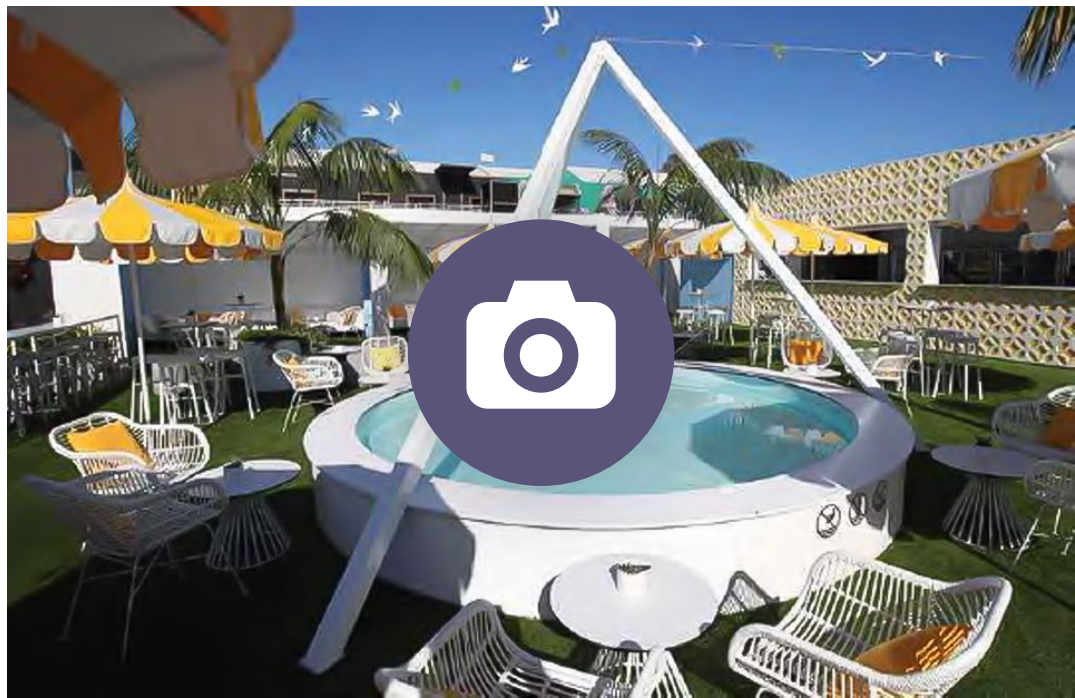
One of the most obvious transformations of the Flemington experience was the launch of The Club Stand, one of the largest upgrades of facilities and customer experience ever undertaken by the VRC.

The Club Stand build finished on schedule, opening under trial conditions on Sofitel Girls Day Out and Turnbull Stakes race days. The launch of The Club Stand saw the culmination of a multi-year project to source and select every single item – furniture, and materials, design flourishes both large and small, resulting in a stunning world-class facility.

Branding and visual identity for each venue inside The Club Stand was designed and revealed, along with a refreshed and updated VRC brand identity and new uniforms for all staff.

The new stand was introduced to members and their guests during a series of trial events. A systematic customer research program was undertaken to gather feedback about food quality service standards and overall ambience. This allowed the VRC to focus their efforts prior to the grand opening on Derby Day.

The 13 venues within The Club Stand all offer a different and enhanced customer experience, with most venues open and operating on every race day on the calendar. Along with a wide variety of restaurants, from casual to high-end, and bars, cafes and relaxing communal spaces to take in all the fun and excitement of a day at the races, the VRC also uses the venues as a way to offer members extended hours throughout the year, keeping the race day spirit thriving even after the last race has run.



DINING IN THE ATRIUM

In previous years, our customers and members who chose to dine in The Atrium told us that a buffet-style dining was their preferred dining option. This preference has now been established and well received by clientele, and thus begins a new race day tradition that will be carried forward in subsequent years.

BIRD BATH BAR IN THE BIRDCAGE

Unveiled for the first time in 2018, the Bird Bath Bar, located in the heart of The Birdcage, offered an unticketed, walk-up bar experience for members, allowing them to enter The Birdcage to enjoy a drink and be a part of the day. It featured a beautifully curated environment with mid-century modern touches, anchored by its large, central bird bath, and accompanied by music, cocktails, craft beer, champagne and all the energy of The Birdcage itself. The presence of the Bird Bath Bar signalled a new beginning for our members, with the bar set to appear in varying ways in coming years.

1 OLIVER ST

Returning from its successful inaugural year in 2017, 1 Oliver St presented racegoers with a new “room in the mansion”: a conservatory that delivered an upmarket, exclusive and fun racegoing experience. Open on each race day of the 2018 Melbourne Cup Carnival, 1 Oliver St continued to make a name for itself by surprising and delighting members and their guests from morning until night. Special guests and star entertainers like Dionne Warwick and Sam Smith added to the star-studded revelry within.

THE DOMAIN

Conceived and designed to resemble a genteel English garden party, the feeling was one of members finding themselves located in the quaint streets of Notting Hill, as they dined on classic fare like fish and chips, English teas and an assortment of cakes.

THE NURSERY

In partnership with KIIS FM, The Nursery’s specially designed playground, The Playpen was bigger and better than ever in 2018. Food trucks, photo opportunities and a world-class DJ spinning the tunes kept revellers entertained all day long.

FASHIONS ON THE FIELD

In 2018, the Myer Fashions on the Field competition introduced a new, digital format for interstate competitors.

Fashion photographers captured beautifully dressed contestants at events in New South Wales, Queensland, South Australia, Tasmania and Western Australia, with the top ten from each state then published on a specially curated new website. After each event, a small panel of high-profile industry professionals selected the State Finalist, Runner-Up and Second Runner-Up from the top ten contestants per state.

The winners from each state received a 10-day trip of a lifetime to the Melbourne Cup Carnival, competing on stage in the Myer Fashions on the Field National Final on Kennedy Oaks Day.

In addition, the VRC and Myer refocused the Design Award to uncover emerging designers, providing them a chance to showcase their designs and encouraging outstanding design excellence within the Australian fashion industry. This prestigious award is now known as the Emerging Designer Award.



FRONT LAWN

Flemington’s famous Front Lawn featured new concepts and activities, as it saw the introduction of new entertainment options, such as magicians and energetic, roving musicians.

INTERNATIONAL VISITORS CENTRE

For Melbourne Cup Carnival, a new space was introduced for international visitors, in Hill Square. This new centre offered tours of the course, beautiful photo-moment opportunities and even an option to send a postcard home.

This new space was staffed by multilingual personnel, in an effort to support those visiting Australia who came to see what the world-famous Melbourne Cup Carnival was all about.

OUR EXECUTIVE LEADERSHIP TEAM



Nick Addison
EGM Commercial Operations



Leigh Jordon
EGM Racing



Caroline Ralphsmith
EGM Customer Engagement



James Reid
EGM Operations



Lucas Robertson
EGM People Culture & Governance



Sam Whatmore
EGM Finance & Information Technology

RISK AND CORPORATE GOVERNANCE

The Club is committed to strong corporate governance practices as an essential enabler of the Club's strategy and long-term success.

The VRC Board is ultimately responsible for the governance of the Club. The directors operate according to a code of conduct and the rules set down by the Club's constitution and by-laws.

BOARD COMPOSITION AND TERM OF OFFICE

The Board consists of nine non-executive independent directors and the Chief Executive. Each non-executive director must seek re-election every three years. The Chairman, Vice-Chairman and Honorary Treasurer are appointed by the Board and may serve in these roles for a maximum of eight consecutive years.

COMMITTEES OF THE BOARD

The Board establishes committees, as required, to assist in carrying out its primary functions. These committees meet on a regular basis and act in an advisory capacity, making recommendations to the Board. They are populated by representatives of the Board and management.

AUDIT AND RISK MANAGEMENT

The Audit and Risk Management Committee comprises the Honorary Treasurer (as Chair) and at least two other directors. This committee meets on at least three occasions throughout the year and on further occasions as the need arises. The committee receives regular reports from the Club's auditors and management, working with them to review the Club's risk profile, risk appetite, accounts, financial position and regulatory compliance. The committee makes recommendations to the Board in relation to key financial, governance, compliance and policy items.

The Senior Risk Manager works with the management team to review the Club's risk appetite and keep the risk register current. This includes reviewing enterprise-level and critical risks, and the effectiveness of controls. This process gives input and ownership to people at all levels and in all departments of the Club, while providing greater visibility and confidence to senior management and the Board.

CORPORATE REPORTING

The Board receives reports from management on a monthly basis and otherwise as required.

SAFETY

Given the VRC's racing and events focus, work health and safety requires constant focus, review and training, and is of the highest priority for our team. Our internal WH&S unit works with the management team, our people, our contractors, our partners, the industry and WorkSafe to continually review and reinforce good safety practice and improve our systems of work.

REMUNERATION

A Remuneration and Nominations Committee, comprising Chairman, Vice-Chairman and Honorary Treasurer, approves the Club's remuneration principles and practices on an annual basis. The Chief Executive and EGM People, Culture and Governance also attend these meetings.

With the exception of the Chief Executive, VRC's directors act as volunteers, but they do receive certain reimbursements and compensation for costs incurred while fulfilling their role. Certain directors are nominated by the Club to act as representatives on the boards of industry joint ventures and those directors may be remunerated in accordance with the relevant entities' remuneration practices.

LEGAL

The VRC's in-house counsel are involved in the negotiation of contracts and provide advice and support on a wide range of matters affecting the Club. Processes and training are implemented, as required, to ensure a consistent approach to contracts, privacy, intellectual property protection and legal compliance to best protect the VRC's interests. External legal advice is also sought where appropriate.

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DOWNLOAD
FINANCIALS



Section of the huge crowds in the tightly packed Lawn Stand on Melbourne Cup Day, 1956. (Cliff Bottomley/National Archives of Australia)

AS THE VRC EMBARKS UPON A NEW DAY AND A NEW YEAR FOR THE CLUB AND BUSINESS, WE REMAIN FOCUSED ON OUR VISION, AND BELIEVE THAT ANY GOAL CAN BE ACHIEVED, WHEN PURSUED WITH PASSION, INTEGRITY AND PURPOSE.



