

19 June 2026

[REDACTED]
Lawyer, Regulatory Reform and Implementation
Regulation and Supervision
Australian Securities and Investments Commission
[REDACTED]

Dear [REDACTED],

Re: Submission – ASIC Corporations (Horse Schemes) Instrument 2016/790

Harness Racing Australia (HRA) welcomes the opportunity to provide feedback in relation to the proposed remaking of ASIC Corporations (Horse Schemes) Instrument 2016/790.

HRA is the national body for the industry with its members consisting of the State Controlling Bodies and Principal Racing Clubs. Ownership participation and horse syndication are critically important to the long-term sustainability, accessibility and growth of the industry.

HRA welcomes ASIC's consultation and appreciates the opportunity to contribute to the review of a regulatory framework that plays an important role in facilitating horse ownership and syndication.

Ownership participation is fundamental to the long-term sustainability of harness racing.

Horse syndication has become one of the industry's most effective mechanisms for attracting new participants, reducing barriers to ownership and broadening engagement with the sport.

Syndication allows individuals to participate in horse ownership at a more accessible entry point while supporting broader investment across the racing ecosystem, including trainers, breeders, race clubs and associated industry participants.

Accordingly, HRA supports regulatory settings that maintain confidence in syndication arrangements while ensuring ownership opportunities remain accessible, affordable and attractive to prospective participants.

General Position

HRA supports the continuation of the relief provided under the Instrument and considers the relief remains broadly fit-for-purpose.

The Instrument has successfully balanced consumer protection objectives with the practical realities of horse ownership syndication and has supported participation growth across the racing industry for many years.

HRA acknowledges that the *Corporations Act 2001* already provides relief for certain small-scale offerings, including schemes with no more than 20 participants that are not promoted by persons carrying on a business of promoting managed investment schemes. However, many horse racing syndicates operating above those thresholds remain relatively modest in scale and are established primarily to facilitate participation in racing rather than to function as investment-driven commercial vehicles.

Industry feedback suggests that these participation-focused syndicates may experience compliance obligations that are disproportionate to the risks presented, particularly where syndications involve relatively low capital raising amounts and a limited number of participants.

Response to ASIC Consultation Questions

1. Is the relief under the Instrument fit for purpose?

HRA considers the relief remains fit-for-purpose and continues to serve an important policy objective.

However, the operating environment for horse syndication has evolved significantly since the original policy settings underpinning the Instrument were developed.

In particular:

- Syndication models have become increasingly digitised;

- Marketing and participant engagement practices have evolved;
- Ownership participation has broadened;
- Online communications and participant reporting have become standard practice;
and
- Compliance costs have increased.

Modern syndication models increasingly utilise digital engagement, electronic execution of documents, online communications and real-time participant reporting.

Regulatory requirements should continue to provide appropriate protections while remaining adaptable to contemporary ownership practices.

HRA therefore believes there is merit in reviewing whether aspects of the current framework remain proportionate for smaller-scale syndications while maintaining appropriate consumer protections.

2. Can the relief be amended to reduce complexity and/or compliance burdens while maintaining appropriate consumer protections?

HRA does not advocate for the removal of consumer protections. Transparency, disclosure and participant confidence remain critical to the ongoing success of horse syndication.

However, HRA considers there may be opportunities to simplify aspects of the framework while maintaining those protections.

Potential areas for consideration include:

- Simplified disclosure requirements for smaller-scale syndications;
- Standardised disclosure templates;
- Plain-English participant information documents;

- Streamlined compliance obligations that better reflect the risk profile of smaller syndicates; and
- Greater recognition of existing racing industry governance and oversight arrangements.

HRA also notes that horse ownership and syndication already operate within a highly regulated environment overseen by State Controlling Bodies.

Ownership registration, participant licensing, integrity frameworks, ownership transfer processes and dispute resolution mechanisms provide significant oversight of industry participants.

Consideration should therefore be given to whether aspects of existing racing industry governance can be better recognised within the regulatory framework to reduce unnecessary duplication while preserving appropriate consumer protections.

Any future reform should seek to balance consumer protection objectives with the practical realities of modern syndication and ownership participation.

3. Are the key thresholds appropriate?

HRA understands ASIC has previously sought feedback regarding the appropriateness of the current thresholds contained within the Instrument.

HRA has not undertaken a detailed assessment of the appropriateness of the current thresholds. However, industry feedback suggests the focus should be less on the thresholds themselves and more on ensuring the regulatory framework remains proportionate to the size, risk profile and participation-focused nature of horse syndication.

Should ASIC undertake further review of these thresholds in the future, HRA would welcome the opportunity to consult with industry stakeholders and provide further input.

Importance of ownership accessibility

HRA emphasises that ownership accessibility is strategically important to the future sustainability and growth of harness racing in Australia.

Horse syndication provides an important entry point for:

- New participants;
- Recreational owners;
- Younger demographics; and
- Broader community engagement with the sport including the social cohesion and community building that is delivered through horse ownership and syndication.

Regulatory settings that unnecessarily increase complexity or cost may inadvertently create barriers to participation and ownership growth.

HRA therefore supports a regulatory framework that:

- Maintains appropriate participant protections;
- Preserves confidence and integrity; and
- Promotes accessible and practical participation pathways.

Conclusion

HRA supports the continuation of the relief framework under *ASIC Corporations (Horse Schemes) Instrument 2016/790* and considers the Instrument continues to play an important role in supporting participation within the Australian harness racing industry.

HRA also considers there is merit in exploring targeted modernisation and simplification measures, particularly for smaller syndicates operating within existing thresholds.

In HRA's view, any reforms which responsibly reduce barriers to syndication and ownership participation will provide long-term strategic benefits to the Australian harness racing industry.

HRA would welcome ongoing engagement with ASIC as part of this process.

Yours sincerely,



Chief Executive

Harness Racing Australia