TASMANIAN RACING INDUSTRY

Government Funding Submission

On behalf of **Tasracing Pty Ltd**

May 2026

1. Executive Summary

This submission presents the case for continued and renewed government investment in the Tasmanian racing industry. It outlines the industry's contribution to the Tasmanian economy and community, the structural reforms and strategic vision now underway, and the specific funding investment required to ensure a sustainable, high-performing industry well into the future.

The Tasmanian racing industry - encompassing thoroughbred, harness and greyhound racing - is among the State's most significant contributors to employment, regional economic activity and community engagement. Independent economic analysis confirms that the industry generates approximately **$208 million** in annual value-added contribution to the Tasmanian economy, sustains **1,735 full-time equivalent positions**, and involves more than 6,400 individuals as employees, participants or volunteers.

Importantly, more than 40 per cent of this economic benefit flows directly to regional communities.

The current Funding Deed, established in 2009 following the sale of TOTE Tasmania, is due to expire in 2029. This submission makes the case for a new, purpose-built funding arrangement that reflects both the industry's proven economic and social value, and its commitment to fundamental transformation - operating with greater commercial discipline, structural efficiency and strategic clarity than at any previous point in its history.

The industry has developed a comprehensive *Tasmanian Racing Industry Strategy* and supporting Operational Plan through an extensive process of participant consultation and independent financial analysis. This strategy addresses the structural challenges the industry faces with honesty and specificity - including the rationalisation of club structures and venue footprints - and commits to measurable performance improvement across all dimensions of industry activity.

The funding sought through this submission is not a continuation of the status quo. It is an investment in transition, which will enable a mature industry to modernise, rationalise and become increasingly self-sustaining over the course of the Funding Deed, while protecting the employment, community infrastructure and economic activity it currently provides to thousands of Tasmanians.

[INSERT FINANCIAL REQUEST & STRUCTURE]

2. Background and Current Funding Arrangements

2.1. History of the Current Funding Deed

The racing industry in Tasmania has operated for well over 150 years, with thoroughbred racing dating to the formation of the *Tasmanian Turf Club* in 1826, harness racing from the first organised meeting in *Moonah* in 1884, and greyhound racing from the opening of *White City* track in Launceston on 8 February 1933. Throughout this history, the industry has operated with varying levels of government partnership - but no arrangement has been as significant or as structurally defining as the current Funding Deed.

The current Funding Deed was executed in 2009 following the Tasmanian Government's decision to privatise TOTE Tasmania, the State's government-owned totalisator betting agency. Prior to its sale, TOTE Tasmania provided the racing industry with a substantial and reliable revenue stream through its wagering operations. The privatisation of TOTE Tasmania, which was ultimately completed in 2011 when the licence was sold to Tabcorp, removed this direct commercial revenue from the industry's funding base.

In recognition of the sale of the industry's major revenue generating asset, and as compensation for this loss, the Tasmanian Government entered into an initial 20-year Funding Deed with Tasracing Pty Ltd (established under the *Racing (Tasracing Pty Ltd) Act* 2009), providing an annual base grant of $27 million indexed to the *Consumer Price Index* (CPI) for the full 20-year period from 2009 to 2029.

The Deed has been subject to periodic review and variation since its execution. A 2010 inquiry by the Tasmanian Legislative Council's Select Committee examined the financial performance of Tasracing and scrutinised the deed structure. A desktop review of Tasracing's operations was also conducted by the Department of Treasury and Finance in 2020, which assessed funding adequacy relative to interstate jurisdictions.

In addition to the base deed funding, Tasracing has supplemented its revenue through race field fees, media rights, sponsorships and, more recently, through receipts from the *Point of Consumption Tax* (**POCT**).

[INSERT SPECIFIC DEED DETAILS AND VARIATION DATES AND TERMS]

2.2. Purpose and Use of Existing Funding

Government funding provided under the Funding Deed has been directed toward the following operational, regulatory and capital purposes across the three codes of racing:

- Prizemoney and owner incentive schemes: ensuring competitive prize pools that attract participation from Tasmanian and interstate owners, trainers and breeders;
- Operational grants to racing clubs: supporting the 14 licensed racing clubs to conduct race meetings, maintain facilities and engage their communities;
- Racing infrastructure maintenance and capital works: track upgrades, lighting, timing systems, facilities and grandstand works across all venues;
- Industry administration and integrity services: funding Tasracing's regulatory, stewardship and compliance functions under the *Racing Regulation Act 2004*;

- Breeding incentive schemes: implementation of the *TasBred Thoroughbred Breeding Incentive Scheme* and harness breeding incentives, providing financial incentives to grow local breeding
- Animal welfare programs: the *Greyhound Adoption Program* (**GAP**), the equine *Off-The-Track* (**OTT**) program, veterinary oversight, and development of enforceable welfare codes of practice
- Workforce development and training: the Apprentice Jockey Program, Harness Academy, stablehand courses, track riding and stewards programs; and
- Marketing and events: the promotion of racing events to grow attendance and public engagement, including the Hobart Cup, Launceston Cup, Devonport Cup Day and the Summer Racing Festival [**INCLUDE MAJOR HARNESS & GREYHOUND EVENTS**]

2.3. Funding Quantum: Annual Contributions 2009 to 2025

The table below presents the annual government funding contribution to Tasracing under the Funding Deed from its inception in 2009/10 through to 2024/25, with an indicative breakdown by racing code. The base grant of $27 million has been CPI-indexed annually over this period, and is projected to reach approximately [**INSERT**] million by the final years of the current Deed.

Financial Year	Total ($m)	Thoroughbred ($m)	Harness ($m)	Greyhound ($m)
2009/10	[TBC]	[TBC]	[TBC]	[TBC]
2010/11	[TBC]	[TBC]	[TBC]	[TBC]
2011/12	[TBC]	[TBC]	[TBC]	[TBC]
2012/13	[TBC]	[TBC]	[TBC]	[TBC]
2013/14	[TBC]	[TBC]	[TBC]	[TBC]
2014/15	[TBC]	[TBC]	[TBC]	[TBC]
2015/16	[TBC]	[TBC]	[TBC]	[TBC]
2016/17	[TBC]	[TBC]	[TBC]	[TBC]
2017/18	[TBC]	[TBC]	[TBC]	[TBC]
2018/19	[TBC]	[TBC]	[TBC]	[TBC]
2019/20	[TBC]	[TBC]	[TBC]	[TBC]
2020/21	[TBC]	[TBC]	[TBC]	[TBC]
2021/22	[TBC]	[TBC]	[TBC]	[TBC]
2022/23	[TBC]	[TBC]	[TBC]	[TBC]
2023/24	[TBC]	[TBC]	[TBC]	[TBC]
2024/25	[TBC]	[TBC]	[TBC]	[TBC]
TOTAL	**[TBC]**	**[TBC]**	**[TBC]**	**[TBC]**

[FIGURES AND CODE LEVEL ALLOCATIONS TO BE UPDATED FORM TASRACING AUDITED ACCOUNTS]

2.4. Justification for Government Support

Government investment in the Tasmanian racing industry is justified on the following grounds:

- Tasmania is the only Australian state that guarantees industry funding by deed. The sale of TOTE Tasmania removed a commercial revenue stream integral to industry viability; the Funding Deed was established as direct and proportionate compensation for this structural change.
- The industry operates under a statutory licensing framework — the *Racing Regulation Act* 2004 — that creates regulatory obligations requiring government oversight and investment to discharge.
- Racing delivers measurable and independently verified public benefit through employment (1,735 FTE), economic activity ($207.5 million value added) and regional community engagement across all three regions of the State.
- Wagering taxation receipts and Point of Consumption Tax revenues provide a direct and quantifiable fiscal return to government that partially offsets the cost of the grant.
- The industry's physical and community infrastructure — 14 racing clubs, 16 tracks, and over 1,090 volunteers — serves functions well beyond racing, including as venues for agricultural shows, community events and emergency services purposes.

3. Importance of the Racing Industry to Tasmania[1]

3.1. Industry Scale — At a Glance

In 2024/25, the three codes of racing collectively produced the following activity profile across Tasmania:

[INSERT UPDATED DATA BELOW]

Activity Measure	Thoroughbred	Harness	Greyhound	TOTAL
Racing Clubs	4	7	3	14
Racing Tracks	5	8	3	16
Race Meetings	64	84	159	307
Total Races	534	737	1,539	2,810
Total Attendances	42,900	43,740	23,740	110,380
Total Animal Population	1,210	611	828	2,649
Live Foals/Pups Bred	277	128	248	653

In this way, racing provides Tasmania with a continuous community product – essentially [INSERT AVERAGE] race meetings across all codes held in Tasmania every single week of the year.

The [INSERT] attendances recorded in 2024/25 represent significant and recurring public engagement, historically with more than 77 per cent at the metropolitan centres of Launceston (43.8 per cent) and Hobart (33.4 per cent), and 22.7 per cent at regional venues. The industry is supported by close to 1,900 registered members across 14 clubs and a breeding sector that produced [INSERT] live foals and pups, supported by [INSERT] registered breeders.

3.2. Economic Contribution — Total Value Added

The Tasmanian racing industry according to the most recent IER Report (season 21/22) generated a real gross value-added contribution of $207.5 million to the Tasmanian economy — incorporating both direct and indirect (flow-on) impacts:

- Direct value added: $111.3 million: gross wages, salaries and operating surplus generated directly within the racing industry and its immediate supply chain
- Indirect/induced value added: $96.2 million: the broader flow-on impact as racing expenditure circulates through the economy, supporting veterinary, feed, transport, retail, accommodation, manufacturing and construction businesses
- Combined total value added: $207.5 million: the industry's total contribution to Gross State Product

This can be broken down across the various codes as follows:

[1] The following section draws upon the independent economic and social impact study of the Tasmanian racing industry prepared by IER Pty Ltd in August 2023 (the **IER Report**), commissioned by Tasracing and covering the 2021/22 financial year. IER is a leading strategic consulting business specialising in tourism, events and sporting industries and has prepared equivalent studies across all Australian racing jurisdictions. The economic modelling was prepared using an input-output methodology consistent with national accounting frameworks by Associate Professor Barry Burgan B Ec (Hons). All figures cited in this section are drawn from the IER Report unless otherwise noted.

Measure	Thoroughbred	Harness	Greyhound	TOTAL
Total Direct Expenditure	$95.6m	$42.7m	$51.3m	$189.6m
Total Value Added (Direct)	$54.3m	$22.8m	$34.2m	$111.3m
Total Value Added (Flow-on)	$49.0m	$21.7m	$25.5m	$96.2m
Total Value Added (Combined)	**$103.4m**	**$44.5m**	**$59.7m**	**$207.5m**
% of Industry Value Added	49.8%	21.5%	28.7%	100%
Total Household Income	$55.4m	$23.2m	$32.6m	$111.2m
Total FTE Employment	**873**	**376**	**486**	**1,735**

Thoroughbred racing accounts for the largest share of value added at 49.8 per cent ($103.4 million), followed by greyhound racing at 28.7 per cent ($59.7 million) and harness at 21.5 per cent ($44.5 million). The direct expenditure base underpinning this was $189.6 million, of which more than 48 per cent was generated in regional parts of the State.

3.3. Regional Economic Distribution

A defining characteristic of the industry's economic contribution is its geographic spread. Racing generates substantial and sustained economic activity across all regions of the State:

Region	Thoroughbred	Harness	Greyhound	TOTAL	%
Hobart	$37.8m	$13.9m	$30.4m	$82.1m	39.6%
Launceston	$21.5m	$8.4m	$11.8m	$41.7m	20.1%
Regional Tasmania	$44.0m	$22.2m	$17.5m	$83.7m	40.3%
STATE TOTAL	**$103.3m**	**$44.5m**	**$59.7m**	**$207.5m**	

Regional Tasmania generates the largest single share at 40.3 per cent ($83.7 million), reflecting that approximately 89 per cent of the $51 million in annual training expenditure is generated outside the two major cities. The North-West — covering Devonport, Burnie and surrounds — accounts for 20.7 per cent of economic impact, **making racing one of the most significant private-sector contributors to economic activity in that region**.

3.4. Employment — Scale, Distribution and Significance

The racing industry directly and indirectly sustained 1,735 full-time equivalent (FTE) positions across the State in 2021/22:

- 993 FTE positions are directly sustained by racing activity (industry and in direct suppliers);
- A further 742 FTE positions are sustained in downstream support industries receiving increased demand from racing activity.

Region	Thoroughbred	Harness	Greyhound	TOTAL FTE
Hobart	316	117	244	677

Region	Thoroughbred	Harness	Greyhound	TOTAL FTE
Launceston	184	72	100	355
Regional Tasmania	373	188	142	702
Direct Total	**873**	**376**	**486**	**993**
Total incl. flow-on	—	—	—	1,735

Total household income sustained by the industry in 2021/22 was $111.2 million — a direct and recurring contribution to the living standards of Tasmanian families, particularly in regional areas. The industry supports employment across an unusually diverse range of roles: professional (trainers, jockeys, integrity officials, veterinarians), trades and semi-skilled (stable hands, track maintenance, catering), business and commercial (administration, marketing, sponsorship), and agricultural (breeders, agistment operators, feed suppliers).

3.5. Employment of Disadvantaged and Low-Socioeconomic Tasmanians

Of particular policy relevance is the racing industry's role as an employer of Tasmanians who face structural barriers to participation in the mainstream labour market. As the IER Report explicitly notes, racing provides gainful employment of specific skillsets to individuals who may find limited opportunities elsewhere, particularly in breeding, training and animal care disciplines.

> *"The racing industry has the ability to offer modestly skilled and underprivileged members of the community the opportunity to involve themselves in meaningful pursuits. Many stables, kennels and breeding farms are supported by volunteers and employees on the minimum wage — their input not only provides valuable support to trainers and breeders in Tasmania, but also provides a sense of pride, confidence and achievement."*[2]

The cohorts who disproportionately benefit from racing industry employment include:

- Young people without formal qualifications seeking a vocation - apprentice jockey programs, stablehand pathways and kennel employment provide structured entry-level roles for young Tasmanians who have not completed secondary education;
- People from regional and rural communities with limited local employment options - the majority of racing employment, particularly in training, is located in regional areas where alternative employment opportunities are sparse;
- Individuals with disability or mental health challenges - the animal care environment, with its emphasis on routine, physicality and animal connection, provides stabilising benefits for individuals who struggle in conventional workplace settings; and
- Long-term unemployed individuals re-entering the workforce - stable and kennel management roles provide accessible pathways back to employment.

3.6. Participants — The Breadth of Industry Engagement

The IER Report identifies 6,446 individuals are directly involved in the industry as employees, participants or volunteers:

[2] IER Report, August 2023

Role	Thoroughbred	Harness	Greyhound	TOTAL
Breeders	124	110	85	319
Owners	2,332	515	159	3,006
Trainers	90	138	150	378
Racing Club & Industry Staff	488	208	75	771
Breeder Staff	74	114	69	257
Stable / Kennel Employees	286	118	101	505
Jockeys & Drivers	26	90	—	116
Club Volunteers	376	441	276	1,094
TOTAL	**3,796**	**1,735**	**915**	**6,446**

The 3,006 registered owners collectively invest in the purchase, preparation and racing of animals, competing for approximately $29 million in prizemoney and bonuses annually. The [**378**] licensed trainers, with [**2,649**] horses and greyhounds in training, represent the operational backbone of the industry — 89 per cent of training expenditure located in regional areas. The [**1,094**] volunteers contribute a significant social asset, particularly for older Tasmanians, providing community connection and purpose.

3.7. The Supplier Network and Multiplier Effect

The racing industry sits at the centre of an extensive supplier network — direct suppliers include trainers, breeders, agistment operators, gear and feed suppliers, farriers, veterinarians and transport providers; indirect suppliers include catering companies, media organisations, hardware stores, local tradespeople, professional services and wagering staff. For many of these businesses the racing industry provides the critical mass of demand that makes their operations commercially viable. The loss or significant contraction of racing activity would therefore produce a multiplied impact well beyond the industry itself.

3.8. Social and Community Contribution

Racing clubs serve as community institutions extending well beyond their racing function:

- **Community building**: clubs assist and support close to [**60**] charitable organisations and provide facilities shared with approximately [**40**] community and not-for-profit organisations
- **Family engagement**: all clubs offer activities and services supporting family attendance, with children's zones, playgrounds, family fun days and accessible facilities for people with disability
- **Social inclusion**: attendee research demonstrates that socialising with family and friends is the primary motivation for race meeting attendance — reflecting the social cohesion function racing performs, particularly in rural and regional communities
- **Cultural heritage**: the three codes of racing have a recorded history in Tasmania dating back over 200 years, making racing clubs part of the cultural identity of many local communities

The IER social impact survey found racing scored highly on bringing together families and friends (4.5 out of 5), connecting people of diverse backgrounds (4.5), and supporting businesses in the local economy (4.4).

3.9. Return on Government Investment and comparative studies

The State Government's investment generates direct and measurable fiscal returns through wagering taxation, Point of Consumption Tax receipts, payroll tax on industry wages, GST flows, and reduced welfare dependency through employment of individuals who may otherwise rely on income support.

[DISCUSS – DO WE INCLUDE FOLLOWING SECTION?]

Importantly, the question of whether the Tasmanian racing industry should receive ongoing government funding and its appropriate quantum is, at its core, not a novel one. The Tasmanian Government has a long-established, well-documented and consistently applied practice of funding industries, institutions and activities that are not commercially self-sustaining — on the grounds of **economic contribution**, **community benefit**, **cultural significance**, **heritage value**, or the role they play in sustaining **Tasmania's identity and brand**.

The racing industry meets every one of those criteria, and does so at a scale of economic output that substantially exceeds most of the comparators discussed below.

This section contextualises the racing industry's funding within that broader landscape. The purpose is not to diminish the value of other government-funded activities — each is supported on its own merits and serves genuine public purposes — but to establish that continued investment in the Tasmanian racing industry is entirely consistent with, and indeed well supported by, the principles the Government already applies to public investment across sectors.

The Comparator Landscape

The following organisations and activities currently receive ongoing Tasmanian Government funding without any expectation of commercial self-sufficiency, and without the benefit of an independently verified economic impact study comparable to the IER Report prepared for Tasracing:

- **Tasmanian Symphony Orchestra**: The TSO receives approximately $2.4 million per annum in direct State Government support, with $9.6 million committed over the four-year period to 2028. The Government has explicitly designated the TSO as one of Tasmania's funded "Icons" — a category of investment justified on cultural identity, community benefit and the State's national and international reputation, rather than commercial return. The TSO is the most recorded, broadcast and streamed orchestra in Australia, employs over 250 Tasmanians, and engages more than 11,000 Tasmanian children annually through education programs. These are genuine and important contributions. No IER-equivalent study has been commissioned to quantify the TSO's value-added contribution to Gross State Product, and no such study is required — because the Government rightly accepts that cultural significance and community value are legitimate grounds for public investment without a commercial return test. We would submit that racing's claim on the same principles is at least as strong.

- **Theatre Royal**: Australia's oldest continually operating theatre receives approximately $1.05 million per annum ($4.2 million over four years) in State Government support. It has been funded continuously on the basis of heritage significance, cultural contribution and its role as a centrepiece of the new Hedberg Performing Arts Precinct — an asset in which the Government invested $30 million. The Theatre Royal is not expected to generate a commercial return on that investment. It is sustained as a public good. Racing clubs in regional Tasmania — many of which have operated for over 150 years and serve equivalent functions in their communities — are no less worthy of that standard.

- **Arts Tasmania — Multi-year and Annual Organisations Program**: The Minister for the Arts has approved $8,631,797 over four years for 11 arts organisations through the multi-year organisations program, with further competitive annual funding available to additional organisations. These organisations — regional galleries, performing arts companies, cultural development bodies — are explicitly structured as non-commercial entities. The grants are deliberately designed to provide operational certainty that cannot be achieved through box office, sponsorship or commercial activity alone. The maximum any single organisation can receive is $250,000 per annum, and no organisation is expected to generate economic returns commensurate with the government investment received. The racing industry, by contrast, generates $207.5 million in annual value-added economic contribution against government funding of approximately $37 million per annum — a return ratio that no individual arts organisation could approach.

- **Screen Tasmania**: Screen Tasmania provides non-recoupable grants, equity investment and industry development funding to the Tasmanian screen industry across production, development and practitioner support programs. The 2023-24 Budget Speech committed $1 million to Screen Tasmania over two years, building on ongoing administered funding through the Department of State Growth. The screen industry in Tasmania — though growing strongly — is not commercially self-sustaining. It depends on ongoing public investment to attract productions, develop practitioners, and build the critical mass of local capability needed to sustain itself over time. The Government funds it explicitly because of the economic activity it generates, the jobs it creates for Tasmanian cast and crew, and the brand exposure it delivers nationally and internationally. Racing delivers all three of those outcomes at incomparably greater scale — and has done so consistently, not episodically.

- **West Coast Wilderness Railway**: The Government owns and operates the West Coast Wilderness Railway through the Abt Railway Ministerial Corporation, a government corporation. The Railway has required continuous public investment since its restoration in the early 2000s, with the Government spending $15–20 million on track rehabilitation work following the Federal Group's 2013 decision to exit the operation as commercially unviable. The 2023-24 Budget Speech committed a further $1.25 million to underpin the railway's continued operation. The Government has recently convened a roundtable of industry stakeholders to discuss its long-term financial sustainability — because it is not, and has never been, self-funding. It is sustained because of its heritage significance, its role as a West Coast tourism anchor, and the economic and community benefits it delivers to one of Tasmania's most remote and economically vulnerable regions. The parallel with regional racing — heritage assets in remote communities, sustained on grounds of economic and cultural value — is direct.

- **TasRail**: While TasRail operates freight services with some commercial revenue, it is not commercially self-sustaining and has never been expected to be. The 2023-24 Budget committed $197.4 million in equity contributions to Tasmanian Railway Pty Ltd — covering the Freight Rail Revitalisation Program ($136 million), reconnection of the Bell Bay rail line to port ($30 million), construction of a new minerals hub ($18 million), and locomotive overhaul ($9 million). Annual operating grants are also provided — described in Budget Papers across multiple years simply as the payment that allows TasRail to manage, maintain and operate the Tasmanian rail network on a sustainable basis. TasRail is funded as critical economic infrastructure: the backbone of a supply chain whose disruption would impose costs on the broader economy far exceeding the value of the operating subsidy. The racing industry's Funding Deed rests on precisely the same logic — it is the infrastructure backbone of a $207.5

million economic ecosystem, and the cost of its collapse would extend far beyond the industry itself into the supply chains, communities and employment patterns it underpins.

The Principle That Applies

The Tasmanian Government's investment decisions across all of the above activities reflect a consistent and entirely defensible public policy principle: **that government has a legitimate role in sustaining industries, institutions and assets that deliver economic, cultural, community or heritage value to Tasmania — even where those activities cannot be commercially self-sustaining**.

No reasonable person would argue that the TSO should be defunded because it cannot cover its costs from ticket sales, or that the Theatre Royal should be closed because it does not generate a commercial return on the Hedberg investment. The same principle applies to racing.

What distinguishes racing from every other item in the table above is the scale of its verified economic return. The racing industry is the only government-funded activity listed here for which an independent, peer-reviewed, methodology-consistent economic impact study exists — and that study confirms $207.5 million in annual value-added contribution to Gross State Product and 1,735 FTE positions sustained. No other funded comparator comes close to that economic footprint.

The racing industry does not ask for special treatment. It asks only to be assessed on the same principles the Government already applies to the range of activities it funds in the public interest — and on that assessment, its claim is among the strongest in the portfolio.

4. Vision and Strategic Direction for Tasmanian Racing

The Tasmanian racing industry is embarking on the most significant period of deliberate self-renewal in its history. The vision, strategy and operational plan set out in this section are the product of an extensive, structured industry consultation process — an honest acknowledgement of the challenges the industry faces, and a clear-eyed commitment to meeting them.

4.1. The Industry Vision

The new agreed vision for the Tasmanian racing industry is:

Tasmania's racing industry, reimagined — united, commercially focused, and built to last.

This vision combines the boldness of transformation with the substance of trust and sustainability. It names the three commitments that stakeholder interviews identified as most important: **unity**, **transparency**, and **sustainable growth**. **'Reimagined'** signals genuine change — not incremental improvement but a step-change in ambition, structure, and relevance. **'United'** represents a coming together across the codes, regions, and stakeholder groups. We elevate **commercial discipline** to a vision-level commitment, recognising its importance in racings future success and sustainability. **'Built to last** ' creates an explicit 25-year lens and connects the heritage of 200 years of racing with the obligation to those who come next.

4.2. How We Got Here — The Strategy Development Process

The Tasmanian Racing Industry Strategy 2026–2050, and the Operational Plan that sits alongside it, were developed through a deliberate, inclusive and evidence-based process. This was not a boardroom exercise — it was an honest engagement with the realities of the industry's current position, conducted with and by the people who make racing happen.

- **Diagnosis and Baseline Assessment**: The process began with a thorough assessment of the industry's financial performance, participant numbers, horse and dog populations, race meeting volumes, wagering performance and attendance trends over the preceding five years.
- **Consultation with Industry**: A comprehensive consultation process was undertaken with participants, trainers, club committees, owners and industry representatives across all three codes and all regions of the State — through structured focus groups, one-on-one conversations and written submissions. Key themes that emerged consistently included:
  - A desire for greater transparency and communication from Tasracing on financial performance, strategic decisions and the rationale for change
  - Concern about the succession and pipeline challenge — particularly in thoroughbred and harness racing, where trainer and owner populations are ageing and new entrant rates are insufficient to sustain long-term industry depth
  - Support for rationalisation — consolidating administration and facilities — provided it respects the history and community identity of individual clubs
  - A desire for the industry to be run with commercial rigour, with clear KPIs and genuine reporting against them.

- **Independent Analysis**: Complementing the consultation, independent financial and operational analysis was commissioned — including a comprehensive review of club and facility structures across thoroughbred and harness racing. This analysis modelled several potential structural scenarios for thoroughbreds and harness racing, assessing financial impact, operational risk and capital requirements for each. These models educate and underpin considered rationalisation and optimisation measures currently being built out and discussed with key stakeholders (and touched upon later in this submission), with a view to delivering the strongest long-term financial outcome while preserving meaningful opportunities for participants. A separate transition strategy has been developed for greyhound racing, reflecting its distinct operational model.
- **Strategy Finalisation**: The strategy was finalised through a structured board and management process, incorporating the consultation findings, independent analysis and the broader economic context. The result is a five-pillar Industry Strategy and a rolling Operational Plan translating each pillar into specific priorities, actions, responsibilities and timeframes across the 2026–2050 period.

4.3. The Five Strategic Pillars — Overview

The full Industry Strategy is organised around five strategic pillars, each developed into specific priorities, objectives and actions in the Operational Plan. A summary of each pillar is provided below; the complete detail — including all strategic priorities, objectives, scheduled actions, responsible parties and budget implications for 2026–2050 — is set out in Appendix **[INSERT].**

PILLAR 1 | Animal Welfare & Integrity

The ethical foundation of the industry — and the basis of its social licence to operate.

Encompassing enforcement of Codes of Practice across all three codes; leadership in post-racing animal transition (GAP, OTT and lifecycle tracking); building a sustainable veterinary and welfare workforce; embedding a high-performing Tasracing Integrity Unit (TIU) following assumption of functions from the former Office of Racing Integrity; and developing enhanced integrity standards and technology.

PILLAR 2 | Financial Sustainability & Operational Excellence

Securing the financial foundations and operational discipline to sustain the industry.

Covering the full commercial and financial agenda: securing a long-term government funding partnership (of which this submission is a direct expression); growing and diversifying revenue (targeting at least $5 million per annum in new sources); optimising facilities, racing programs and operations for the market we actually have; driving wagering growth through WSP partnerships and innovation; and protecting and optimising training infrastructure.

PILLAR 3 | Industry Development, Participation & Innovation

Growing the depth, diversity, and long-term relevance of Tasmanian racing.

Addressing the long-term sustainability of the participant base: building sustainable participant pipelines and addressing the succession crisis in training; growing the ownership market; strengthening breeding incentive schemes across all codes; optimising training, education and career pathways; embedding a culture of innovation; and engaging the next generation of racing fans and participants.

PILLAR 4 | Market Position, Brand & Audience Growth

Building Tasmanian racing's presence as a distinctive, trusted brand.

Developing a powerful and distinctive Tasmanian racing brand; expanding the national media and wagering distribution footprint; elevating and standardising the on-course experience; building integrated and proactive communications across all channels; and activating racing's role in Tasmania's tourism and economic story.

PILLAR 5 | Industry Leadership, Culture & Trust

Building a united, transparent, and high-performing industry.

Addressing the governance and culture foundations on which everything else rests: building a united industry voice through formal cross-code leadership forums; earning and sustaining stakeholder trust through transparent governance and genuine consultation; building a high-performing culture across Tasracing and the broader industry; developing digital, data and strategic capability; and championing diversity, inclusion and participant wellbeing.

4.4. Key Immediate Actions

Whilst the detailed Operational Plan flowing from the *Tasmanian Racing Industry Plan 2026-2050* is being developed and finalised, there are several immediate actions being undertaken by Tasracing and the Tasmanian Racing Industry to ensure the long term financial and operational health of the industry, which we touch upon below.

Rationalisation of Scheduling, Infrastructure and Operations

An independent review was commissioned by Tasracing to analyse the long terms trends in animal population and racing, and to explore rationalisation of the current industry scheduling, operational and infrastructure required to service this population based on a detailed cost-benefit analysis (financial and community impact, execution and stakeholder risk).

The analysis confirmed several structural realities requiring direct and honest response:

- **Thoroughbred population decline**: Tasmania's unique thoroughbred starter population contracted from 922 horses in FY2021 to 867 in FY2025 — a compound annual decline of approximately 1.5 per cent — with modelling projecting continued contraction to between 791 and 828 horses by FY2028.
- **Harness population decline**: Registered standardbreds declined from approximately 773 in FY2021 to 696 in FY2025 — a steeper CAGR of -3.6 per cent — with unique starters declining from 643 to 571 over the same period.
- Race meeting volumes have not been reduced in line with declining animal populations over the past three (3) seasons. In harness racing in particular, meeting numbers have increased while the horse population has fallen, creating progressive deterioration in field sizes and starters per race.
- Administrative duplication across 12 clubs creates costs not justified by current scale, diverting resources from prizemoney and participant-facing services.

As an immediate response to this review, Tasracing is seeking to take the following action for the upcoming season of racing which will significantly and positively impact the efficiency and financial performance of the industry;

- **A strategic reduction of races and race meeting volumes** to the actual (and projected) animal population — ensuring race meetings in each code reflect the number active racing animals available to fill and enhance competitive fields – lowering operational costs for the conduct of surplus race meetings and associated on costs (stakes money), and seek to optimise remaining individual race field sizes and races per meeting (positively impacting both quality of racing, and potential wagering revenue per race);

- Working actively with all thoroughbred and harness racing clubs to **eliminate structural duplication in club administration**. In some instances this will result in the long term consolidation of administrative functions of multiple clubs into single entity, reducing overhead costs and providing more consistent outcomes for participants.

  In principle, Tasracing we has a long term view of implementing a single club administration per code in Tasmania, and are actively working with clubs on the process and stages to achieve this, which we believe will drive significant positive financial and operational performance for the industry.

Whilst detailed modelling is still being completed, we are targeting a **positive financial impact of approximately $2,200,000 per annum** from these initiatives.

Running Racing as a Business

A central commitment of the new strategy is to operate racing with an enhanced discipline and commercial rigour expected of any significant public-private enterprise, with these expectations to flow down to all levels of the racing industry. In this context we are:

- embedding a more detailed business planning and budgeting framework across Tasracing and all racing clubs, with annual plans linked directly to Strategic Plan objectives;

- developing a live wagering performance dashboard - tracking turnover, margin, field size and WSP engagement metrics in real time - to better inform scheduling, product and commercial decisions, and provide live and transparent feedback to key stakeholders;

- establishing commercial KPIs for each code and club, with regular performance reporting to the Board and, through the annual report, to government and the public;

- actively pursuing alternative revenue streams — including venue and event hosting, media rights, data and content licensing, and digital distribution — targeting at least $5 million per annum in new or expanded commercial sources; and

- implementing a rolling operational cost efficiency program identifying savings in raceday delivery, staffing and administration without compromising product or participant experience

Innovation, Technology and Wagering Growth

The industry's financial sustainability is inextricably linked to its attractiveness as a wagering product. The strategy addresses this through four interconnected initiatives:

- **WSP Partnerships and Commercial Architecture**: The industry is reviewing and renegotiating its commercial arrangements with Wagering Service Providers (WSPs) and exploring a more performance-linked basis — seeking genuine active growth partnerships with promotional commitments, co-investment and shared upside, rather than passive product-supply relationships. WSPs who actively invest in promoting Tasmanian racing to their customer base will benefit from improved commercial terms.

- **Race Scheduling for Wagering Optimisation**: A race scheduling strategy is being developed explicitly to drive wagering performance, taking into account Sky Racing broadcast windows, national field density and interstate race timing.

- **Digital and Broadcast Infrastructure**: The industry is investing in the quality and functionality of its broadcast and data product, including:

  - Investment in Tasracing Live as both an audience engagement platform and a commercial asset
  - Development of enhanced digital content, data feeds and visual assets to animate Tasmanian racing for off-course audiences
  - Upgrading timing, camera and broadcast infrastructure at key venues to meet the technical standards of major WSP and media partners;
  - Scoping and adopting technology solutions that improve raceday integrity monitoring and support better data-driven decision-making.

[DO WE HAVE TARGETS FOR INCREASED COMMERCIAL WAGERING REVENUE?]

5. Additional Considerations

5.1. Alignment with Tasmanian Government Priorities

The investment sought through this submission delivers measurable returns against the Tasmanian Government's own stated priorities, as articulated in the 2030 Strong Plan for Tasmania's Future, the 2025/26 Budget, and the State's strategic investment frameworks. The table below maps the key dimensions of the racing industry's contribution against the Government's current policy agenda.

Government Priority	Racing Industry Alignment	Key Evidence
Strong Economy & Jobs (2030 Strong Plan)	Racing contributes $207.5m in annual value added and sustains 1,735 FTE positions. The Deed secures this within a fiscally structured, measurable framework.	IER Report (Aug 2023)
Regional Development & Communities	40.3% of value added ($83.7m) flows to regional Tasmania. More than 63% of all 6,446 participants are in regional communities.	IER Regional Summaries
Tourism, Recreation & Culture ($227m 2025/26 budget allocation)	Key carnivals (Launceston Cup, Devonport Cup, Hobart festivals) attract interstate visitors. Activating racings role in the Tasmanian Tourism sector is a Strategic Initiative moving forward.	Tasracing Event Data
Fiscal Responsibility & Surplus Path	Wagering tax, POCT receipts, and payroll tax provide direct fiscal return. Deed structure gives indexed, predictable expenditure against measurable KPIs.	Treasury Review 2020
Employment of Disadvantaged Tasmanians	Racing employs individuals with limited formal qualifications, from regional areas with few alternatives, and long-term unemployed re-entering the workforce.	IER Employment Chapter
Animal Welfare Reform	Industry's Pillar 1 — Codes of Practice, GAP, OTT, TIU — directly meets government community expectations and the independent Sykes Review recommendations. Allocation of $1 million per annum from POCT revenue for animal welfare programs	Annual Report 2024; Sykes Review
Sport, Community & Social Wellbeing	60+ charities supported; 40+ organisations share club facilities; 1,094 volunteers; six race meetings per week providing community entertainment statewide.	IER Social Impact Chapter
Skills & Workforce Development	Apprentice Jockey Program, Harness Academy, stablehand and track-riding pathways provide vocational training aligned with Skills Tasmania priorities.	Tasracing Training Programs

5.2. Fiscal Responsibility and Value for Money

The 2025/26 Budget reaffirmed the Government's commitment to returning the Net Operating Balance to surplus by 2029-30 and to responsible fiscal management.

The racing industry's funding submission is not an ask for more of the same — it is a commitment to structural reform, commercial discipline and measurable performance improvement in exchange for a renewed and appropriately structured funding partnership.

The KPI framework proposed in Section 6 provides the Government with assurance that its investment is being deployed against clear outcomes, with accountability built into the structure of the Deed from the outset.

5.3. Key Financial Reductions already made

Working alongside Government, and recognising your above commitment to return Net Operating Balance to surplus, Tasracing has already taken significant steps to deliver improved efficiencies whilst ensuring we fulfil our legislated obligations.

In this regard Tasracing has been targeting significant cost savings since September 2024. Three specific savings packages have been implemented in that time including the FY25 Q1 review in October 2024, the FY25 Corporate Plan in April 2025 and the FY26 Budget in June 2025.

The FY25 Q1 review anticipated a significant revenue reduction due to a sharp downturn in commercial race field fees and the reinstatement of the annual 1% “efficiency dividend”. To minimise the longer-term impacts, the Board approved a savings package totalling $1.01 million for the remainder of FY25. This package included:

- Labour savings of $115,000
- Marketing reductions $300,000
- Consulting and Legal costs $200,000
- Targeted travel reductions $72,000
- Animal Welfare programs $130,000
- Social responsibility program $100,000
- Other items $90,000

The FY25 Corporate plan included a new set of cost savings totalling $1.04 million. These included:

- Four (4) TIU Animal welfare officers to be funded from existing Animal Welfare $376,000
- Redundancies plus restructure $270,000
- Further Marketing reductions $200,000
- Foxtel subscriptions at Elwick and Mowbray, $100k
- Tasracing TV to be scaled back with targeted savings of $50,000
- Other Minor items $45,000

The Corporate Plan forecast a $450,000 pre-Tax loss for FY26. As part of the Budget process in June 2025, the Board requested Management prepare a “break even” budget which necessitated a further $395,000 in savings.

These included:

- Interest savings from delay of NW Tracks project $240,000

- Additional savings were made against the Double Cups and Triple Treat bonuses, reduced internal audit, targeted TIU administration savings and targeted savings in facilities maintenance.

5.4. Consequences of Inadequate Funding

Should the requested investment not be provided at the levels sought, the consequences for the industry and for Tasmania are significant and quantifiable. Based on the economic analysis in Section 3:

- Loss of direct and indirect FTE positions, with concentrated impact in regional communities where alternative employment is most limited
- Closure or curtailment of racing club operations in regional centres, removing community assets serving functions well beyond racing
- Reduction in wagering tax and POCT revenue returned to government
- Deterioration of animal welfare outcomes through reduced funding for the GAP and OTT programs and reduced veterinary oversight capacity
- Reputational damage to Tasmania as a racing jurisdiction, reducing interstate trainer and owner participation and associated visitor expenditure
- Loss of breeding industry activity, reducing export revenue from the sale of Tasmanian-bred racing stock to interstate and international markets

[QUANTIFY RISK – SPECIFIC JOBS #, $$$ IMPACT, SPECIFIC COMMUNITIES IMPACTED]

6. The Funding Request

6.1. Investment Required

The racing industry requests a total Government investment of $[X] million over [Y] years, structured as follows:

[Insert itemised funding request table — operational funding by year, capital grants, and transitional/reform-enabling funding. Distinguish: (a) indexed base deed funding, (b) capital/infrastructure investment, and (c) TIU operational deficit funding.]

[INCLUSION OF DETAILED FINANCIAL FORECASTS IN SCHEDULE]

6.2. Key assumptions relied upon

In submitting this funding request, Tasracing has proceeded on the following key assumptions:

[GREYHOUNDS, FACILITIES, PRIZEMONEY, LEGISLATED REQUIREMENTS ETC]

6.3. Proposed Funding Structure: POCT & Funding Deed

Tasracing recognises that while the original funding deed was implemented to compensate the racing industry for the sale of TOTE Tasmania, the more time that passes from that original purpose, the less the general public understands the rationale for the continuing contribution from the State budget nor the strong return in economic contribution of the continuing support.

Accordingly, Tasracing is proposing a redistribution of the funding that would be otherwise received under the direct funding deed arrangement, through maximising the funding Tasracing receives under the POCT agreement.

POCT funds are derived directly from wagering activities and as such can be directly linked to the racing industry. The current arrangements see Tasracing receive 80% of the net additional revenues. In FY25 this resulted in Tasracing receiving [$INSERT] of the total [INSERT] in POCT receipts.

Tasracing is proposing increasing the share of POCT receipts from 80% of net additional revenues to 100% of total gross receipts which includes the currently deducted pari-mutuel license fee offset of around $6m. Based on the FY25 receipts, this would represent an [$INSERT] increase in funding received by Tasracing from the POCT arrangement. This would in turn allow an [$INSERT] reduction in funding received under the Funding Deed.

The allocation of POCT funding to the Tasmanian racing industry is a relatively easy justification given the source of these funds are Tasmanian wagering customers. This represents a clear user pays principle where Tasmanian wagering customers are supporting the Tasmanian racing industry.

If implemented at the full rate proposed, commercial arrangements and receipts provided by wagering customers (including POCT receipts) would total [INSERT%] of industry funding based on the FY25 results compared to the current [INSERT%], and represents a fairer external view of industry sourced revenue as opposed to government support.

Please refer to SCHEDULE X for an historic breakdown on POCT distributions, and projected outcomes for FY27 through FY30.

Given the potentially volatile nature of POCT receipts linked to Tasmanian wagering, we would propose the following approach to Investment required:

[INSERT – INVESTMENT REQUIRED = 100% PROJECTED POCT + FUNDING DEED +/- AGREED RECONCILIATION PROCESS]

6.4. Term and Structure of Proposed Deed

The industry requests a Funding Deed of [**proposed term**] years, commencing [**date**]. A multi-year deed of this duration is required to:

- Provide the planning certainty needed to execute the structural reforms described in Section 4 — rationalisation decisions of the significance contemplated cannot be responsibly made without funding certainty extending well beyond annual budget cycles;
- Underpin capital investment decisions at key venues — particularly Carrick Park harness infrastructure and the Spreyton synthetic track project — which require a funding horizon of at least 15-20 years to justify
- Enable commercial partnerships with WSPs, Tourism Tasmania, sponsors and media partners that require multi-year commitment to be negotiated on competitive terms
- Provide the industry's participant community, in particular breeders, trainers and facilities, with confidence that the structural changes being asked of them are matched by a stable and committed government partnership.

[DO WE NEED A SECTION TO DETAIL KEY DEED TERMS REQUIRED: PERFORMANCE OBLIGATIONS, GOVERNANCE REQUIREMENTS, REVIEW PROVISIONS, ETC]

6.5. Performance Measurables and Accountability Framework

The industry is prepared to be held accountable to a clear, published and independently verifiable set of performance measures across each of the five strategic pillars. These may include:

Financial Performance

- Year-on-year reduction in the ratio of government funding to total industry revenue
- Achievement of commercial revenue growth targets
- Operating within approved budget parameters, with any material variance reported and explained

Industry Activity

- Total race meetings and races conducted by code and region, benchmarked against projected animal population, reviewed annually
- Target Average starters per race by code
- Total prizemoney distributed across all three codes

Economic and Employment Outcomes

- FTE employment sustained by the industry (direct and indirect), assessed via tri-annual economic impact study
- Employment from target cohorts, documented through participant workforce data
- Wagering tax and POCT receipts returned to government annually

Infrastructure and Capital

- Capital projects delivered on time and within budget, against agreed capital plan
- Venue asset condition ratings maintained above agreed minimum standards
- Structural rationalisation milestones achieved per agreed transition schedule

Welfare and Integrity

- GAP greyhound rehoming outcomes (annual targets met or exceeded)
- OTT equine transition outcomes (annual targets set and reported publicly)
- Codes of Practice enacted and enforced, with compliance audit results published annually
- TIU establishment and staffing milestones achieved per Operational Plan
- Integrity breach statistics and resolution rates benchmarked against other Australian jurisdictions

7. Conclusion

The Tasmanian racing industry stands at a pivotal moment. The reforms now underway represent a genuine and substantive shift toward commercial sustainability, rigorous governance and strategic purpose. However, the transition cannot be achieved without a period of continued government partnership.

The investment sought through this submission is not a perpetuation of the status quo. It is a catalyst for transformation, enabling an industry that employs thousands of Tasmanians, sustains $207.5 million in annual economic activity, returns revenue to government, and contributes to the identity and community fabric of the State to become increasingly self-sustaining and resilient.

The five-pillar Industry Strategy, the rolling Operational Plan, and the rationalisation agenda for club structures and facilities represent the most serious attempt in the industry's history to confront its structural challenges honestly, engage its participant community respectfully, and commit to measurable improvement.

This is an industry that is asking for continued government partnership on the basis of what it is committing to deliver, not simply what it has historically received. The government funding sought in this submission is the final piece of the foundation - the stable, long-term partner commitment that makes everything else possible. The racing industry welcomes the opportunity to discuss this submission with the Minister and departmental officers, and is committed to working collaboratively to finalise a Funding Deed that delivers enduring value for Tasmania.

Appendices

The following supporting materials are provided as appendices to this submission:

[POSSSIBLE SUPPORTING ATTACHMENTS]

Appendix A	Tasracing Pty Ltd Audited Financial Statements [Year(s)]
Appendix B	IER Economic Impact Assessment: Size & Scope of the Tasmanian Racing Industry (August 2023)
Appendix C	Tasracing Annual Reports 2009/10 to 2023/24
Appendix D	Racing Club Structure and Facilities Optimisation Report (April 2026)
Appendix E	Proposed Funding Deed Term Sheet
Appendix F	Animal Welfare Program Summary by Code (GAP, OTT, Codes of Practice)
Appendix G	Tasracing Governance and Board Structure
Appendix H	Case Studies: Employment and Community Outcomes
Appendix I	Wagering Performance Data and WSP Commercial Analysis
Appendix J	Tasmanian Racing Industry Strategy 2026