

Size and Scope of the

# **TASMANIAN** **RACING** **INDUSTRY**

PREPARED BY IER | AUGUST 2023







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## KEY FINDINGS

In 2021/22, the Tasmanian racing industry generated total direct spending of \$189.6 million. This expenditure was responsible for creating a direct value added impact (in terms of wages, salaries and profits) of \$111.3 million. However, the flow-on effects linked to this expenditure increase the size of the industry's value added contribution to \$207.5 million.

Around 40.3% of the total value added impact occurred in regional areas of Tasmania, whilst 39.6% occurred in Hobart and 20.1% in Launceston.

The economic output generated by the Tasmanian racing industry was directly responsible for sustaining 993 full time equivalent (FTE) jobs across the state. When flow-on employment impacts are considered, the total FTE impact generated by the Tasmanian racing industry rose to 1,735 jobs. This total represents the employment sustained within the industry, as well as the employment that is sustained in supply industries who meet the demand created by racing industry activity.

<sup>1</sup> Direct expenditure is defined as expenditure associated with breeding & rearing foals and pups, preparing racing horses and greyhounds (training), racing customer expenditure and expenditure by Tasracing and racing clubs on operating the industry. Direct expenditure is counted at the point at which it leaves the racing industry and reaches the broader economy.

<sup>2</sup> Value added contribution is defined as the value of sales less the value of inputs used in production, i.e. it is equal to the income (wages, salaries and profits) generated in production

<sup>3</sup> Household Income is defined as being wages and salaries (before tax) earned from employment generated by the racing industry

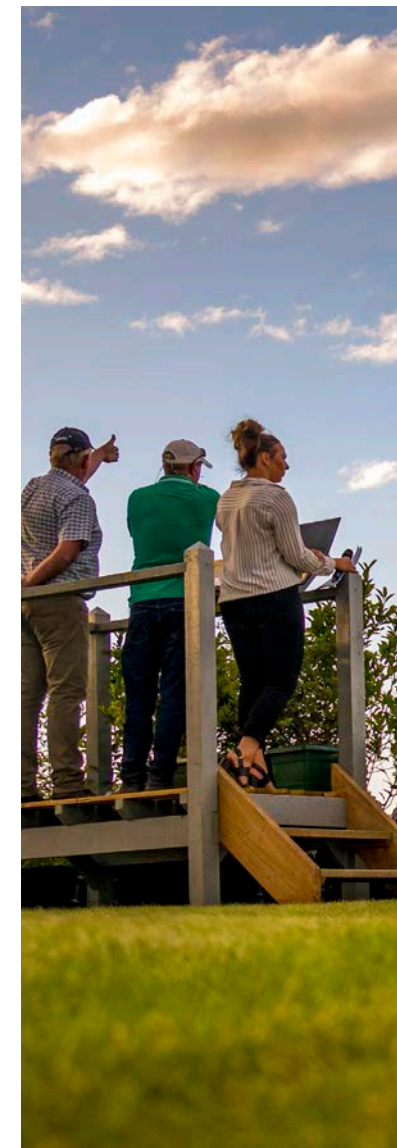
In 2021/22 the Tasmanian racing industry was responsible for **generating close to \$208 million in value added contribution** to the Tasmanian economy – **40% of which directly benefits regional economies**

### DIRECT SPENDING IMPACTS

	Thoroughbred	Harness	Greyhound	Total
<b>Total Direct Expenditure<sup>1</sup></b>	<b>\$95.6m</b>	<b>\$42.7m</b>	<b>\$51.3m</b>	<b>\$189.6m</b>

### ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
<b>Total Value Added<sup>2</sup></b>	<b>\$103.4m</b>	<b>\$44.5m</b>	<b>\$59.7m</b>	<b>\$207.5m</b>
<b>% of Industry Value Added</b>	<b>49.8%</b>	<b>21.5%</b>	<b>28.7%</b>	
<b>Total Household Income<sup>3</sup></b>	<b>\$55.4m</b>	<b>\$23.2m</b>	<b>\$32.6m</b>	<b>\$111.2m</b>
<b>Total FTE Employment</b>	<b>873</b>	<b>376</b>	<b>486</b>	<b>1,735</b>





Of the **1,735 FTE jobs sustained** by the Tasmania racing industry around **57% are the direct result of the racing industry activity** whilst the remainder support down-the-line industries that **produce and supply goods and services** for racing in Tasmania



In 2021/22, close to 110,400 attendances were recorded at thoroughbred, harness and greyhound race meetings in Tasmania. More than 77% of these attendances were made at metro racecourses in Launceston (43.8%) and Hobart (33.4%), with the remaining 22.7% occurring in regional Tasmania.

Participants are the lifeblood of the racing industry. They provide the investment, time, skills and passion that underpins horse and greyhound racing in the state. In total, there are over 6,400 individuals who participate in the Tasmanian racing industry. Many of these

people enjoy gainful employment of their specific skillset where they may find limited opportunities otherwise - particularly in the breeding, training and racing related disciplines. Furthermore, many participants hold more than one role within the industry.

The industry is supported by close to 1,100 people who volunteer their time and resources. For many of these people, local racing clubs are an important part of their community and provide valuable opportunities to stay active and engage with people from all walks of life.

## AT A GLANCE

### RACING ACTIVITY

#### 14 Racing Clubs

THOROUGHBRED	4
HARNESS	7
GREYHOUND	3

#### 307 TAB Race Meetings

THOROUGHBRED	64
HARNESS	84
GREYHOUND	159

#### 5 Non-TAB Race Meetings

THOROUGHBRED	2
HARNESS	3

#### 2,810 Total Races

THOROUGHBRED	534
HARNESS	737
GREYHOUND	1,539

#### 110,380 Attendances

THOROUGHBRED	42,900
HARNESS	43,740
GREYHOUND	23,740

#### 653 Live Foals/ Pups Bred

THOROUGHBRED	277
HARNESS	128
GREYHOUND	248

#### 2,649<sup>#</sup> Horses and Greyhounds in Training

THOROUGHBRED	1,210
HARNESS	611
GREYHOUND	828

# Horses in training represents where the trainer was domiciled in Tasmania

There are **6 race meetings held in Tasmania** every week providing live entertainment to **close to 110,400 attendees**



There are **more than 6,400** individuals who are involved in the Tasmania racing industry as an **employee, participant or volunteer**. More than **63% of these participants** in racing are in **regional communities**

## AT A GLANCE

### THE PEOPLE

#### 319 Breeders

THOROUGHBRED	124
HARNESS	110
GREYHOUND	85

#### 3,006 Owners

THOROUGHBRED	2,332
HARNESS	515
GREYHOUND	159

#### 378 Trainers

THOROUGHBRED	90
HARNESS	138
GREYHOUND	150

#### 771 Racing Club & Industry Staff

THOROUGHBRED	488
HARNESS	208
GREYHOUND	75

#### 762 Staff employed by participants

THOROUGHBRED	360
HARNESS	232
GREYHOUND	170

#### 116 Jockeys & Drivers

THOROUGHBRED	26
HARNESS	90

#### 1,094 Volunteers

THOROUGHBRED	376
HARNESS	441
GREYHOUND	276

# INTRODUCTION

In April 2022, Tasracing commissioned a study into the size and scope of the three codes of racing in Tasmania for 2021/22. The last size and scope study was undertaken for 2018/19.

## PURPOSE OF THE STUDY

This study aims to quantify the economic, employment and social contribution that the Tasmanian racing industry generates within the state of Tasmania. The report focuses on the whole of state impacts as well as looking at specific outcomes for specific regions. The key focus of the study is to investigate the following outcomes attributable to the racing industry:

- ✦ The full-time equivalent employment generated by racing industry activities in Tasmania
- ✦ The number of participants (i.e. trainers, breeders etc.) in the industry
- ✦ The total direct expenditure contribution that the industry makes, in its current form, to the Tasmanian economy
- ✦ The value added contribution that the industry generates within the Tasmanian economy
- ✦ The social and community importance of thoroughbred, harness and greyhound racing – particularly in regional parts of the state

## STUDY METHODOLOGY

In assessing the size and scope of the racing industry, the study will take into account a number of the traditional measures adopted by the racing industry (such as breeding and training activities, attendance and wagering) as well as calculating a number of economic measures. For the purpose of this study, the racing industry is



defined as covering the full spectrum of activities associated with the conduct of thoroughbred, harness and greyhound racing in Tasmania. This includes racing activity at both TAB and Non-TAB racing clubs and the impacts that flow to Tasmania as a result of betting activity.

The data that underpins this study has been gathered from a number of sources. These are outlined below:

- + Tasracing provided financials, wagering data and data related to racing activities
- + Racing clubs provided financial data as well as data relating to their club and raceday operations
- + Wagering Service Providers provided data in relation to net wagering revenues and gross wagering turnovers
- + Australian Stud Book, OzChase and Racing Information Services Enterprise provided breeding related data
- + Racing Australia provided thoroughbred racing and participant data
- + IER also interviewed a number of breeders, trainers and owners in order to build a profile of the cost of production and preparation of racing horses and greyhounds.

Throughout the report, data has been presented at the state and regional level. The regional level analysis are based on two frameworks which include the Significant Urban Areas (SUA) framework and SA4 level framework. Both have been taken from the Australian Statistical Geography Standard (ASGS).

## ECONOMIC METHODOLOGY

The development of an economic model of the Tasmanian racing industry requires a strong understanding of the internal and external flows of money. Through the model, duplicate expenditures have been identified within this monetary framework and excluded from the total expenditure calculations. In this regard, the key is to identify the final expenditures - ensuring not to count the same expenditures as they flow between internal racing industry transactions.

This study measures the economic contribution made by the racing industry in Tasmania. The final expenditure profile of the racing industry is based on the following key inputs:

- + breeding related activities of racing horses and greyhounds - the expenditure generated by the breeding sector in maintaining breeding racehorses/ greyhounds and foals/pups.
- + preparation (training related activities) of horses and greyhounds for racing - the expenditure by owners and trainers on training services as well as other non-training related expenses such as major veterinary, transport etc.
- + racing club and industry expenditure - the expenditure generated by racing clubs and Tasracing on running their operations, businesses and events
- + wagering related impacts - the benefits that flow to Tasmania from product fees, taxes and operational expenditure by wagering operators

- + racing customer off-track expenditure - expenditure made by racegoers, off-track, as part of their attendance at the races

The economic model used within this study follows three key steps:

**1 Gathering Industry Expenditure** This has been explained in more detail previously; however, this is the most important step as a failure to accurately generate the expenditure profile of the industry only leads to a multiplication of this error throughout the latter parts of the economic methodology.

**2 Categorisation of industry expenditure into ANZSIC classifications** The 'racing industry' does not exist within the Australian and New Zealand Standard Industry Classification (ANZSIC) structure. For modelling purposes, it is necessary to allocate direct expenditures to the appropriate industry sectors. The majority of expenditures are classified within their relevant ANZSIC codes. A number of horse and greyhound racing activities are contained within ANZSIC classification R - Arts and Recreation Services, specifically within the following sectors:

- a. R9114 - Sport and Physical Recreation Administration,
- b. R9121 - Horse and Dog Racing Activities,
- c. R9129 - Training and Racing Activities,
- d. R9209 - Other Gambling (Racing).

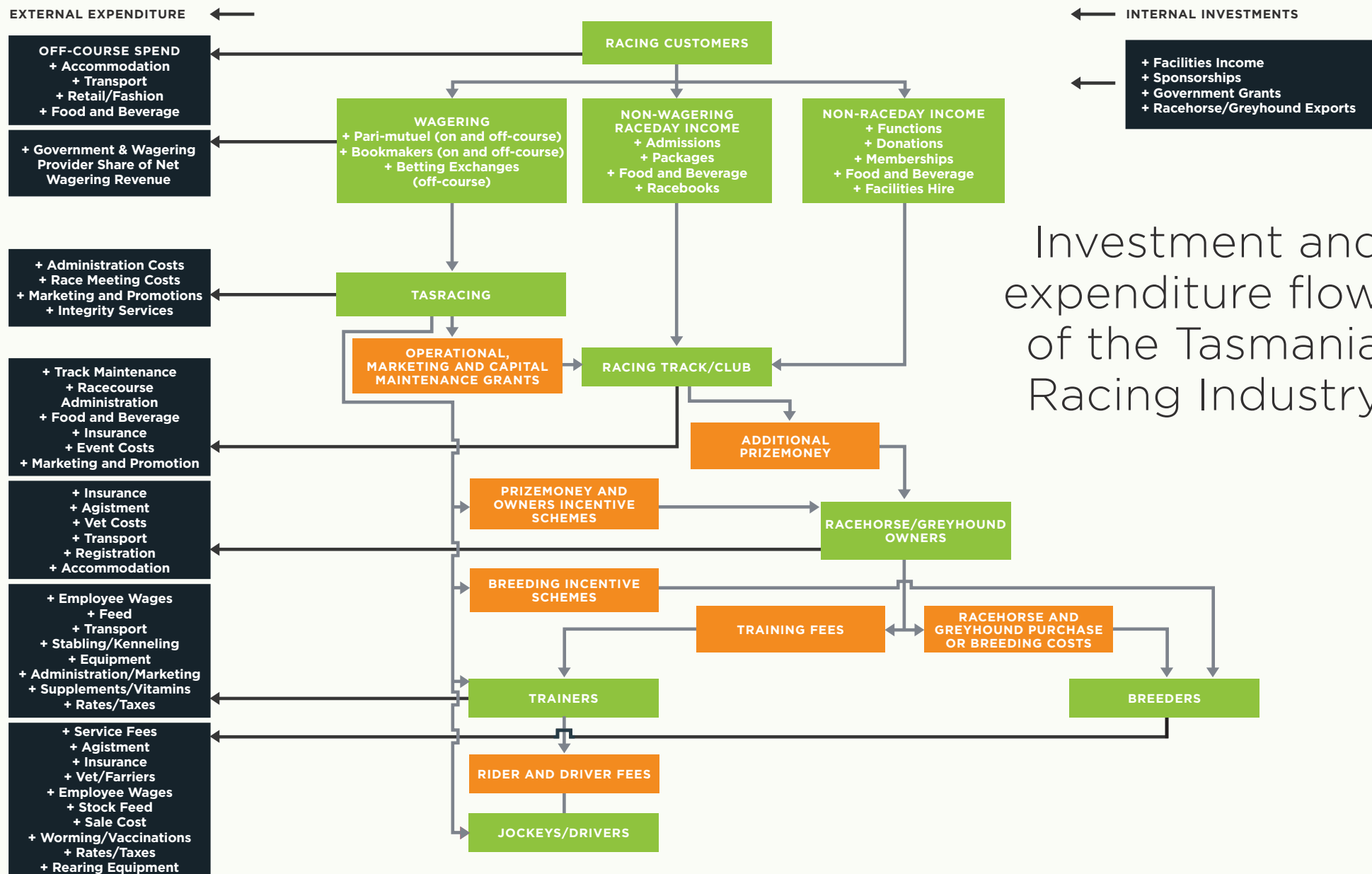
**3 Economic modelling** IER has utilised an input output methodology for the calculation of economic impacts associated with the racing

industry in Tasmania. The input output model provides direct and indirect impacts in relation to value added, income and employment.

Value added and employment are units of measurement that are based on economic multipliers derived from the national accounts. It is based on the level of value added and employment that is created within specific industry sectors in order to meet final demand expenditure.

In some regions, the report illustrates racing and economic activity despite the fact that one or more codes do not race in that region. This is generally a result of participation (i.e. ownership) and wagering occurring in those regions.

Please note: some tables in this report may not add up due to rounding.





### Direct Spending by the Tasmanian racing industry

The calculation of economic impacts, as identified in this study, is predicated on determining the extent to which the Tasmanian racing industry contributes to the state economy. This is achieved by identifying the value of direct (or final) expenditures within the state as well as the subsequent direct and indirect flow-on impacts on the economy.

In 2021/22, the Tasmanian racing industry generated almost \$190 million in direct expenditure. The calculation of direct expenditure is based on the final expenditures of the racing industry – or put another way – the point at which the expenditure leaves the internal racing industry and hits the broader economy. For instance, a raceday attendee who spends money at the bar at a racing event is generating expenditure within the racing industry. However, this expenditure is used by the racing club to fund its operations and it is at this level where final expenditures are captured (i.e. the customer funds the racing club's expenditure on wages, marketing and operations).



The Tasmanian racing industry is responsible for **generating almost \$190 million in expenditure** in Tasmania. More than 48% of this expenditure was **generated in regional parts of the state.**



**Each of the key areas of racing industry expenditure assessed within this study are defined as follows:**

**+ Breeding racehorses and greyhounds -**

includes all expenditure on the production of foals and pups, the maintenance of sires and broodmares/breeding females and the preparation of yearlings and greyhounds for sale

**+ Preparing racehorses and greyhounds -**

includes all expenditure on the breaking-in, training and rehoming of racehorses and greyhounds (including spelling)

**+ Wagering related customer expenditure -**

includes product fee payments, taxes generated from wagering and wagering service provider operating expenditure in Tasmania

**+ Raceday customer expenditure -** includes all expenditure generated from on-course activities (raceday) such as sponsorship, catering, admission and raceday functions. It also includes all expenditure generated outside the racecourse as part of attending the races (such as transport, accommodation, retail etc.). Finally, it also includes all spending on non-raceday functions, facility hire, and membership. It does not however, include wagering as this is covered in the wagering related customer expenditure section

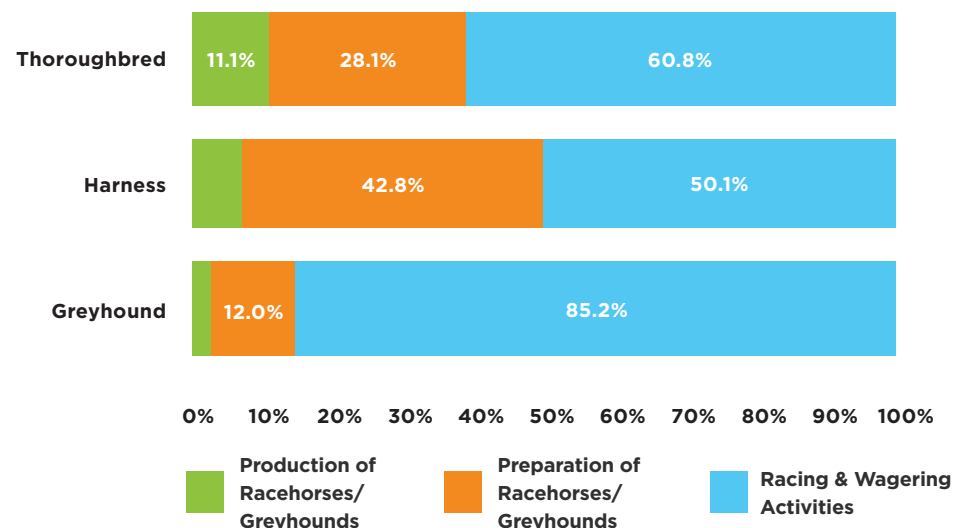
The thoroughbred racing industry is responsible for more than \$95.6 million (50.4%) of this recurrent expenditure. Racing and wagering related expenditure makes up the largest proportion of the industry's expenditure profile (60.8%), whilst more than 28% is generated by the training sector.

The harness racing industry is responsible for more than \$42.7 million (22.5%) of this recurrent expenditure. The racing and wagering sector

makes up the largest proportion of spending (50.1%) ahead of the training component (42.8%).

The greyhound racing industry is responsible for \$51.3 million (27.1%) of this recurrent expenditure. More than 85% of the industry's expenditure impact is generated from racing and wagering related expenditure. This is largely a reflection of the greyhound racing industry's positioning as a strong wagering product.

**PROPORTION OF DIRECT SPENDING BY CODE**



# Economic Contribution of the Industry

The Tasmanian racing industry is responsible for generating a real gross value added contribution of \$207.5 million for the Tasmanian economy. Real gross value added is the generally accepted measure of the value of production from economic activity. It is the sum of value added by all industries in a region (in this case, all regions of Tasmania). In any period of time, the value added contribution in an industry equates to the value of sales less the value of inputs used in production. This means value added is equal to the income (wages, salaries and profits) generated in the course of production.

The real gross value added calculation uses constant prices (prices in a selected year), hence it does not allow for general price level changes (inflation). Also, the calculation makes no allowance for capital used in production (depreciation).

As illustrated earlier, the level of economic activity will not proportionally follow the expenditure, as regional areas generally have higher import penetrations than metropolitan areas – i.e. a lot of the expenditure is on product imported from the metropolitan area. As such, the model takes into consideration these leakages between regions.

The table below illustrates the direct and flow-on value-added impacts generated by the Tasmanian racing industry.

Racing Code (\$mil)	Direct Value Added	Flow-on	Total Value Added
Thoroughbred	\$54.3	\$49.0	\$103.4
Harness	\$22.8	\$21.7	\$44.5
Greyhound	\$34.2	\$25.5	\$59.7
<b>Total</b>	<b>\$111.3</b>	<b>\$96.2</b>	<b>\$207.5</b>

## ECONOMIC CONTRIBUTION OF THE RACING INDUSTRY

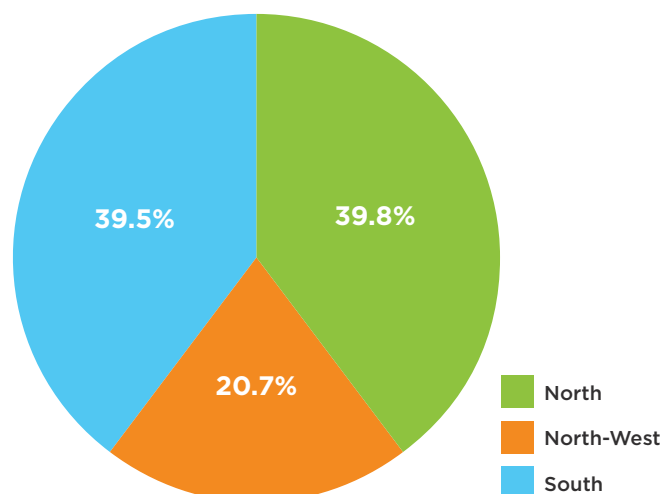


When considering the value added contribution of \$207.5 million generated by the Tasmanian racing industry, it is important to note that it is made up of:

- ✦ Direct value added (\$111.3 million) - this represents the amount of income included in the direct in scope expenditure. It is the amount of gross wages and salaries in the racing industry and the direct provision of services to racing activity, plus the gross operating surplus (profits, interest payment and direct taxes) directly created in supplying these services and product. This is also equal to the direct in scope expenditure less the purchases that the provider of the goods and services makes in providing the goods and services (both supplied from within the region, as well as externally (i.e. imported).
- ✦ Indirect (Induced) value added (\$96.2 million) - represents the value added activity (wages, salaries and gross operating surplus) generated to support the purchases made in providing the inputs to the providers of the direct services, along with the value added impact in providing households with goods and services as they spend their wages, and the trickle on effect of this.

The direct value added impacts are calculated using the ratios within each of the relevant ANZSIC Industry classification sectors identified within the input output table. The calculation of the indirect (induced) effects, which are allocated to the industry in which the impact occurs, is undertaken by running an impact assessment, and tracing the whole of economy effect of the expenditure patterns linked to the racing industry.

**TASMANIAN RACING INDUSTRY  
ECONOMIC IMPACT BY REGION**



When the direct value-added impacts are assessed by industry sector, the Tasmanian racing industry contributes most significantly to the following sectors:

- + **Arts & Recreational Services** - 8.3% of sector GSP
- + **Information, Media & Telecommunications** - 1.1%
- + **Administrative Services** - 0.8%

The table below illustrates the direct value-added impact generated by the Tasmanian racing industry in each of the ANZSIC industry sectors:

ANZSIC Industry Sector	Racing Industry Direct VA (\$mil)	% Racing Industry Direct VA	TAS Sector GSP (\$mil)	% Contribution to Sector GSP
Agriculture, Forestry and Fishing	\$16.4	14.7%	\$4,730	0.3%
Mining	\$0.0	0.0%	\$1,625	< 0.1%
Manufacturing	\$0.9	0.8%	\$2,057	< 0.1%
Electricity, Gas, Water & Waste	\$2.1	1.9%	\$999	0.2%
Construction	\$0.9	0.8%	\$2,630	< 0.1%
Wholesale Trade	\$2.2	2.0%	\$910	0.2%
Retail Trade	\$1.3	1.2%	\$1,535	0.1%
Accommodation & Food Services	\$4.5	4.0%	\$747	0.6%
Transport, Postal & Warehousing	\$4.4	4.0%	\$1,438	0.3%
Information Media & Telecommunications	\$12.2	10.9%	\$1,069	1.1%
Finance & Insurance Services	\$3.1	2.8%	\$1,760	0.2%
Ownership of Dwellings	\$2.9	2.6%	\$3,503	0.1%
Property Services	\$0.7	0.6%	\$585	0.1%
Professional, Scientific & Technical Services	\$5.1	4.6%	\$1,275	0.4%
Administrative Services	\$5.5	5.0%	\$724	0.8%
Public Administration & Safety	\$6.8	6.1%	\$2,441	0.3%
Education & Training	\$4.8	4.3%	\$2,164	0.2%
Health Care & Social Assistance	\$7.5	6.7%	\$5,096	0.1%
Arts & Recreation Services	\$27.3	24.5%	\$329	8.3%
Other Services	\$2.9	2.6%	\$557	0.5%
<b>Total</b>	<b>\$111.3</b>		<b>\$36,174</b>	





## Participants in the Tasmanian racing industry

The concept of 'participation in racing' is broader than simply considering those employed in the industry. Participants include employees, trainers, breeders, owners, jockeys, drivers, stablehands and volunteers who have varying levels of engagement, from occasional to full-time.

Participants are the lifeblood of the three codes of racing. For the majority of participants, involvement is part business and part hobby. Passion drives many to pursue the challenges and opportunities available in the racing industry. For some participants however, the racing industry is their livelihood - their occupation.

Many of these people find gainful employment of their specific skillset where they may find it difficult otherwise. This is especially true in relation to the trainers, breeders and those skilled in preparing or caring for racing horses and greyhounds. Additionally, there are many supply businesses for whom the racing industry provides the market for which to sell their goods or services.

More than 3,700 breeders, owners and trainers provide the capital and the skills to produce and prepare horses and greyhounds for racing. These participants drive a chain of activity which leads to the production of a racing product that is consumed by audiences on almost every day of the year.

There are 1,094 individuals who volunteer their time and skills in a variety of roles within the industry. In the participant space, this often includes family members - for many of whom, this family connection goes back many generations.

In total, there are 6,446 individuals who participate in the Tasmanian racing industry as a participant, employee or volunteer. More than 63% of these participants are in regional parts of the state.

### TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	Total
<b>Breeders</b>	124	110	85	319
<b>Owners</b>	2,332	515	159	3,006
<b>Trainers</b>	90	138	150	378
<b>Racing Club &amp; Industry Staff (FT, PT, Casual)</b>	488	208	75	771
<b>Breeders Staff</b>	74	114	69	257
<b>Stable/Kennel Employees</b>	286	118	101	505
<b>Jockeys &amp; Drivers</b>	26	90	0	116
<b>Racing club volunteers</b>	97	119	31	248
<b>Volunteers assisting participants</b>	279	322	245	847
<b>Total</b>	<b>3,796</b>	<b>1,735</b>	<b>915</b>	<b>6,446</b>

Note: There is some level of duplication in some of the participation categories resulting from an inability to de-duplicate individual databases  
Volunteer numbers were sourced from club and participant surveys, not all clubs provided data.



**NORTH-WEST**  
 Thoroughbred 1,020  
 Harness 452  
 Greyhound 200  
**TOTAL 1,672**

**NORTH**  
 Thoroughbred 1,367  
 Harness 802  
 Greyhound 286  
**TOTAL 2,456**

**SOUTH**  
 Thoroughbred 1,409  
 Harness 480  
 Greyhound 429  
**TOTAL 2,319**

**TOTAL PARTICIPANTS IN RACING**

# Employment Generated by Racing in Tasmania

There are 6,446 people directly involved in the Tasmanian racing industry. As outlined earlier, this represents the headcount of full-time, part-time and casual employees of the industry, racing clubs and participants. The Tasmanian racing industry, like racing industries all over Australia, relies on a large number of part-time and casual roles. As such, the level of FTE employment is significantly lower than any headcount.

In 2021/22, the economic activity generated by the Tasmanian racing industry directly sustained 993 full-time equivalent positions in Tasmania. In addition to the direct employment impact, the activities of the racing industry also help to sustain a further 742 FTE jobs in support industries. Therefore, the total direct and indirect employment impact generated by the Tasmanian racing industry was 1,735 FTE jobs.

The FTE positions that are sustained by the Tasmanian racing industry resulted in more than \$90.4 million in wages and salaries for the people employed directly within the industry as well as those employed in down the-line industries that receive increased demand as a result of racing activity. Some examples of the other industries that are stimulated by racing include; veterinary, feed, retail, tourism, accommodation, transport, manufacturing and construction.

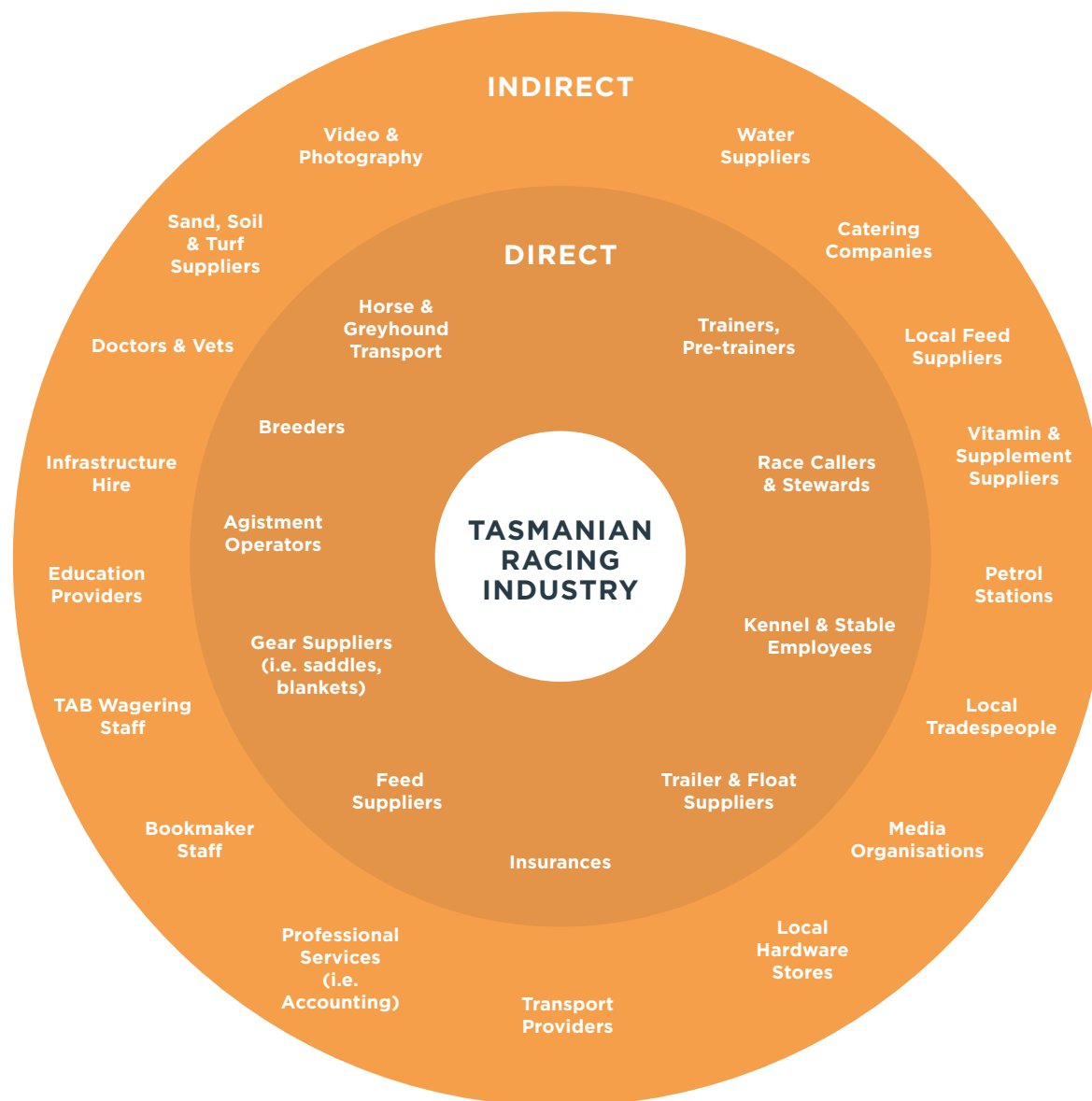
## TOTAL FTE JOBS SUPPORTED BY THE TASMANIAN RACING INDUSTRY

\*Some totals do not add due to rounding.



# The Supplier Network

The Tasmanian racing industry is supported by a large supplier network in a mutually beneficial way. For many suppliers of goods and services, a strong racing industry forms an important part of the critical mass of their client base. Many offer specific skills, and customised products that are relevant only to this industry. The supplier network broadly contains those providing a direct service or product to the industry as well as those down-the-line businesses who provide the raw materials and manufacturing that drive the products on offer.





## Case study

### COMMUNITY GROUP SUPPORT - BRINGING BACK THE SKILLS OF ROCK DRILLING

The town of Rosebery, population 752, is a mining town located on the west coast of Tasmania. For 67 years the local athletics club has conducted an annual fundraising carnival. For 30 of those years the feature event has been a rock drilling competition where the local miners pit themselves against each other. Like many events, COVID restrictions meant the event was not run for three years, severely reducing funds to operate the club.

So, when the committee of the Rosebery Athletics Club heard that Tasracing was introducing a community support initiative to support northwest Tasmanian sporting clubs they made an application. Tasracing created the Ladbrokes Carpet Charge race to be run on Devonport Cup Day. The race is the richest sprint race on a synthetic surface in Australia, with all local sporting clubs invited to enter a draw to

have a horse race on their behalf and chance for share of a \$25,000 prize pool. 50 clubs from across the northwest entered the draw and 12 were randomly selected – the Rosebery Athletics Club was one of them.

A large contingent of the Rosebery Athletics Club headed to Devonport to watch their entrant – Turk Warrior – in one of the strongest sprint fields in Tasmania for some time. Turk Warrior came home for the Rosebery Athletics Club, securing the \$10,000 first prize. Club members described the prize as life changing, providing them the chance to reinvigorate their annual carnival and bring back the much loved rock drilling competition. A diverse range of sporting clubs shared in the total prize pool, from the Cradle Coast Outriggers to the Central Coast Polo Cross Club.



## Case study

### GREYHOUND RACING - PROUD SUPPORTERS OF THEIR LOCAL COMMUNITIES

The Greyhound Racing industry throughout Tasmania is proud of the initiatives they have established to support a diverse range of grassroots community organisations.

In Hobart, the Greyhound Racing Club recognises the importance of supporting the role of local sporting clubs. In one season they conducted three challenge nights with participation from 24 different local clubs, ranging from AFL, cricket, bowls, billiard & snooker and special Olympics. Each club receives a cash sponsorship of \$500 and on each race night they are drawn a runner in the Sporting Clubs Challenge event with the winning club receiving a further \$1,000.

In Launceston, the Greyhound Racing Club instigated a Community Race Day at Mowbray. The residents of local aged care facilities were invited for a social day out and to be the

recipients of a \$750 cash prize from a raffle of local goods.

Meanwhile, all Tasmanian greyhound racing clubs came together to support the Ronald McDonald House Charity with a \$35,220 donation. The funds will go towards upgrades at Ronald McDonald House (RMH) situated in Collins Street, Hobart. RMH provides a home-away-from-home for families with children undergoing treatment at the Royal Hobart Hospital. The funds were raised through an inaugural RMH race night in Hobart and was supplemented by winner-trainer Robin Grubb who contributed \$1,000 from his prize money.



## Case study

### **MAKING A MARK OFF THE TRACK - HANNAH DEEGAN AND HORSE HAWTHORN**

Hannah Deegan of Ulverstone Tasmania and her Off the Track horse, Hawthorn, are making their mark in riding competitions across the country. Together Hannah and Hawthorn have been excelling both locally and further afield, and are looking forward to Melbourne's 3-day event in 2024.

Hawthorn began his thoroughbred racing career in Sydney, but didn't quite make the grade. Tasmanian trainer Angela Brakey bought him and tried her upmost to encourage his progress on the track. After a few unsuccessful starts, Hawthorn was advertised as a pony club horse, to which Hannah responded.

Hannah had been looking for a suitable Off the Track horse to train, so when Hawthorn passed the vet check and felt great to ride, she took him home. Recognising his talent early on, she soon got to know his quirks and they have both enjoyed their new riding life together.

Although she started riding at age 8, with attendance at Pony Club a big focus, Hannah's equestrian career has shot up since Hawthorn joined her to train on an arena located on land owned by her parents. She is also busy studying nursing at university.

Through having another Off the Track horse with her sister while growing up, Hannah knew that these horses are bred to run and easier to train due to their background. Now 19, she is looking forward to continuing on a bright equestrian journey with Hawthorn.

## The Breeding Industry

The breeding sector provides and replenishes the racing horses and greyhounds for the Tasmanian racing industry. There are 319 registered breeders in Tasmania across the three codes of racing. At the top end of the breeding sector, large stud farms employ many staff and produce large numbers of foals each year. At the other end of the scale, there are a large number of hobby breeders also breeding foals and pups.

Breeders include those whose core activity is to manage the breeding process as well as those whose involvement is as an investor (through part ownership of a broodmare, broodmatron, stallion or sire). It is important to note that it is possible that the number of breeders is likely to be understated given that only the syndicate member (of a breeding racehorse/greyhound with shared ownership) is recorded as a registered breeder.

Breeders derive the majority of their income from service fees, mare agistment and the public and private sale of their stock. This particular sector of the industry has great potential to generate economic impacts for the state, as breeders often sell their stock to interstate and overseas buyers, at sales events – generating export revenue for the state. A strong racing industry is an important pre-cursor for a strong breeding sector.

### NUMBER OF BREEDERS (incl. part owners of broodmares/broodmatrons and stallions/sires)

	Thoroughbred	Harness	Greyhound	Total
North	51	46	31	128
North-West	23	43	18	84
South	50	21	36	107
<b>Total</b>	<b>124</b>	<b>110</b>	<b>85</b>	<b>319</b>

### NUMBER OF STAFF EMPLOYED BY BREEDERS

	Thoroughbred	Harness	Greyhound	Total
North	30	48	25	103
North-West	14	45	15	73
South	30	22	29	81
<b>Total</b>	<b>74</b>	<b>114</b>	<b>69</b>	<b>257</b>

\*Some totals do not add due to rounding.

### NUMBER OF VOLUNTEERS ASSISTING BREEDERS

	Thoroughbred	Harness	Greyhound	Total
North	66	60	21	147
North-West	30	56	12	98
South	65	27	24	117
<b>Total</b>	<b>161</b>	<b>143</b>	<b>58</b>	<b>362</b>

\*Some totals do not add due to rounding.





There are **319 individuals** who either breed, or have an ownership interest in a broodmare, broodmatron, stallion or sire. They are supported by **257 employees and 362 volunteers** – meaning that the industry is supported by **close to 940 people directly involved in breeding activities** across the three codes



# Economic Contribution of the Breeding Industry

In 2021/22, breeders in the Tasmanian racing industry spent more than \$15 million on the production of racing stock. In calculating the expenditure incurred by breeders, a number of factors must be considered. Essentially, breeders incur costs on the maintenance of broodmares, broodmatrons, stallions and sires as well as in the process of breeding and care for foals and pups. In addition to this, breeders also incur costs for:

- + Sales commission on yearlings sold at auction
- + Bloodstock insurance
- + Business related expenditure
- + Sales and marketing related expenditure
- + Infrastructure and maintenance

In some instances, breeders incur all of these expenses themselves, whilst in other situations, breeders may send their foals or pups to professional service providers (such as those who provide whelping, foaling, education and yearling preparation services).

The expenditure figures outlined in this section have been derived through a combination of industry level consultation and primary research

amongst breeders in each code across Tasmania. For thoroughbreds and standardbreds, the cost of production is assessed for both a private breeder and a commercial farm in recognition of the fact that there are different expenditure profiles associated with both. Additional costs are taken into consideration for horses being prepared for a yearling sale.

From an industry perspective, it is important to acknowledge that there are different costs associated with broodmares & broodmatrons depending on their breeding activity in a given year. For example, mares and broodmatrons that are not bred within a given year, still incur expenditure despite not breeding a foal or pup, and as such need to be included in the assessment.

Close to 62.1% of all breeding related expenditure occurs in the North region of Tasmania whilst 22.5% occurs in the South region and 15.4% in the North-West region.

## NUMBER OF STALLIONS & SIRES

	Thoroughbred	Harness	Greyhound	Total
North	9	0	2	11
North-West	1	5	0	6
South	6	2	4	12
<b>Total</b>	<b>16</b>	<b>7</b>	<b>6</b>	<b>29</b>

## NUMBER OF BROODMARES/MATRONS COVERED

	Thoroughbred	Harness	Greyhound	Total
North	280	72	13	365
North-West	60	70	8	138
South	143	37	13	193
<b>Total</b>	<b>483</b>	<b>179</b>	<b>34</b>	<b>696</b>

## NUMBER OF FOALS/PUPS PRODUCED

	Thoroughbred	Harness	Greyhound	Total
North	197	47	112	356
North-West	25	45	40	110
South	55	36	96	187
<b>Total</b>	<b>277</b>	<b>128</b>	<b>248</b>	<b>653</b>

## COST OF BREEDING RACEHORSES AND GREYHOUNDS

	Thoroughbred	Harness	Greyhound	Total
North	\$7.6m	\$1.2m	\$0.6m	\$9.4m
North-West	\$1.0m	\$1.1m	\$0.2m	\$2.3m
South	\$2.1m	\$0.7m	\$0.6m	\$3.4m
<b>Total</b>	<b>\$10.7m</b>	<b>\$3.0m</b>	<b>\$1.4m</b>	<b>\$15.1m</b>



From a racing code perspective, the most significant amount of breeding related expenditure is incurred in the following regions:

#### THOROUGHBRED RACING

In 2021/22, there were 483 broodmares covered in Tasmania, breeding 277 foals. This thoroughbred breeding activity is responsible for generating almost \$10.7 million in the production and care of racing stock.

North	\$7.6m (71.1%)
South	\$2.1m (19.9%)
North-West	\$1.0m (9.0%)

#### HARNESS RACING

In 2021/22 there were 179 broodmares covered in Tasmania, breeding 128 foals. This standardbred breeding activity is responsible for generating over \$3.0 million in the production and care of racing stock.

North	\$1.2m (38.5%)
North-West	\$1.1m (37.1%)
South	\$0.7m (24.4%)

#### GREYHOUND RACING

In 2021/22, there were 34 broodmatrons covered in Tasmania, breeding 248 pups. This greyhound breeding activity is responsible for generating over \$1.4 million in the production and care of greyhound racing stock.

North	\$0.6m (44.5%)
South	\$0.6m (38.7%)
North-West	\$0.2m (16.9%)

## Case study

### IT'S WHY WE RACE CAMPAIGN - WOMEN JOCKEYS AND SMALL BUSINESS

Chelsea Baker is a Tasmanian female jockey encouraging others to join her in the racing industry.

The Tasmanian racing industry employs over 1500 full-time workers and is pushing for more women to join with its new campaign. Most people in the industry are based in regional Tasmania, and it's a good opportunity for workers to be able to stay and live in those communities.

Chelsea's day starts very early, doing trackwork for trainers and working horses at home. She then focuses on her own fitness – at the gym or going for a run or walk. Her belief is that performance with a horse increases through the jockey being fitter and that a strong core is needed to handle balance on race days.

As a jockey featuring in the campaign to recruit more women, Chelsea points out that it's much easier to be a female jockey now than previously. She and others hope that women continue to join the sport and help the racing industry in Tasmania to thrive.





Small businesses are benefiting from their involvement across Tasmanian racing industry. Catering company Hubert and Dan is one such business – they cater for multiple race events annually, providing high-quality food for large crowds and employing a team of staff in the process. For example, Hubert and Dan cater for Young Racing Tasmania, which on social media highlights its ‘exceptional food and premium beverages’.

Annual events like the Ladbrokes Summer Racing Festival make essential use of contractors and companies. This adds to increasing enjoyment of the events for the crowds as well as providing employment for locals. Hubert and Dan owner, Danielle Lefrancois, uses a team of full-time kitchen workers and up to 30 casuals each weekend, and sees her business as one of many organisations that benefit from involvement in the Tasmanian racing industry. Every event is large scale and brings in a lot of work for her business.

## The Training Industry

Trainers play an integral role in the racing 'service' industry. Training services generally incorporate pre-race and training, trialing and raceday management of racing horses and greyhounds. In the majority of cases, owners of racehorses fund the training operations through the payment of a daily training fee. The majority (but not all) of the costs associated with the care and preparation of racehorses is covered by this daily fee. In the greyhound racing code, trainers' income is mostly generated through an agreement which sees them take a 50% share of prizemoney won.

During the 2021/22 racing season, there were close to 380 horse and greyhound trainers providing services to owners in Tasmania. These trainers were also supported by more than 480 volunteers. The majority of these trainers operate in regional parts of the state.

Overall, there were more than 2,600 racing horses and greyhounds in training in Tasmania in 2021/22. The North region of Tasmania made up 39.1% of the training activity in Tasmania, whilst 37.3% occurred in the South region and 23.6% in the North-West region.

### NUMBER OF TRAINERS

	Thoroughbred	Harness	Greyhound	Total
North	33	67	56	156
North-West	26	26	27	79
South	31	45	67	143
<b>Total</b>	<b>90</b>	<b>138</b>	<b>150</b>	<b>378</b>

### NUMBER OF STABLE/KENNEL EMPLOYEES

	Thoroughbred	Harness	Greyhound	Total
North	89	43	31	163
North-West	110	30	19	159
South	87	45	51	183
<b>Total</b>	<b>286</b>	<b>118</b>	<b>101</b>	<b>505</b>

### NUMBER OF VOLUNTEERS ASSISTING TRAINERS

	Thoroughbred	Harness	Greyhound	Total
North	43	87	70	200
North-West	34	34	34	102
South	41	58	84	183
<b>Total</b>	<b>118</b>	<b>179</b>	<b>188</b>	<b>485</b>

### NUMBER OF RACEHORSES & GREYHOUNDS IN TRAINING

	Thoroughbred	Harness	Greyhound	Total
North	339	383	314	1,036
North-West	395	71	160	626
South	476	157	354	987
<b>Total</b>	<b>1,210</b>	<b>611</b>	<b>828</b>	<b>2,649</b>

There are **378 individuals** who provide the racehorse and greyhound training services to owners in Tasmania. Together, they trained **more than 2,600 racehorses and greyhounds** in 2021/22

NUMBER OF HORSES AND  
GREYHOUNDS IN TRAINING



## Economic Contribution of the Training Industry

In 2021/22, owners of racehorses and greyhounds trained in Tasmania spent over \$51 million on the preparation of their racehorses/greyhounds for racing. The calculation of expenditure on the preparation of racehorses and greyhounds takes into account the various training and non-training related expenditures incurred by owners and trainers.

The development of expenditure profiles within each region is based upon the number of racehorses and greyhounds in training. It also takes into consideration the differing training costs at various stages of the lifecycle of the racehorse/greyhound. For instance, expenditure during the education stage of a racehorse is different to expenditure on an established 3-year-old racehorse. It is also important that this assessment takes into consideration non-Tasmania owned racing horses and greyhounds which are trained in the state. Developing expenditure profiles on a 'per horse/ greyhound in training' basis, ensures that they are also included in the assessment.

\* Note - This figure does not cover costs of breeding or acquiring racehorses/greyhounds

Tasmanian owners and trainers spent **over \$51 million** in 2021/22 preparing racing horses and greyhounds for racing. Regional Tasmania accounts for **89% of this economic activity.**





**COST OF PREPARING RACEHORSES  
& GREYHOUNDS (\$MIL)**

**REGIONAL  
TASMANIA**  
Thoroughbred \$23.1m  
Harness \$17.4m  
Greyhound \$5.0m  
**TOTAL \$45.4m**

**LAUNCESTON**  
Thoroughbred \$0.1m  
Harness \$0.5m  
Greyhound \$0.4m  
**TOTAL \$1.0m**

**HOBART**  
Thoroughbred \$3.7m  
Harness \$0.4m  
Greyhound \$0.8m  
**TOTAL \$4.9m**

\*Some totals do not add due to rounding.

Overall, almost 89% of the expenditure on training activities occurs in regional areas of the state, whilst Hobart accounts for 9% and Launceston 2%.

**From a racing code perspective, the most significant amount of training related expenditure is incurred in the following regions:**

**THOROUGHBRED RACING**

Thoroughbred training activity is responsible for generating more than \$26.8 million in expenditure impacts in Tasmania.

Regional Tasmania	\$23.1m (86.0%)
Hobart	\$3.7m (13.8%)
Launceston	\$0.1m (0.2%)

**HARNESS RACING**

Standardbred training activity is responsible for generating almost \$18.3 million in expenditure impacts in Tasmania.

Regional Tasmania	\$17.4m (95.1%)
Launceston	\$0.5m (2.9%)
Hobart	\$0.4m (2.0%)

**GREYHOUND RACING**

Greyhound training activity is responsible for generating almost \$6.2 million in expenditure impacts in Tasmania.

Regional Tasmania	\$5.0m (80.2%)
Hobart	\$0.8m (13.3%)
Launceston	\$0.4m (6.5%)

\*Some totals do not add due to rounding.

## OWNERS OF RACING HORSES & GREYHOUNDS

**NORTH-WEST**  
Thoroughbred 594  
Harness 129  
Greyhound 35  
**TOTAL 758**

**NORTH**  
Thoroughbred 765  
Harness 216  
Greyhound 29  
**TOTAL 1,010**

**SOUTH**  
Thoroughbred 973  
Harness 170  
Greyhound 95  
**TOTAL 1,238**

Owners race for **close to \$29 million in prizemoney and bonuses** that are on offer across the three codes

Owners play a significant role in the funding model of the racing industry. They provide much of the capital outlay and day-to-day funding for the purchase and preparation of racing horses and greyhounds. In 2021/22 there were over 3,000 individuals with an ownership interest in thoroughbred, harness and/or greyhound racing in Tasmania. Over 41% of owners reside in the South region of Tasmania, whilst the North region contains 33.6% and the North-West 25.2%.

The investment by owners provides a critical funding source for breeders and trainers and is critically important to a successful racing industry. It is important, however, to note that it is often not identified as the most important motivation for participation. Many owners are involved in the racing industry, at least in part, as a hobby or leisure pursuit. However, a strong industry provides owners with the opportunity to realise some returns on their investment through the prizemoney on offer.





The expenditure figures outlined in this section have been derived through a combination of industry level consultation and surveying of a sample of owners and trainers in Tasmania. The analysis of the expenditure on the preparation of racehorses and greyhounds includes items such as training fees, insurance, vitamins and supplements, veterinarian fees, gear hire/purchase and racing/ trialling fees, amongst others.

Training fees often cover a proportion of the expenditure incurred by the owner in the preparation of their horse/greyhound, however there are a number of expenses that are either billed separately, or borne separately by owners (particularly in thoroughbred and harness racing). As such, only using the training fees as a measure of the cost of production, would understate the true impact.

The arrangements between greyhound owners and trainers are different to their thoroughbred and harness counterparts. Greyhound owners and trainers employ a number of different payment structures, the most popular being where the trainer retains 50% of stake money and forgoes any training fee. In this case, it is important that all greyhound trainer expenditure is captured to determine direct expenditure.

Generally, the involvement of owners in the industry delivers economic impacts through expenditure on the following items:

**Items contained within the trainers accounts (whilst racehorse/greyhound is in training)**

**EXPENDITURE ITEM:**

- + Training fees
- + Farriers
- + Feed & supplements
- + Veterinary bills
- + Transport costs
- + Track fees

**Items covered by owners directly (not generally included in trainer accounts)**

**EXPENDITURE ITEM:**

- + Insurance
- + Agistment/spelling
- + Registration fees
- + Breaking-in/pre-training/gelding
- + Entertainment
- + Accommodation
- + Rehoming costs
- + Trophies & prints

## OWNERS OF RACEHORSES AND GREYHOUNDS

	Thoroughbred	Harness	Greyhound	Total
North	765	216	29	1,010
North-West	594	129	35	758
South	973	170	95	1,238
<b>Total</b>	<b>2,332</b>	<b>515</b>	<b>159</b>	<b>3,006</b>

\*Some totals do not add due to rounding.

## NUMBER OF RACE STARTS

	Thoroughbred	Harness	Greyhound	Total
North	2,021	3,258	4,332	9,611
North-West	1,387	1,024	2,843	5,254
South	1,467	3,439	4,559	9,465
<b>Total</b>	<b>4,875</b>	<b>7,721</b>	<b>11,734</b>	<b>24,330</b>

# RACING CLUBS, ASSOCIATIONS AND AUTHORITIES

## NUMBER OF RACING CLUBS

	Thoroughbred	Harness	Greyhound	Total
Hobart	1	1	1	3
Launceston	1	2	1	4
Regional Tasmania	2	4	1	7
<b>Total</b>	<b>4</b>	<b>7</b>	<b>3</b>	<b>14</b>

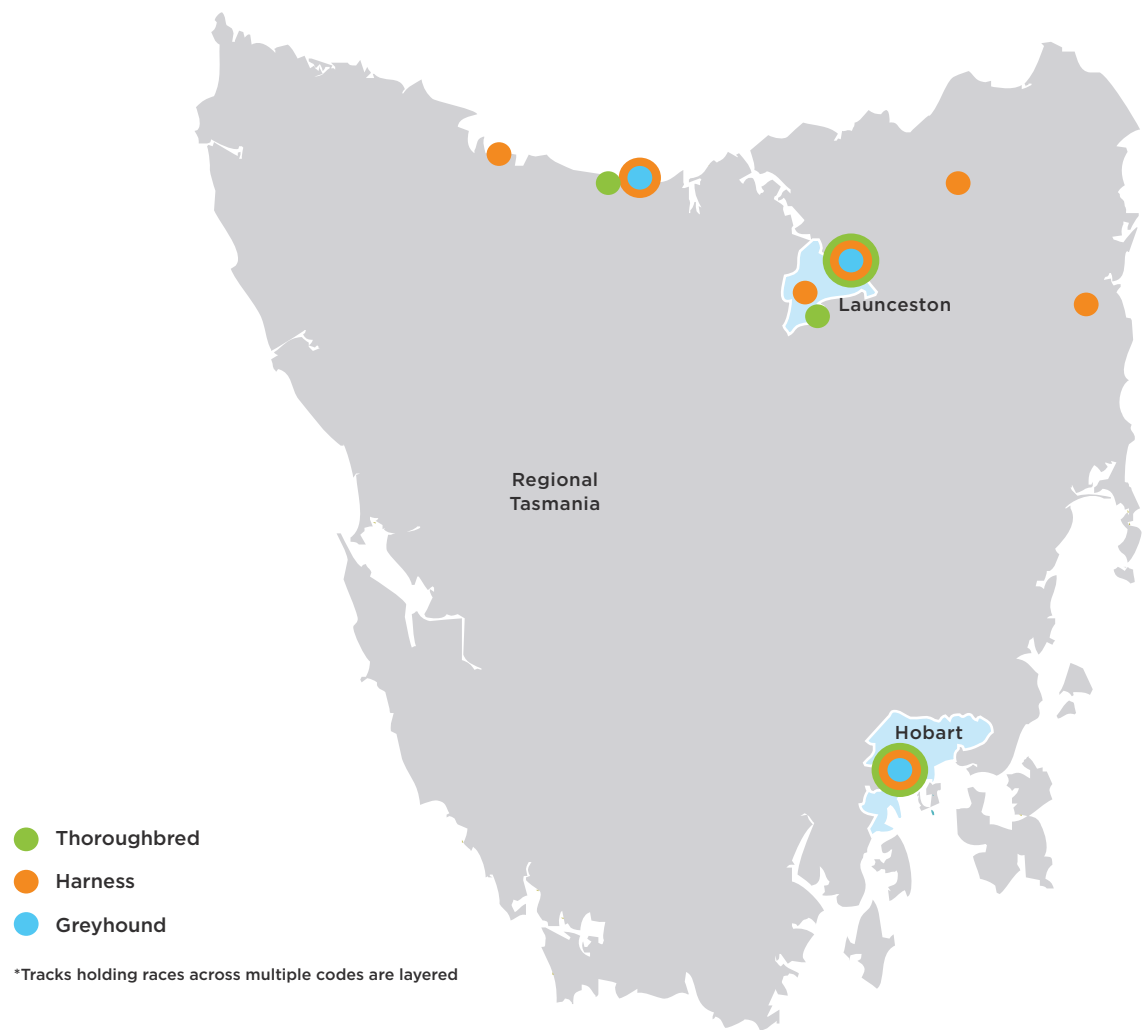
## NUMBER OF RACING TRACKS

	Thoroughbred	Harness	Greyhound	Total
Hobart	1	1	1	3
Launceston	1	2	1	4
Regional Tasmania	3	5	1	9
<b>Total</b>	<b>5</b>	<b>8</b>	<b>3</b>	<b>16</b>





## Race Track Locations



# Racing Clubs

There are 14 racing clubs in Tasmania across the three codes of racing.

Racing clubs not only provide the opportunity for participants and spectators to participate in the sport of racing, they also provide an important social destination and in many regions, are an important part of the social fabric of the community.

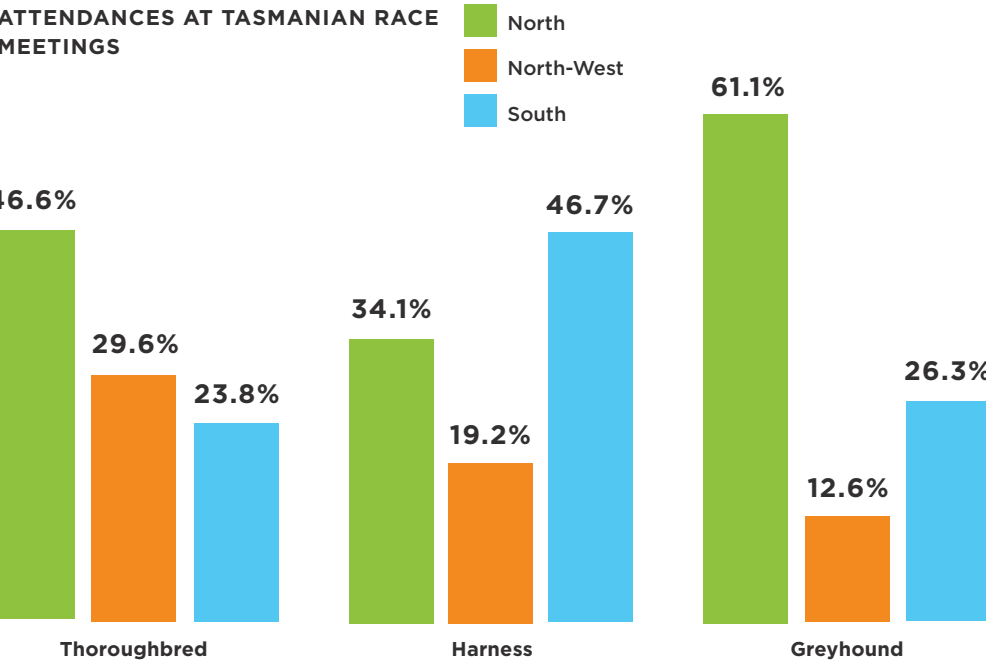
In 2021/22, there were 307 TAB race meetings and a further 5 non-TAB race meetings. These race meetings attracted attendances in excess of 110,000 – almost 45% of which were in the North region.

Thoroughbred race meetings, in Tasmania, attracted a total of 42,900 attendances. Race meetings in the North region (20,000) were responsible for the largest attendance.

Harness race meetings attracted 43,740 attendances with race meetings in the South region (20,440) contributing greatest to this amount.

Greyhound racing attracted attendance of 23,740 with race meetings in the North region (14,500) making up more than 60% of attendances.

The chart below illustrates the break-down of attendances at race meetings in Tasmania:



## NUMBER OF RACING CLUB MEMBERS

	Thoroughbred	Harness	Greyhound	Total
North	420	235	170	825
North-West	350	140	60	550
South	341	80	100	521
Total	1,111	455	330	1,896

## TOTAL RACE MEETINGS

	Thoroughbred	Harness	Greyhound	Total
North	25	35	58	118
North-West	21	15	39	75
South	20	37	62	119
Total	66	87	159	312



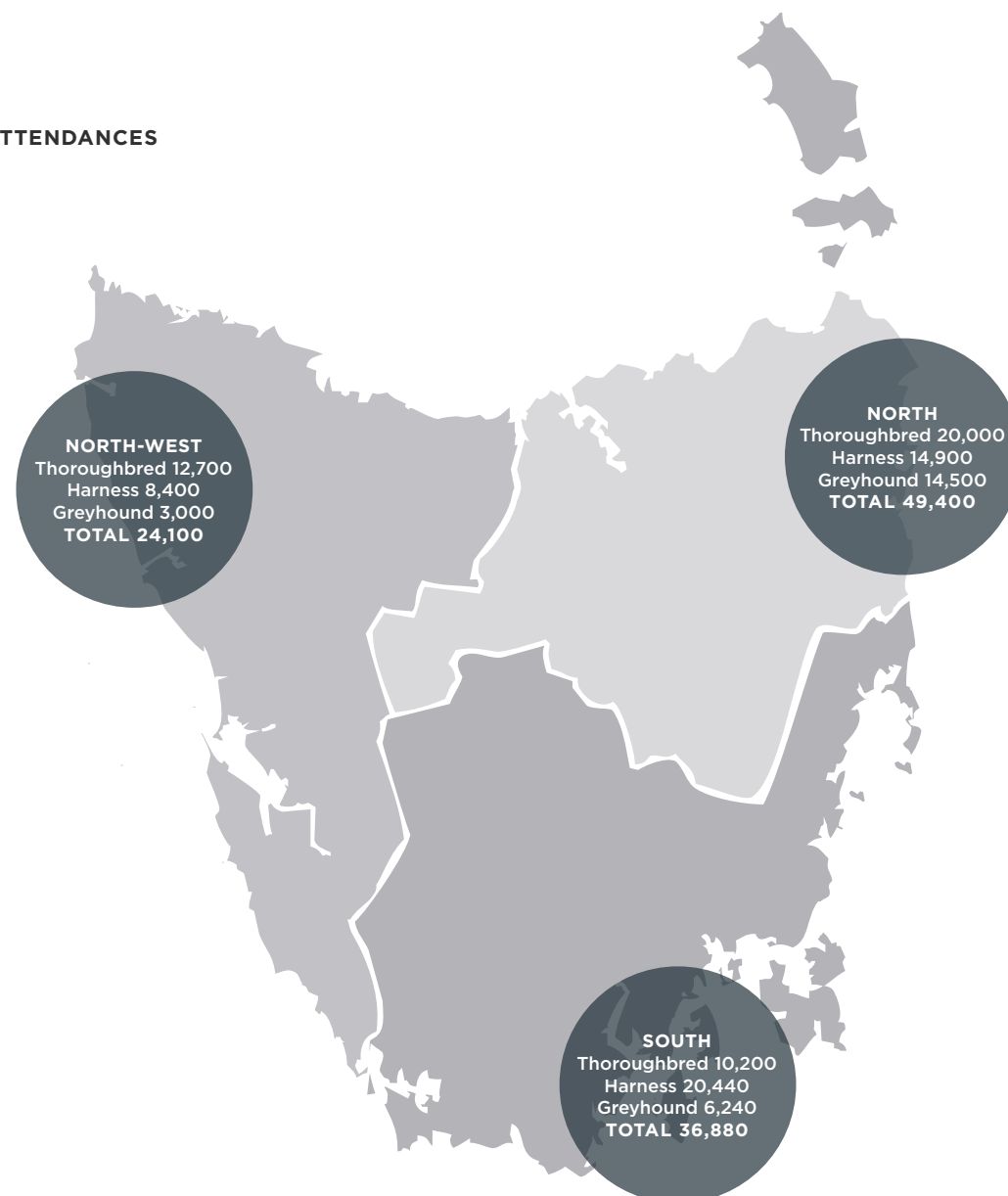
## TOTAL ATTENDANCES

### TOTAL RACES

	Thoroughbred	Harness	Greyhound	Total
North	214	312	570	1,096
North-West	159	107	375	641
South	161	318	594	1,073
Total	534	737	1,539	2,810

### TOTAL ATTENDANCES

	Thoroughbred	Harness	Greyhound	Total
North	20,000	14,900	14,500	49,400
North-West	12,700	8,400	3,000	24,100
South	10,200	20,440	6,240	36,880
Total	42,900	43,740	23,740	110,380



# Customer Expenditure Generated by Racing Clubs and Events

In 2021/22 it is estimated that the total expenditure generated by racing customers was \$12.2 million, (excluding wagering on the races). Racing's customers include attendees, sponsors, members, broadcast providers, community groups and participants.

Racing customer expenditure can be broadly segmented into the following categories:

- + On-course raceday expenditure by customers (spending on on-course products, as well as yields from membership and sponsorship)
- + Off-course raceday expenditure by customers (spending incurred by customers as part of their attendance at the races, such as transport, retail, food etc.)
- + Non-raceday related expenditure (spending with racing clubs on non-racedays on items such as hiring arrangements for facility use, fundraising, investments, track fees, etc.)

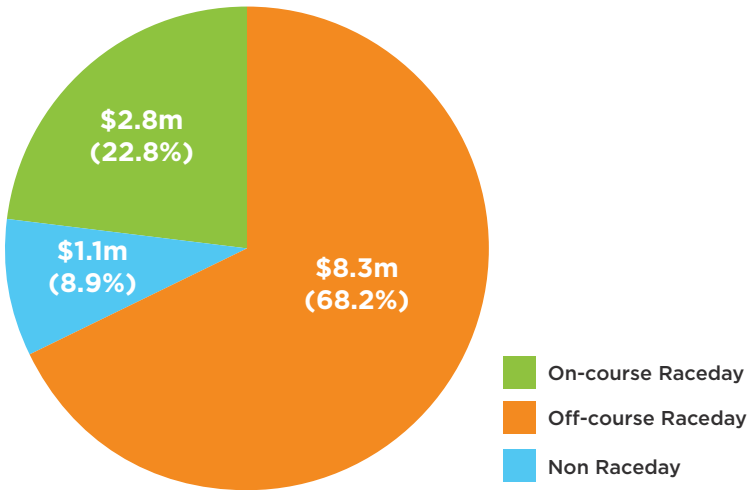
On-course customer expenditure funds the administration, operation and other costs that racing clubs incur.

Off-course expenditure is primarily related to feature race meetings where the racing product extends out into the community both prior to and after the racing event. Major racing events have long proven their ability to extend the generation of economic stimulus into a broader cross-section of the local economy. It is important to note that on-course expenditure within this section does not include on-course wagering.

Whilst on-course wagering is the largest component of customer spend, it is analysed in the section relating to wagering. However it is represented in the chart opposite as revenue received from the PRA (which is largely funded from wagering).

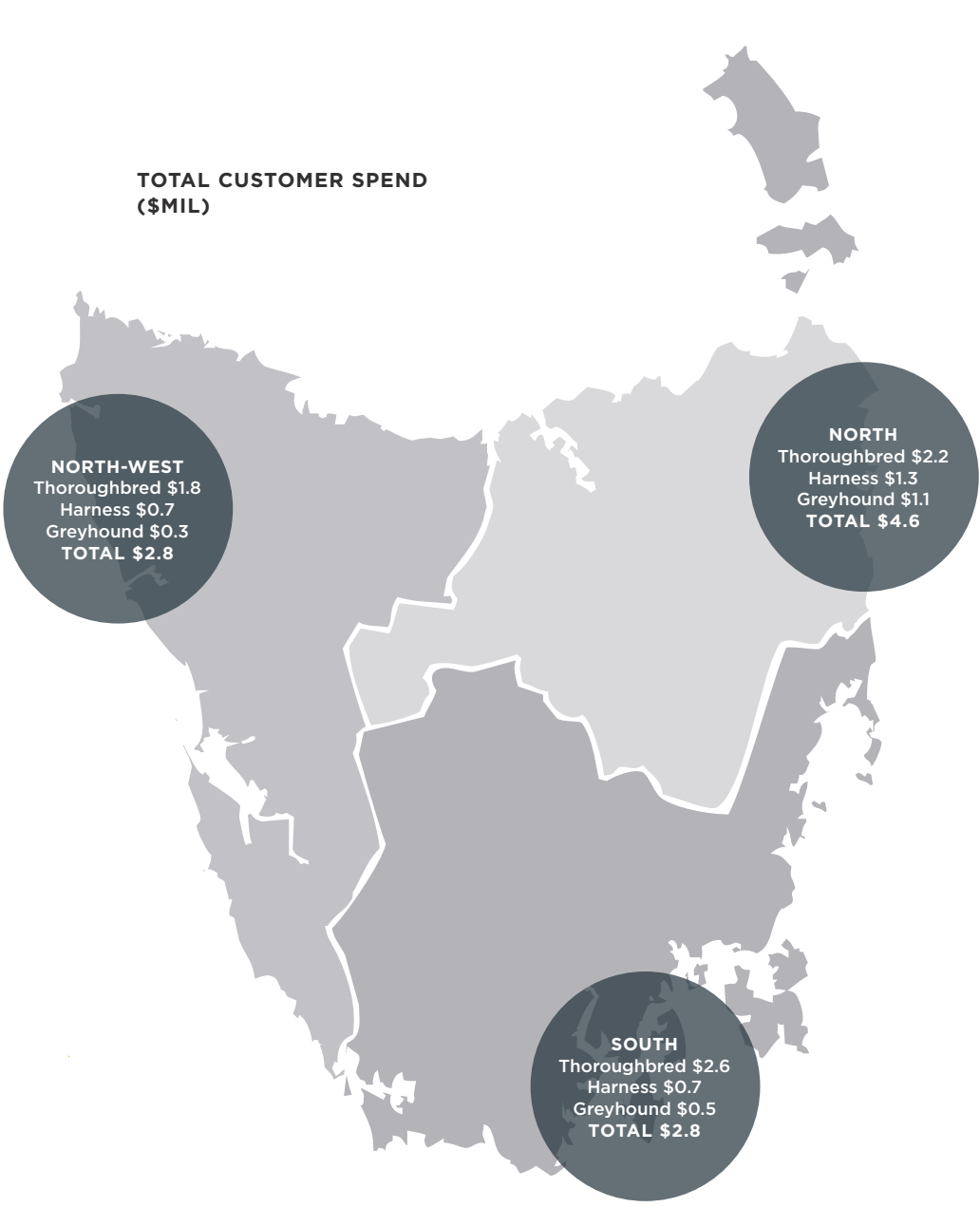
The following chart illustrates the split of customer expenditure. It shows that for every dollar spent on-course by racing attendees, a further dollar is spent off-course. This is more heavily driven by feature race meetings where the links to fashion and retail, as well as larger travel distances for those attending the races, drive spending in the community.

**BREAKDOWN OF RACING CUSTOMER SPENDING**





TOTAL CUSTOMER SPEND  
(\$MIL)





## Expenditure by the Principal Racing Authority and Clubs

In 2021/22, Tasracing and the 14 thoroughbred, harness and greyhound clubs combined to generate an expenditure impact of almost \$42.9 million in Tasmania. This represents the expenditure incurred by these organisations in maintaining tracks, running race meetings, administration, marketing, cost of goods and prizemoney.

The majority of expenditure generated by the PRA and racing clubs is funded by racing customers. This includes:

- ✦ Spending by customers on-course when attending a racing event
- ✦ Non raceday utilisations of racing industry assets
- ✦ Sponsorship and membership associated with racing clubs
- ✦ Racing industry share of off-course wagering revenue (pari-mutuel, corporate bookmakers & betting exchanges)
- ✦ Government grants which come indirectly from license payments and taxes from wagering operators

A number of key areas of expenditure, in terms of racing industry operations, include:

- + Track repairs & facilities maintenance
- + Staff & personnel
- + Cost of goods
- + Marketing & promotions
- + Utilities
- + Rehoming of horses and greyhounds

Over 44% (\$19.0 million) of this expenditure impact occurred in Hobart – a result largely driven by the presence of the largest racing clubs (in terms of size and financial impact) as well as the principal racing authority. Launceston (32.8%) generates the next most significant impact with the remainder spread around the state.

#### FINAL CLUB & PRA EXPENDITURE IMPACT (\$MIL)



# Community and Social Benefits

Thoroughbred, harness and greyhound racing in Tasmania play an important role in the development and preservation of social and community benefits throughout regional and metropolitan areas of the state. The majority of these social impacts are initiated through club activities, both on racedays and non-racedays, as well as the partnerships they form with many community organisations. This contribution to community social benefit enhances both individual and community wellbeing throughout the regions where racing exists.

The economic activity generated by the Tasmanian racing industry complements the social impacts, particularly in regional areas where racing events and facilities foster social cohesion and provide benefits for a broad range of individuals and community organisations.

Racing and non-racing events attract community members, independent of socio-economic status, age or gender. This is highlighted within the racing industry throughout Tasmania, where racing is a profession, sport, hobby and leisure activity.

The development of social and environmental initiatives also has a positive impact in terms of family socialisation and volunteerism. With this, racing also supports health, education, employment and environmental practices. However, maintaining and building the trust and respect of the communities in which racing clubs operate is also extremely valuable.

The implementation and communication of social and community initiatives play an important role in managing community perceptions, and in doing so protect and enhance racing's image and reputation. This in turn provides the industry with a greater opportunity to foster the support of customers, corporate partners and Government, as well as building pride and increased satisfaction with internal stakeholders.

The sport of racing also demonstrates a rich cultural significance in terms of its history and heritage throughout Tasmania. The Tasmanian Turf Club was formed in 1826, with the first running of the Launceston Cup close to 40 years later in 1865. The first organised harness race meeting was held in 1884 in Moonah and the

first greyhound track to open in Tasmania was a straight track in Launceston, White City, on February 8 1933.

The historical elements of all racetracks throughout the state are an important part of the fabric of many local communities. These tracks and clubs are the focal point for the achievements of some of Tasmania's great sportsmen and sportswomen, racing identities, horses and greyhounds.

The importance of racing clubs and tracks extends beyond simply those with an interest in racing. They are valuable community assets – particularly in regional parts of the state. This racing industry study incorporated a social impact survey which was completed by the racing clubs within each code. The information gathered from this survey provided valuable insights in determining the extent of the social and community benefits generated by the racing industry.





The evaluation highlighted the racing industry's significant role in the critical areas of:

#### **+ Community Building**

Building inclusive and welcoming communities featuring powerful and collaborative partnerships and relationships

#### **+ Family**

Providing opportunities for family participation in racing and assisting in the development of stronger family relationships

#### **+ Education and Training**

Supporting the education, training and development of participants and racing club staff and volunteers

#### **+ Health**

Commitment to policies that support priority community health objectives and providing engagement and a sense of worth for volunteers within the industry

#### **+ Leisure**

Providing enjoyable leisure opportunities for hobby owners, trainers and breeders, raceday/night customers and other racing club event attendees

#### **+ Employment**

Creating a major source of employment and a variety of career opportunities for Tasmanian residents

#### **+ Environment**

Adoption of many environmentally friendly practices that support Government and community expectations relating to the protection of the Tasmanian environment



### CAPACITY BUILDING

Most racing Clubs hire out on-course facilities for private or corporate use. The hire of these facilities serve events that support their local communities

### CHARITABLE SUPPORT

Close to 60 charitable organisations are supported by the racing industry. These charities receive direct funds, in addition to in-kind support



### HISTORY

The three codes of racing have a long and celebrated history dating back to the 1820s

### VOLUNTEERISM

Over 1,090 individuals provide their skills, time and support to the racing industry as a volunteer



### FACILITY SHARING

Close to 40 community and not-for-profit organisations share racing club facilities in Tasmania

### COMMUNITY

Racing clubs provide an important community for almost 1,900 members who are actively engaged in their club. Close to 110,400 attendances are recorded at Tasmanian race meetings.



## COMMUNITY BUILDING

The three codes of racing in Tasmania have each adopted practices that engage with individuals and build strong partnerships with organisations within their communities. This is particularly visible in terms of supporting charitable organisations, engaging volunteers and building community partnerships.

The survey results highlighted the following positive outcomes demonstrated by clubs:

- + Almost 60 community organisations or charities are assisted and supported by racing clubs
- + Close to 40 community organisations share racing club facilities and resources
- + Racing in Tasmania currently engage almost 250 volunteers who assist in various club roles (excluding participant volunteers)
- + Close to 1,900 people hold racing club memberships

Racing plays an important role in fostering a sense of worth and belonging to 1,094 people who provide volunteer time and services to racing clubs and participants. Socially, volunteering is recognised as a means of enhancing the quality of life, particularly among the aged, whilst making an important contribution to the community.

Volunteers in racing assume roles in areas such as:

- + Photography and promotions (e.g. Fashions on the Field)
- + Timekeepers, judges etc.
- + Maintaining the track and grounds (e.g. working bees and track workers)
- + Administration (e.g. committee, board members, raceday secretary)
- + Hospitality for attendees and officials (food and beverages)

- + Racing operations (gate attendants etc.)
- + Cleaning duties
- + Conducting horse and greyhound trials
- + Fundraising
- + Major event workers setting up temporary marquees, fencing, signage and decorating

IER found that racing clubs assist and support 57 organisations and charities.

Club organised functions raise significant funds for community organisations and charities through activities such as raffles and auctions. Furthermore, many clubs engage local community organisations and charities to undertake activities such as supplying food and beverages, operational duties (e.g. gate attendants) and racecourse cleaning – sometimes in exchange for a share of revenues from those activities.

Just some of the charitable organisations supported by racing include:

- + Health Charities (e.g. National breast cancer foundation)
- + Children's Charities (e.g. Variety - Tent 78 Tasmania)
- + Sporting Clubs (e.g. football, snooker and billiards, bowls)
- + Lions Clubs and Rotary
- + Mental Health Charities (e.g. New Horizons, Speak Up - Stay Chatty)
- + Disability Support Services
- + Agricultural Societies
- + Primary schools (e.g. Hill Crest Primary School)
- + Residential aged care homes

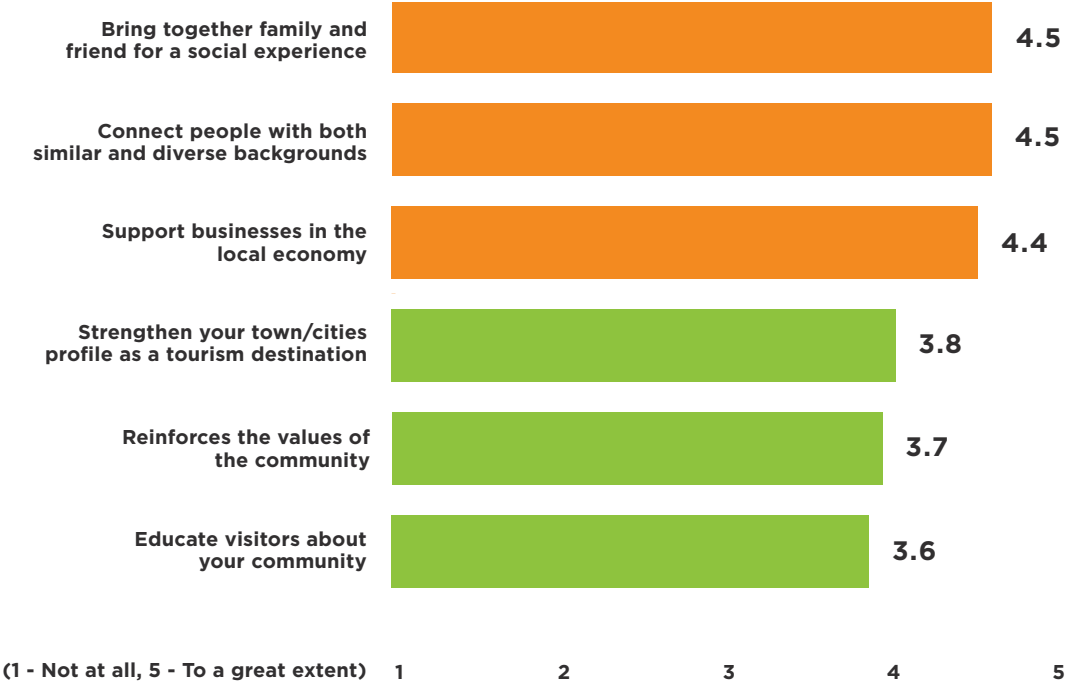


**Racing plays an important role in fostering a sense of worth and belonging to over 1,090 volunteers across club and industry related roles.**

The economic research in this study clearly demonstrates how racing supports businesses in the local economy, from both the production and preparation of racing horses and greyhounds through to consumer spending. In addition to this, attendee research conducted at many metropolitan and regional racing events supports the concept of the racing industry's ability to bring people together for a social experience. The research demonstrates that a key motivation to attending racing events is the chance to socialise with friends and family.

The social impact survey asked clubs how much they believed racing in their town or city has the ability to engage with the community from a social cohesion, education and business perspective. As the chart illustrates, all indicators were positive. This is particularly significant in the areas of racing's ability to 'bring together family and friends for a social experience' (4.5), to 'connect people with both similar and diverse backgrounds' (4.5) and to 'support businesses in the local economy' (4.4). These indicators illustrate the position that racing clubs see themselves as holding within the fabric of the local community.

COMMUNITY ENGAGEMENT WITHIN TASMANIAN RACING





### SUPPORTING FAMILY RELATIONSHIPS

The three codes of racing in Tasmania are very proactive in engaging with families, and many cup days and themed events provide a strong link to the community. Many participants in racing (such as owners and trainers) operate within a family business/hobby structure.

The survey identified that racing clubs have increasingly developed activities and facilities that enable families to enjoy a social day at the races. Many clubs actively promote services and amenities which are conducive to bringing families together to build stronger relationships.

In regional areas, many of the feature racedays form a venue or 'meeting place' for families and friends to socialise. This is especially prevalent at smaller clubs who host only their annual race meeting on Cup Day. For many regional clubs, these race meetings represent something that is not only part of the region's history, but also part of their own family history.

Racing clubs themselves have increasingly developed activities and on-course facilities that enable families to enjoy a social day at the races. Many clubs actively promote services and amenities for families including the provision of parent rooms, baby change tables, kids' clubs, playgrounds and dedicated children's zones. The survey revealed a number of positive initiatives which have been developed by clubs. All clubs offer attractions or services that support attendance by children and all clubs offer facilities and access for people with a disability.

**In addition to this, some of the specific raceday initiatives undertaken by racing clubs in Tasmania include:**

- + Jumping castles
- + Family fun days
- + Animal petting nursery
- + Easter egg hunt
- + Christmas function
- + Kids fashions on the field
- + Face painting and live music
- + Picnic areas
- + Mini trots
- + Playgrounds and kid's zones
- + Food vans
- + Colouring competitions and drawing books
- + Free entry
- + Pony rides

### SHARING FACILITIES WITHIN THE COMMUNITY

Racing clubs have a limited requirement to use their facilities for racing purposes and therefore look to assist and support the community by providing these facilities and resources for use on a temporary and permanent basis. The majority of racing clubs engage with community groups including sporting clubs, Lions clubs and Show Societies to share their facilities and resources.

**This is particularly evident in regional areas where facilities have been used extensively for community and public use. Some of the 38 organisations which share facilities and resources with clubs include:**

- + Lions Clubs
- + Show Societies (regional agricultural societies)
- + Schools
- + Sporting Clubs (e.g. cricket)
- + Memorial services
- + Councils
- + Other codes of racing





## EDUCATION AND TRAINING

Education and training is vitally important for the continued growth and success of all three codes of racing across Tasmania. Education and training programs also work to support communities through various avenues.

Metropolitan hubs and regional areas alike feel the positive impact provided by community partnerships, training programs and welfare initiatives provided by the three racing codes throughout the state.

Participants in the racing industry have a variety of education and training courses to assist and support those within the industry to further their professional or tertiary development, and to engage those looking for opportunities to enter the industry. There are a number of courses to meet the needs of industry participants. Courses at the forefront of this offering include track

riding, stablehand, horse training and apprentice jockey courses for thoroughbred racing, while harness participants can access trainer/driver and stablehand/strapper education and training. These opportunities provide practical access and theoretical knowledge to many aspects of professional racing.

In early 2019 the industry re-established the Tasracing Harness Academy. The motivation behind the academy was to provide Novice Drivers further education to assist with individual skill and knowledge development. The Harness Academy Instructor is Barrie Rattray, a stalwart in the Industry with years of experience in both training and driving. He provides classroom style sessions which cover a range of topics in harness racing - both in the north and south of the state.

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 the trainers and breeders in Tasmania, but also provides a sense of pride, confidence and achievement.

Racing clubs and participants directly employ staff on a full-time, part-time and casual basis. Club employees are involved in administration, which includes the conduct of raceday and other non-raceday tasks.

As part of their commitment to delivering an enjoyable experience for racing participants and customers, racing clubs have strong focus on ensuring staff are educated in multiple disciplines including: -

- + Accounting and finance
- + Event management
- + General administration
- + Human resource management
- + Racing administration
- + Strategic management
- + Turf and facilities management.







## CLUB HISTORY AND HERITAGE

Thoroughbred, harness and greyhound racing in Tasmania has a long and celebrated history. The rich cultural, heritage and social significance of the sport has been recorded for more than 200 years. The historical elements of racecourses in Tasmania are an important part of the fabric of many local communities and many clubs actively promote past sporting participants, racing identities and special anniversaries.

The first recorded race in Tasmania was held at a course in New Town in 1813. These races were the best of three heats run over 2 miles. As more thoroughbreds were imported from England in the 1820s, these type of races became popular. The Tasmanian Turf Club was formed in 1826, with the first running of the Launceston Cup close to 40 years later in 1865.

Tasmanian thoroughbred racing has provided some of Australia's most recognised racing icons, including Geoff Prouse, Max Baker and Beverley Buckingham (riding over 900 winners and 3 Hobart Cups). The likes of Champion Tasmanian horses – Malua (inducted into the Australian Racing Hall of Fame in 2003), Beer Street and Sydeston – have also become entrenched in the hearts and minds of many Australians.

Harness races were popular from the 1820s in Tasmania, first on public roads. In 1825 a trotting match was held in Hobart on the Port Dalrymple Road for a wager of a hundred ewes. The first organised meeting was held in 1884 in Moonah, after which the meetings became popular and Clubs started to form around the state.

Harness racing in Tasmania has provided some of the sports top names including Webb Jones. Renowned for being one of the best drivers to sit in a sulky in Tasmania, Jones won 565 races in his career, including the 1922 Richmond Thousand (in NSW), Australia's richest saddle-trotting race. Arguably Tasmania's greatest pacer was Halwes, who set a national pacing record in 1968, with his win in the 1968 Miracle Mile in Sydney. Halwes retired from racing in 1969 with the impressive record of 45 wins from 63 starts. Other star performers include Chamfer Star, Pipiriki, Golden Alley and in more recent times Beautide.

The first greyhound track to open in Tasmania was a straight track in Launceston, White City, on February 8 1933. The opening night saw seven races, including one feature over hurdles, with the track having been funded by Jack Nelson who would later become a Tasmanian Greyhound Racing Hall of Fame Inductee. Nelson

worked with Arthur Morgan, another Hall of Fame inductee, as well as five other greyhound racing enthusiasts who wanted to see the sport operating in the Apple Isle. In 1935, 27 people combined to form the Launceston Greyhound Racing Club.

Some of the most iconic Tasmanian greyhounds have been Ophir Doll, Mystery Bridge, True Vintage, Tumble Bug, Oak Queen, Top Shiraz and Rewind – all having been inducted into the Tasmanian Greyhound Hall of Fame. Some of Tasmania's distinguished trainers include Vivian Beresford, Bob Brown, Reg Ivory and Ted Medhurst. Both Arthur Morgan and Tumble Bug have been inducted into the National Greyhound Hall of Fame.

Over 50% of racing clubs throughout Tasmania take an active approach to promote the history and heritage of their club. This is an important aspect of racing as many of the clubs have a long and rich history. The initiatives that clubs have adopted in recording their history convey the excitement of racing in their community to both visitors and locals.

## A number of examples include:

- + Industry awards and Halls of Fame to acknowledge horses/greyhounds, participants and associates
- + Recognition of life members
- + Publishing and contributions to history books written about the Clubs (e.g. Centenary Booklet for Devonport racing Club)
- + Promoting club and feature race anniversaries
- + Promotion of history through on-course Memorabilia rooms
- + Comprehensive promotion of code history through industry websites (e.g. [tasmaniangreyhoundhalloffame.com.au](http://tasmaniangreyhoundhalloffame.com.au))
- + Recognising heroes of the sport and families on dedicated racedays and memorial races
- + Promotions in race book, trophy cabinets and historical photographs throughout racecourses

**Participants, horses and greyhounds are acknowledged and celebrated through the Racing Industry Hall of Fame.**

### Hobart

The racing industry in the **Hobart region** is responsible for generating **\$82.1 million** in value added contribution to Gross State Product. This represents **39.6% of the industry total**.

- + The population of the Hobart region is 207,658 (Census 2021).
- + There are a total of three racing clubs operating in the region, one of which is a thoroughbred club, one of which is a harness club, and one of which is a greyhound club.
- + The racing industry in the Hobart region is responsible for generating almost \$82.1 million in value added contribution to Gross State Product. This equates to 39.6% of the total impact generated by the Tasmania Racing Industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 677 full-time equivalent (FTE) jobs in the region.
- + There are almost 1,300 participants in the racing industry in Hobart.

#### RACING CLUBS IN THE REGION

##### Thoroughbred

- + [Tasmanian Racing Club](#)

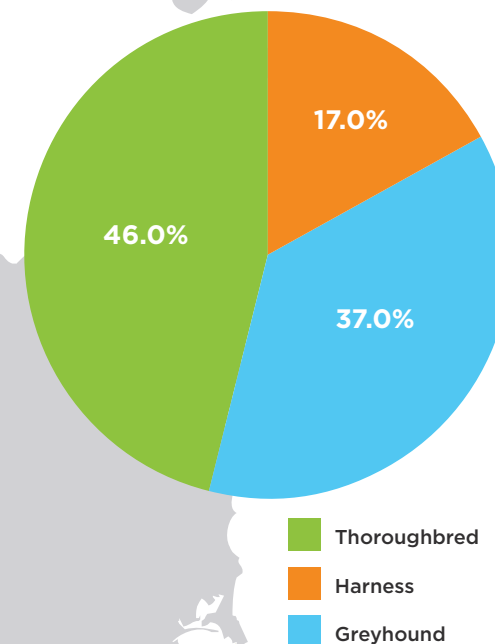
##### Harness

- + [Tasmanian Trotting Club](#)

##### Greyhound

- + [Hobart Greyhound Racing Club](#)

VALUE ADDED ECONOMIC CONTRIBUTION WITHIN THE HOBART REGION (%)



### ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Total direct expenditure	\$30.7m	\$10.9m	\$22.7m	\$64.3m
Total value added	\$37.8m	\$13.9m	\$30.4m	\$82.1m
Full-time equivalent employment	316	117	244	677

### BREEDING AND TRAINING

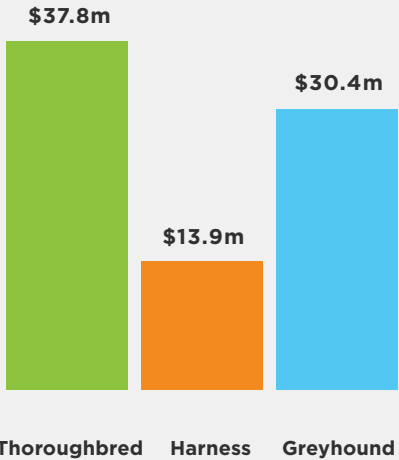
	Thoroughbred	Harness	Greyhound	Total
Pups/Foals produced	7	5	34	46
Horses and greyhounds in training	196	12	110	318

### TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	Total
Breeders	27	3	9	39
Owners	680	45	56	781
Trainers	8	7	26	41
Breeders staff	16	3	7	26
Stable/Kennel employees	32	6	12	51
Racing Club & industry staff (FT, PT, casual)	106	50	33	188
Jockeys, drivers & apprentices	3	2	0	5
Racing club volunteers	15	15	10	40
Volunteers assisting participants	40	9	39	88
Total participants in the Hobart region	927	140	192	1,259

Race meetings in the Hobart region attracted attendances of **36,880** or **33.4% of total attendances** at race meetings in Tasmania.

### VALUE ADDED GENERATED BY EACH CODE WITHIN THE HOBART REGION



### AT A GLANCE

#### 3 Racing Clubs

THOROUGHBRED	1
HARNESS	1
GREYHOUND	1

#### 119 Race Meetings

THOROUGHBRED	20
HARNESS	37
GREYHOUND	62

#### 1,073 Races

THOROUGHBRED	161
HARNESS	318
GREYHOUND	594

#### 521 Racing Club Members

THOROUGHBRED	341
HARNESS	80
GREYHOUND	100

#### 36,880 Attendances

THOROUGHBRED	10,200
HARNESS	20,400
GREYHOUND	6,240

\*Some totals do not add due to rounding

# Launceston

The racing industry in the **Launceston region is responsible for generating \$41.7 million in value added** contribution to Gross State Product. This represents **20.1% of the industry total.**

- + The population of the Launceston region is 90,953 (Census 2021).
- + There are a total of four racing clubs operating in the region of which one is a thoroughbred club, two of which are harness clubs, and one of which is a greyhound club.
- + The racing industry in the Launceston region is responsible for generating more than \$41.7 million in value added contribution to Gross State Product. This equates to 20.1% of the total impact generated by the Tasmanian racing industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 355 full-time equivalent (FTE) jobs in the region.
- + There are over 1,100 participants in the racing industry in Launceston.

## RACING CLUBS IN THE REGION

### Thoroughbred

- + Tasmanian Turf Club

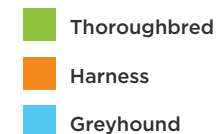
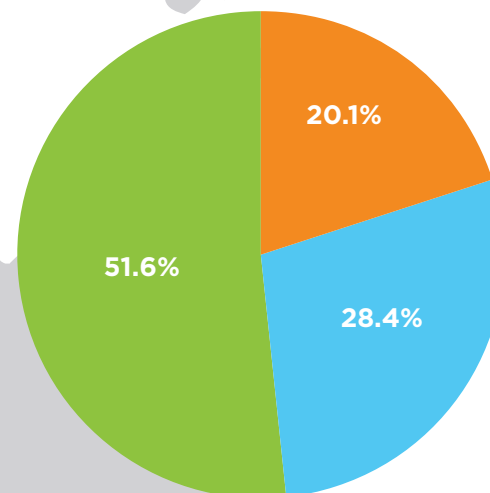
### Harness

- + Carrick Park Pacing Club
- + Launceston Pacing Club

### Greyhound

- + Launceston Greyhound Racing Club

VALUE ADDED ECONOMIC CONTRIBUTION  
WITHIN THE LAUNCESTON REGION (%)



## ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Total direct expenditure	\$17.0m	\$6.3m	\$11.8m	\$33.5m
Total value added	\$21.5m	\$8.4m	\$11.8m	\$41.7m
Full-time equivalent employment	184	72	100	355

## BREEDING AND TRAINING

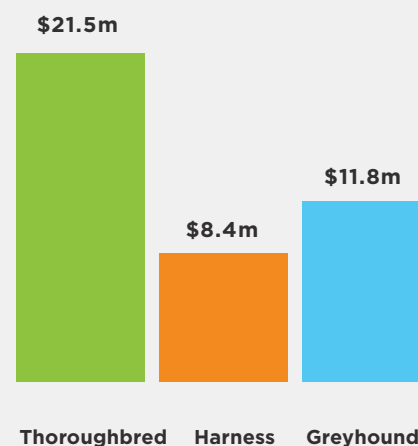
	Thoroughbred	Harness	Greyhound	Total
Pups/Foals produced	99	9	23	130
Horses and greyhounds in training	3	18	54	75

## TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	Total
Breeders	19	6	9	35
Owners	380	61	18	459
Trainers	3	13	18	34
Breeders staff	11	6	8	25
Stable/Kennel employees	23	13	14	50
Racing Club & industry staff (FT, PT, casual)	252	85	17	355
Jockeys, drivers & apprentices	0	7	0	7
Racing club volunteers	30	31	6	67
Volunteers assisting participants	27	17	28	73
<b>Total participants in the Launceston region</b>	<b>747</b>	<b>239</b>	<b>118</b>	<b>1,104</b>

Race meetings in the Launceston region attracted attendances of **48,400** or **43.8%** of total attendances at race meetings in Tasmania.

## VALUE ADDED GENERATED BY EACH CODE WITHIN THE LAUNCESTON REGION



## AT A GLANCE

## 4 Racing Clubs

THOROUGHBRED	1
HARNESS	2
GREYHOUND	1

## 116 Race Meetings

THOROUGHBRED	24
HARNESS	34
GREYHOUND	58

## 1,082 Races

THOROUGHBRED	207
HARNESS	305
GREYHOUND	570

## 715 Racing Club Members

THOROUGHBRED	420
HARNESS	125
GREYHOUND	170

## 48,400 Attendances

THOROUGHBRED	20,000
HARNESS	13,900
GREYHOUND	14,500

\*Some totals do not add due to rounding

# Regional Tasmania

The racing industry in **Regional Tasmania is responsible for generating \$83.7 million in value added** contribution to Gross State Product. This represents **40.3% of the industry total.**

- + The population of the Regional Tasmania is 258,960 (Census 2021).
- + There are a total of seven racing clubs operating in the region, two of which are thoroughbred clubs, four of which are harness clubs and one which is a greyhound club.
- + The racing industry in the Regional Tasmania is responsible for generating over \$83.7 million in value added contribution to Gross State Product. This equates to 40.3% of the total impact generated by the Tasmanian racing industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 702 full-time equivalent (FTE) jobs in the region.
- + There are almost 4,100 participants in the racing industry in Regional Tasmania.

## RACING CLUBS IN THE REGION

### Thoroughbred

- + Devonport Racing Club
- + King Island Racing Club

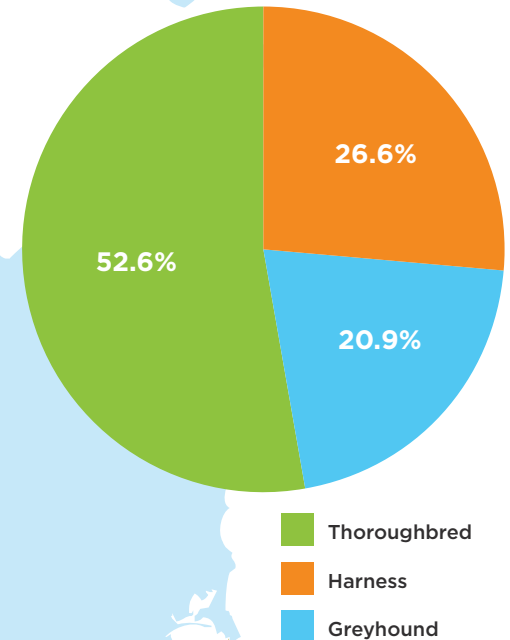
### Harness

- + Burnie Harness Racing Club
- + Devonport Harness Racing Club
- + North Eastern Pacing Club
- + St Mary's Pacing Club

### Greyhound

- + North-West Greyhound Racing Club

VALUE ADDED ECONOMIC CONTRIBUTION WITHIN REGIONAL TASMANIA (%)



## ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Total direct expenditure	\$47.9m	\$25.4m	\$18.4m	\$91.8m
Total value added	\$44.0m	\$22.2m	\$17.5m	\$83.7m
Full-time equivalent employment	373	188	142	702

## BREEDING AND TRAINING

	Thoroughbred	Harness	Greyhound	Total
Pups/Foals produced	171	114	191	476
Horses and greyhounds in training	1,010	581	664	2,649

## TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	Total
Breeders	78	101	67	246
Owners	1,272	409	85	1,766
Trainers	79	118	106	303
Breeders staff	47	105	54	206
Stable/Kennel employees	230	99	75	405
Racing Club & industry staff (FT, PT, casual)	130	73	25	228
Jockeys, drivers & apprentices	23	81	0	104
Racing club volunteers	52	73	15	141
Volunteers assisting participants	211	296	178	686
<b>Total participants in Regional Tasmania</b>	<b>2,122</b>	<b>1,355</b>	<b>605</b>	<b>4,083</b>

Race meetings in Regional Tasmania attracted attendances of **25,100** or **22.7%** of total attendances at race meetings in Tasmania.

## VALUE ADDED GENERATED BY EACH CODE WITHIN REGIONAL TASMANIA



## AT A GLANCE

## 7 Racing Clubs

THOROUGHBRED	2
HARNESS	4
GREYHOUND	1

## 77 Race Meetings

THOROUGHBRED	22
HARNESS	16
GREYHOUND	39

## 655 Races

THOROUGHBRED	166
HARNESS	114
GREYHOUND	375

## 660 Racing Club Members

THOROUGHBRED	350
HARNESS	250
GREYHOUND	60

## 25,100 Attendances

THOROUGHBRED	12,700
HARNESS	9,400
GREYHOUND	3,000

\*Some totals do not add due to rounding

## About IER

IER is a leading strategic consulting business specialising in the tourism, events and sporting industries. For over 20 years, IER has provided economic impact evaluations for both private and government clients.

In particular, IER has specialised in consulting on a variety of projects related to the racing industries in Australia, New Zealand and Asia over this time.

This study constitutes an economic and social impact evaluation of the thoroughbred, harness and greyhound racing industry in Tasmania.

It has been developed utilising the following source data:

- + Registration data relating to participants and animals
- + Breeding and training expenditure data captured from surveys with racing participants
- + Expenditure and taxation data provided by wagering operators throughout Australia
- + Data provided by the Tasracing and race clubs

An understanding of the intricate and sometimes complex flow of money in the racing industry underpins this assessment. IER has recently prepared similar studies for:

- + Australian greyhound racing industry
- + Australian thoroughbred racing industry
- + New South Wales greyhound racing industry

- + New South Wales harness racing industry
- + New Zealand racing industry (3 Codes)
- + Northern Territory thoroughbred racing industry
- + Queensland racing industry (3 Codes)
- + Australian Football League
- + Western Australian racing industry (3 Codes)
- + Victorian racing industry (3 Codes)

The economic modelling for this study was undertaken by Associate Professor Barry Burgan B Ec (Hons), FINSIA (Fellow). Barry is a director of Economic Research Consultants Pty Ltd and has extensive experience in the area of economic and financial assessment and policy advice.

He has a background in the public and private sectors, academia and has worked on various projects in the area of economic policy, including in the area of economic modelling. In particular, Barry has extensive experience in the use of both computable general equilibrium and input-output models, regional economic development and cost benefit analysis. He has undertaken a number of these studies and projects with the Sustainable Tourism Cooperative Research Centre.

Barry has undertaken a significant range of studies on sporting industries, with some specific examples including:

- + Size and scope of the Queensland racing industry (2023)

- + Size and scope of the New South Wales greyhound racing industry (2023)
- + Size and scope of the New South Wales harness racing industry (2023)
- + Size and scope of the Australian Football League (2022)
- + Size and scope of Thoroughbred racing industry in the Northern Territory (2022)
- + Size and scope of the Victorian racing industry (2022)
- + Size and scope study of the Tasmanian racing industry (2021)
- + Size and scope of the Western Australian racing industry (2021)
- + Size and scope of the Asian Racing Federation (2020)
- + Size and scope of the South Australian racing industry (2019)
- + Economic and social impact study of harness racing in Australia (2012)

Barry provides the economic modelling and advisory services to IER.

This report (Report) has been produced independently by IER as requested by Tasracing. The report has been prepared to meet the requirements set out by Tasracing within the terms of reference. The information, statements, statistics and commentary (together the 'Information') contained in this Report have been prepared by IER from a combination of publicly available material, data from various stakeholder organisations and from confidential discussions held with participants of the industry. IER has prepared this Report on the information that was received or obtained, on the basis that such information is accurate and, where it is represented to IER as such, complete. The information contained in this Report has not been subject to an audit.

# Economic Methodology

The purpose of this study is to measure the contribution made by the three codes of racing to the Tasmanian economy. In this way, it is a generalised measure of the industry's contribution to the state's economy.

## **BASIS OF EVALUATION**

This study is based on a consistent methodology used by IER in the evaluation of the contribution of racing industry's in other states and regions. The modelling is based on assessing the way in which expenditures that underpin the racing industry impact in a 'whole of economy context' through the creation of jobs and incomes.

More specifically, the economic contribution of an industry to the region in which it operates represents the contribution that the industry makes in terms of the generation of gross state (or regional product), household income and the employment these incomes support. The racing industry does this in two ways:

- ✦ Through the employment and activity, it supports directly within racing (including the impact on the industries that depend on it as a customer); and
- ✦ The flow on effects of that which filters through the economy as a result of this activity

The importance of the expenditures generated by an industry, in the production process, is that they will sustain turnover in local industry, and specifically this will support local jobs and incomes. It is the jobs and incomes that are taken to be the measure of economic impact or benefit, netting out leakages such as expenditure on imports etc.

In terms of determining average costs of producing (breeding) and preparing (training) for racing, IER consults with Tasmanian breeders and trainers. The focus is to determine an average cost of breeding and training at the different lifecycle stages. Data collected in similar jurisdictions is sometimes used to make comparisons and determine per expenditures.

In addition to the jobs created with direct suppliers of services to the racing industry, economic activity produces a broader effect throughout the community, due to supply chain linkages and the impact of the spend of wage - extending the spend effect and the impact through various layers of the economy. This is known as the flow on or induced impact.

The result of an unconstrained whole of economy or general equilibrium model underpinned by input-output tables, is a prominent process for translating direct created expenditure (a final demand stimulus) of industries or projects into jobs and incomes, and for establishing the extent of the flow on impact. There is some level of academic argument about appropriate models for converting increases in external expenditure (final demand) into regional economic impacts. The critics of using unconstrained models such as input-output tables often argue that they overstate the value of an industry - and reference that "multiplier" impacts are taken as a method of ratcheting up the Stated value (noting that this study uses an impact assessment rather than multipliers per se). This criticism would be valid when analysts applied turnover multipliers but is not the case with the more appropriate use of value-added multipliers - which translate the expenditure estimates to national accounting framework

measure with a whole of economy context.

Indeed, value-added multipliers (the value-added impact (direct and induced) relative to a dollar of created expenditure) are often less than 1. It is further noted that the constraints that are applied in more complex economic models do not tend to be substantial at the State and regional level in a longer term context (labour flows from state to state and region to region and capital can also flow freely).

Used correctly, this method provides a more appropriate measure of economic contribution than expenditure. In short, use of this framework allow for reporting with respect to the estimated outcomes of the industry in terms of:

- ✦ The effect of expenditure or turnover on value added across a state/regional economy; and
- ✦ In terms of job creation

These measures ensure that the analysis is consistent with national accounting frameworks.

It should be emphasised that this methodology includes the identification and inclusion of local (Tasmanian) expenditure associated with racing. The economic impacts determined by this approach do not represent the value that would be lost to the state if the industry did not exist. Generally, when considering expenditure by locals it is often held that substitution is a significant factor in whether that spending would be lost to the economy. Taking the racing industry as an example, it is likely (under a scenario where it no longer existed) that much of the local resident spend would substitute to other activities. Depending on where this spending occurs the

overall economic impact of that spending could be higher or lower than what it was when spent on racing.

The study calculates the level of direct and induced employment and income that is linked to people choosing to spend their entertainment dollar on racing (after allowing for imports which are used in the production process). This could be considered the gross economic impact of the sector and is therefore a measure of its significance generally. If a similar gross impact was calculated for every other sector of the economy, then the sum of the impacts would be considerably greater than the size of the economy in total. An alternative methodology would be to measure the net economic impact. Such a study would represent the extent to which this industry expenditure is supported by revenues that can be considered new to the State or region. This would include the supply of services by the local industry to racing activities interstate. It would also include the spending made by tourists or visitors to the State whose main reason for visiting is to attend/participate in the races and wagering by out-of-state residents on local racing product. Finally, it would include industry revenues that locals spend where they would not spend it in the State but for their involvement in the activities of racing. It would also reasonably be expected that some race attendees would attend events interstate if they were not available in Tasmania, and that some operators would base their operations interstate if this was the case. The information required for this assessment is not available, and as such is out of the scope of this analysis.



# Definitions

The following terms have been used throughout the study and are defined as follows:

**+ Direct Expenditure** - is defined as expenditure associated with breeding and rearing racehorses/greyhounds, preparing racehorses/greyhounds (training), racing customer expenditure and expenditure by Tasracing and racing clubs on operating the industry. Direct expenditure is counted at the point at which it leaves the racing industry and hits the broader economy.

**+ Direct Economic Impact (value added)** - represents the amount of income included in the direct in-scope expenditure, and therefore is the amount of wages and salaries plus gross operating surplus directly created in supply these services and product, which is also equal to the direct in scope expenditure less the purchases the provider of the goods and services makes in providing the goods and services

**+ Indirect Economic Impact (flow-on)** - represents the value added activity generated to support the purchases made in providing the inputs to the providers of the direct services, along with the value added impact in providing households with goods and services as they spend their wages, and the trickle on effect of this

**+ Total Value Added** - is the sum of the direct value added plus the flow on impact. It therefore represents the contribution to Gross State Product resulting from the events and activities of the Tasmanian racing industry

**+ Full-time Equivalent Employment** - is a unit that indicates the workload of an employed person in a way that makes workloads or class loads comparable across various contexts. An FTE of 1.0 is equivalent to a full-time worker (i.e. 38 hours), while an FTE of 0.5 signals half of a full work load (i.e. 19 hours)

**+ Household Income** - is defined as being wages and salaries (before tax) earned from employment generated by the racing industry

**+ Participants in Racing** - is defined as being the number of employees (full-time, part-time and casual), participants and volunteers directly involved in the racing industry. It does not include down-the-line suppliers of goods and services

**+ Input Output Modelling** - is the economic modelling used to determine the economic outputs within this study. It is an economy wide model, which shows the inter-linkages between industry sectors in the economy. Therefore, the change in economic circumstances (specifically a change in final demand), for one sector of the economy can be traced through to its effect on other sectors

