SUBMISSION TO THE

JOINT STANDING COMMITTEE ON GREYHOUND RACING TRANSITION

Tasracing Pty Ltd

29 June 2026

PART A: The financial, economic and animal welfare impacts of the proposed phase out of greyhound racing in Tasmania

PART B: The future of the Tasmanian racing Deed

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Preface

Tasracing Pty Ltd welcomes the opportunity to make this submission to the *Joint Standing Committee on Greyhound Racing Transition* (the **Committee**), in response to the Committee's invitation of 26 May 2026.

The Committee has resolved to explore two related topics: first, the financial, economic and animal welfare impacts of the proposed phase out of greyhound racing in Tasmania; and second, the future of the Tasmanian Racing Deed.

This submission addresses both matters directly, structured in two parts.

Part A of this submission addresses the financial, economic and animal welfare impacts of greyhound racing cessation. It provides:

(a). a detailed, evidence-based assessment of the direct, indirect and induced impacts of cessation consistent with commissioned objective industry level reports,

(b). the actual financial impacts that will be felt by key stakeholders Tasracing, our Racing Clubs, and the Government upon cessation of Greyhound Racing on 30 June 2029 (the **Cessation Date**);

(c). the projected impact of a transition strategy that reduces Greyhound Racing between now and the Cessation Date (the **Transition Period**); and

(d). a macro assessment of the potential consequences for the ongoing feasibility of the remaining thoroughbred and harness codes from cessation of Greyhound Racing.

Part B of this submission addresses the future of the Tasmanian Racing Deed, consistent with the Government's direction and the scope of the Committee's inquiry - that greyhound racing does not continue beyond the Cessation Date. Accordingly, all figures, narrative and analysis in Part B relate solely to the thoroughbred and harness codes.

Tasracing applauds the Committee requesting both halves of this picture together. The financial and economic case for the future Funding Deed cannot be properly considered in isolation from the decision to cease greyhound racing, nor can the impacts of that cessation be properly understood without reference to the ongoing funding partnership required to sustain the remaining two codes through the transition and beyond. The two parts of this submission are therefore intended to be read as a single, integrated response.

PART A

Financial, Economic and Animal Welfare Impacts of the Proposed Phase Out of Greyhound Racing in Tasmania

A.1 Introduction

A.1.1 Purpose and context

Tasracing has been directed to bring about the orderly reduction and cessation of greyhound racing in Tasmania on or before 1 July 2029. This submission evaluates the financial impact of that cessation, to set out a clear and costed pathway for achieving it, and to assess the consequences of cessation for the ongoing feasibility of the two remaining racing codes (thoroughbred and harness).

A.1.2 Objectives

This Part A:

- evaluates the financial impact of the cessation of greyhound racing;
- proposes a pathway and process for the cessation of greyhound racing, and assess the financial impact of that transition;
- assess the impact of greyhound cessation on the ongoing feasibility of thoroughbred and harness racing in Tasmania;

A.2 Contribution of the Tasmanian Greyhound Racing Industry Today

This section establishes the economic, employment and social baseline for greyhound racing in Tasmania. Unless otherwise stated the figures are drawn from the *IER, Size and Scope of the Tasmanian Racing Industry* (2023) (**IER 2023**) study and relate to the 2021/22 season - the most recent independent measurement available. They quantify what is placed at risk, or alternatively what is freed for redirection through cessation.

A.2.1 Economic contribution

In 2021/22 the Tasmanian racing industry generated total direct expenditure of $189.6 million and a value-added contribution of $207.5 million. Greyhound racing accounted for a material share of that activity as set out below:

Table A.2.1 Economic Impact of the Tasmanian Greyhound Industry (21/22)[1]

Measure	Greyhound	Industry total	Greyhound share
Total direct expenditure	$51.3m	$189.6m	27.1%
Total value added	$59.7m	$207.5m	28.7%
— of which direct value added	$34.2m	$111.3m	30.7%
— of which flow-on value added	$25.5m	$96.2m	26.5%
Total household income (wages & salaries)	$32.6m	$111.2m	29.3%
Total FTE employment	486 FTE	1,735 FTE	28.0%

More than 85% of the greyhound industry's expenditure impact is generated from racing and wagering related activity, reflecting greyhound racing's positioning as a strong wagering product relative to the other codes.

A.2.1.1 Value added and employment by region

Greyhound racing's economic footprint is concentrated in the two metropolitan centres where racing is staged, but also strongly supports regional Tasmania:

Table A.2.2 Value Added by Tasmanian Greyhound Racing by Region[2]

Region	Greyhound value added	Greyhound FTE	Greyhound participants
Hobart (South)	$30.4m	244	429
Launceston (North)	$11.8m	100	286
Regional / North-West	$17.5m	142	200
Total	**$59.7m**	**486**	**915**

Accordingly, and importantly, Tasmanian greyhound racing currently provides $17.5m in value added to regional Tasmania, largely through accommodating over 140 full-time equivalent jobs in regional Tasmania.

[1] *IER, Size and Scope of the Tasmanian Racing Industry* (2023) - Key Findings and Economic Impacts, 2021/22 season
[2] *IER, Size and Scope of the Tasmanian Racing Industry* (2023) - Key Findings and Economic Impacts, 2021/22 season

A.2.2 Participants and people

There are approximately 915 individuals involved in Tasmanian greyhound racing as participants, employees or volunteers. The composition is:

Table A.2.3 Breakdown of Tasmanian Greyhound Racing Participants[3]

Participant category	Greyhound	Racing Industry total
Breeders	85	319
Owners	287*	3,006
Trainers	137*	378
Racing club & industry staff	75	771
Breeders' staff	69	257
Stable / kennel employees	101	505
Racing club volunteers	31	248
Volunteers assisting participants	245	847
Total	**915**	**6,446**

A.2.3 Training and breeding

In the most recently completed 24/25 season there were 106 registered trainers who had at least one starter in a Tasmanian greyhound race, with 712 unique greyhounds registering a start, and over 850 greyhounds in total in training across the State. These trainers raced for over $6.9 million, with trainers ordinarily retaining between 10% to 50% of prizemoney won depending on the arrangements with owners.

With respect to breeding, in the completed 24/25 season there were a total of 155 pups whelped from 25 litters. Historic Tasmanian greyhound breeding numbers are set out below.

Table A.2.4 Greyhound Pups Whelped and Litters in Tasmania (18/19 through 24/25)

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Number of Litters	40	32	40	44	34	19	25
Pups Whelped	248	203	283	294	210	110	155

A.2.4 Clubs, tracks and racing activity

Despite the discontinuation of greyhound racing in Devonport, the transfer of these meetings to Launceston and Hobart has seen a consistent delivery of races and meetings for the greyhound industry over the past four seasons.

Table A.2.5 Greyhound Racing Clubs and Racing Activity (21/22 through 24/25)

Season	21/22	22/23	23/24	24/25
Racing clubs	3	3	3	3
Racing tracks	3	2	2	2
Race meetings	159	157	154	155
Races held	1,539	1,562	1,535	1,579

[3] Please note, save for Owner and Trainer numbers which have been updated for the 2024/25 Season, this data as it relates to all other categories is from the *IER, Size and Scope of the Tasmanian Racing Industry* (2023) - Key Findings and Economic Impacts, 2021/22 season, obtained through industry surveys to relevant participant groups.

A.2.5 Social and community contribution

Tasmanian greyhound racing clubs support a range of grassroots community organisations — including sporting-club challenge nights, community race days for local aged-care residents, and combined-clubs charitable donations including to Ronald McDonald House in Hobart of over $50,000 across the 23/24 and 24/25 seasons.

These non-financial benefits, and their loss on cessation, are relevant to the cost–benefit analysis at Section A.6.

A.3 Financial Impact Assessment of Greyhound Cessation

This section seeks to quantify the overall financial impact of total cessation of the greyhound industry as at 1 July 2029. This is assessed across the three standard layers of economic impact — direct, indirect and induced. Section A.4 sets out a proposed transition strategy through 30 June 2029 (the Transition Period), and details the incremental financial impact of this Transition Period.

A.3.1 Direct financial impact

The principal direct revenue and cost lines affected by cessation of greyhound racing are:

- wagering turnover on Tasmanian greyhound racing and the associated race-fields revenue (approximately 3.1% of total wagers);
- Point of Consumption Tax (POCT) attributable to greyhound wagering;
- sponsorship and race day revenue at the Hobart and Launceston clubs;
- stakes (prizemoney) as an outgoing; and
- race day and non-race day operating costs no longer incurred.

These impacts will predominantly be felt across Tasracing but also Government and greyhound racing clubs. We discuss these separately below.

Tasracing Financial Impact

Most of these revenues and costs accrue directly to Tasracing, with the exception of greyhound club related revenue and costs, and POCT retained by Government. Accordingly, the direct financial impact on the revenue and costs of Tasracing provides the most comprehensive estimate of the projected financial impact of cessation.

Whilst items such as race field revenues, stakes paid and breeding bonuses are easily attributable between codes, most of Tasracing's internal functions traditionally operate as tri-code services, providing industry wide benefits which are not ordinarily allocated between the codes. This includes items such as HR, finance, insurances, corporate governance and administration. Much of the infrastructure that is serviced and maintained is also multi-code, such as parking areas, grandstands and associated utilities or rates.

Tasracing has recently undertaken a detailed review of the FY25 financial results to clarify the net impact of each code of racing in that year. This breakdown for the greyhound code (and associated central areas) is set out below:

Table A.3.1 Greyhound Racing Contribution to Tasracing Revenue & Costs (FY25)

	Greyhound	GAP	Integrity[4]	Unallocated	Govt Funding	Totals
Race Field Fees	$8,129,421	$0	$0	$0		$21,976,442
International Fees	$269,647	$0	$0	$0		$924,895
Other Revenue	$25,955	$38,670	$1,833,043	$2,850,309		$7,031,707
Govt Grants					$36,871,975	$36,871,975
POCT					$7,303,677	$7,303,677
Total Revenue	**$8,425,023**	**$38,670**	**$1,833,043**	**$2,850,309**	**$44,175,652**	**$74,108,696**

[4] Please note costs as they relate to Integrity as for part year only, with such internal function commencing in February 2025.

	Greyhound	GAP	Integrity[4]	Unallocated	Govt Funding	Totals
Code Funding	($7,488,990)	$0	$0	$0		($37,951,081)
Labour	($857,900)	($619,077)	($1,010,864)	($5,107,550)		($10,693,887)
Depreciation	($742,131)	($12,265)	($2,521)	($266,124)		($4,788,568)
Other Expenses	($2,549,609)	($271,584)	($764,039)	($5,978,420)		($21,882,674)
Total Expenditure	**($11,638,630)**	**($902,926)**	**($1,777,424)**	**($11,352,094)**	**$0**	**($75,316,210)**
Total	**($3,213,607)**	**($864,256)**	**$55,619**	**($8,501,785)**	**$44,175,652**	**($1,207,514)**

The review indicates that the greyhound code required **$3,213,607** in additional funding to cover the net loss between commercial revenues (non-Government) and operational costs. A further **$864,256** was required to cover the net impact of the GAP program.

Tasracing considers the results of this review to be reasonably indicative of the annual funding requirement of the greyhound code moving forward.

It is important to note that when apportioning costs to the greyhound code, We have allocated costs on items that were clearly attributable to the greyhound code. Accordingly, many shared labour and resources, or other expenses shared across codes, remain unallocated in the assessment completed (≈$11.3M unallocated expenses).

With respect to POCT, we have not been able to obtain specific detailed breakdowns on the origin of POCT revenues — or more specifically what quantum of these revenues relates to Tasmanians wagering on Tasmanian greyhound racing.

Anecdotally, depending on the relevant Wagering Services Provider (WSP), we understand that greyhound racing makes up ≈24–27% of all racing turnover. We also understand that Tasmanian greyhounds make up ≈3% of the total greyhound racing turnover across all providers. That would mean that Tasmanian greyhounds account for approximately 0.81% of the national racing turnover. We are also informed by WSPs that ≈6% of turnover on Tasmanian racing is from Tasmanian customers, which is 3 times the population average (being the proportion Tasmanian punters contribute to interstate markets). Accordingly, we would estimate that Tasmanian greyhounds make up approximately 2.4% of Tasmanian betting turnover on racing.

If we approximate sports betting to make up around 20% of the wagering product turnover for Tasmanian POCT calculations (consistent with national estimates), this would suggest that Tasmanian greyhounds make up around 1.9% of Tasmanian POCT. In terms of the POCT distribution received by Tasracing set out above, this would equate to approximately **$139,000 in POCT receipts attributable to Tasmanian greyhound racing**.

Infrastructure & Capital Works

For completeness, capital expenditure on greyhound specific projects has cost $4.0m over the past 5 years. This excludes any capital expenditure projects that are multi-code.

Table A.3.2 Actual & Projected Capital Expenditure: Tasmanian Greyhound Industry (FY22–FY26)

	FY26 (YTD)	FY25	FY24	FY23	FY22
Greyhound Capital Expenditure	$848,562.87	$1,642,232.76	$346,334.51	$844,549.60	$327,565.07

Government Taxes (POCT Share)

Using our reasoning and estimate that Tasmanian greyhound racing contributes approximately 1.9% of all POCT revenues, and using the POCT Forward Estimate for the 2025/26 financial year of $15.8M (deducting the amount paid to Tasracing in FY25), this would equate to approximately $162,000 in POCT receipts attributable to Tasmanian greyhound racing lost to Government upon cessation.

We also understand all licence fees from greyhound trainers are directly passed through to Government (NRE). In this regard, from 1 February 2024 to 30 June 2025 Tasracing received licence fee payments of $6,965. From 1 July 2025 to 28 February 2026 Tasracing received licence fee payments of $7,164.

Tasmanian Greyhound Racing Clubs

In terms of capturing those income and expense related items that fall outside of Tasracing and into the racing clubs domain, the Statements of Financial Performance for each of the Tasmanian greyhound racing clubs for the past two financial years are as follows:

Table A.3.3 Tasmanian Greyhound Racing Club Financial Performance (FY24 & FY25)[5]

$	Hobart	Launceston	North-West	Total
FY2025				
Revenue	$166,977	$234,317	$41,060	$442,354
Expenses	$152,158	$150,051	$40,217	$342,426
Net surplus / (deficit)	**$14,819**	**$84,266**	**$843**	**$99,928**
FY2024				
Revenue	$169,583	$238,493	$42,279	$450,355
Expenses	$140,810	$141,096	$42,181	$324,087
Net surplus / (deficit)	**$28,773**	**$97,397**	**$98**	**$126,268**

Accordingly, we estimate that cessation of greyhound racing will cause lost racing club EBIT of approximately $100,000 per annum.

[5] FY24 and FY25 Annual Reports of the *Hobart Greyhound Racing Club*, *Launceston Greyhound Racing Club* and the *North West Greyhound Racing Club*.

Broader Tasmanian Racing Industry

Outside of Tasracing, Greyhound Racing Clubs, Government and associated wagering impact, it is important to assess the potential financial impact on the broader Tasmanian community that is not reflected in these categories.

Whilst there is no perfect science or data to assess this impact, taking a broader view using the IER 2023 baseline, greyhound racing generated $51.3m of direct expenditure, with more than 85% of that activity tied to racing and wagering. We have reviewed the IER Report to better categorise and understand the basis for the direct expenditure, and separate this from the financial impact already taken into consideration above.

The above analysis largely excludes the financial impact from critical areas of greyhound breeding and training. The table below sets out this breakdown from the IER Report:

Table A.3.4 Economic Impact of Tasmanian Greyhound Industry by Category (21/22)

Expenditure category	What it captures	Value ($m)	% direct exp.	Treatment
Breeding / production	Producing & caring for pups; broodmatrons & sires; sale preparation; bloodstock insurance	$1.4m	2.7%	Excluded
Training / preparation	Training fees, feed & supplements, veterinary, farrier, transport, track & registration fees, agistment/spelling, breaking-in, rehoming, gear, trophies	$6.2m	12.1%	Excluded
Participant & Supplier subtotal	**Sum of breeding & training**	**$7.6m**	**14.8%**	**Excluded (additional impact)**
Wagering-related customer expenditure	Product (race-fields) fee payments, wagering taxes, wagering service provider operating costs	n/r*	—	Included above
Raceday customer expenditure	Sponsorship, catering, admission, on-course & travel spend, memberships, facility hire (largely club revenue)	n/r*	—	Included above
Tasracing & racing-club operating expenditure	Governing-body and club operating spend funded by the streams above	n/r*	—	Included above
Racing & Wagering Activities subtotal	**Sum of the three streams above**	**$43.7m**	**85.2%**	**Included above**
Total greyhound direct expenditure		**$51.3m**	**100.0%**	

Please note these are gross direct-expenditure figures for 2021/22. IER does not provide a value-added or employment split by expenditure stream, so a stream-level value-added figure for breeding/training is not available from the report.

Accordingly, we would approximate there is an additional financial impact loss of approximately $7.6m gross expenditure on breeding and training that will flow from cessation of greyhound racing in Tasmania.

A.3.2 Indirect impact

Indirect impacts flow through the greyhound supply chain, and touches upon many additional industries in the Tasmanian economy, such as feed and supplement suppliers, veterinary services, transport, agistment, gear suppliers, media and professional services.

The IER study identifies an extensive supplier network supporting all three codes, with greyhound racing's flow-on value added (indirect impact) estimated at $25.5m in 2021/22, and the code supported supply-chain employment beyond the 486 FTE directly attributable to it.

A.3.3 Induced impact

Induced impacts arise as wages and salaries earned in greyhound racing and its supply chain are spent in the wider economy. Greyhound racing supported $32.6m in household income in 2021/22; the reduction in this spending as employment contracts forms the induced impact, partly offset to the extent that displaced workers find alternative employment.

We note that there is unlikely to be any significant reabsorption of such employees into the remaining thoroughbred and harness codes due to a combination of both downward financial and sustainability pressure on the participants within these codes, an ongoing industry push for further rationalisation, and core differences in the roles between greyhound and thoroughbred care, maintenance and training. Such job losses are likely to have a disproportionate impact on regional Tasmania.

A.4 Financial Impact Assessment of Transition

For the specific purposes of assessing the potential financial impact of ultimate cessation of Greyhound racing in Tasmania, this section sets out a potential proposed pathway to cessation between now and the Cessation Date, so that we may assess the impact of the transition Period as part of our Submission.

The proposed transition pathway in this Part B has been put forward by the Racing Integrity Commissioner for Tasmania, Sean Carroll (the **Commissioner**). Whilst Tasracing consider this potential model to be one of a number of approaches that may be appropriate to apply during the Transition Period, we have not formed a final view on the exact approach to be used, which will be subject to further analysis and collaboration with Industry. However – we will step through and apply this approach to demonstrate potential financial impact of the Transition Period.

In this Part B we will set out the underlying transition philosophy set forward by the Commissioner, greyhound population modelling (both baseline and assumed transition models), the proposed transition race scheduling framework, and the financial impacts of this transition approach (over and above those highlighted in Section A.3).

A.4.1 Transition philosophy

The proposed transition is guided by a stable, consistent reduction strategy designed to deliver a predictable, welfare-led wind-down of the greyhound code to complete cessation by 1 July 2029.

Rather than accelerating ahead of natural attrition, the approach prioritises a steady and orderly decline in population and race numbers that gives participants certainty throughout the transition, maintains appropriate racing opportunities for the dogs that remain as the population decreases, and preserves the industry's capacity to meet its welfare and rehoming obligations at every stage.

The guiding principles, in priority order, are:

(a). *Stable, consistent reduction*: a measured and predictable decline in greyhound population and race numbers across the transition period, avoiding abrupt contractions and giving participants clear visibility of the pathway to cessation;

(b). *Continuity of appropriate racing opportunities*: race programs and meeting schedules scaled in step with the reducing population, so that remaining greyhounds continue to have suitable, well-matched competition throughout the transition;

(c). *Animal welfare and rehoming assurance*: welfare standards and rehoming capacity maintained and aligned to declining population levels, ensuring every animal can be responsibly cared for and rehomed as the code winds down;

(d). *Participant health and wellbeing:* protection of the ongoing health, wellbeing and viability of participants throughout the period, with sustained support for those exiting the industry or transitioning to other codes; and

(e). *Adaptive, responsible implementation*: flexible adjustment mechanisms responsive to actual population changes and participant behaviour, underpinned by prudent management of Tasracing's resources to sustain the transition and the remaining codes beyond 2029.

A.4.2 Greyhound population modelling

A.4.2.1 Current population

The updated Tasracing Integrity Unit audit records a total registered population of 1,052 greyhounds as at 1 March 2026, of which 893 are active racing greyhounds. This active figure is the starting point for all projections (superseding the 842 active figure from the September 2025 audit).

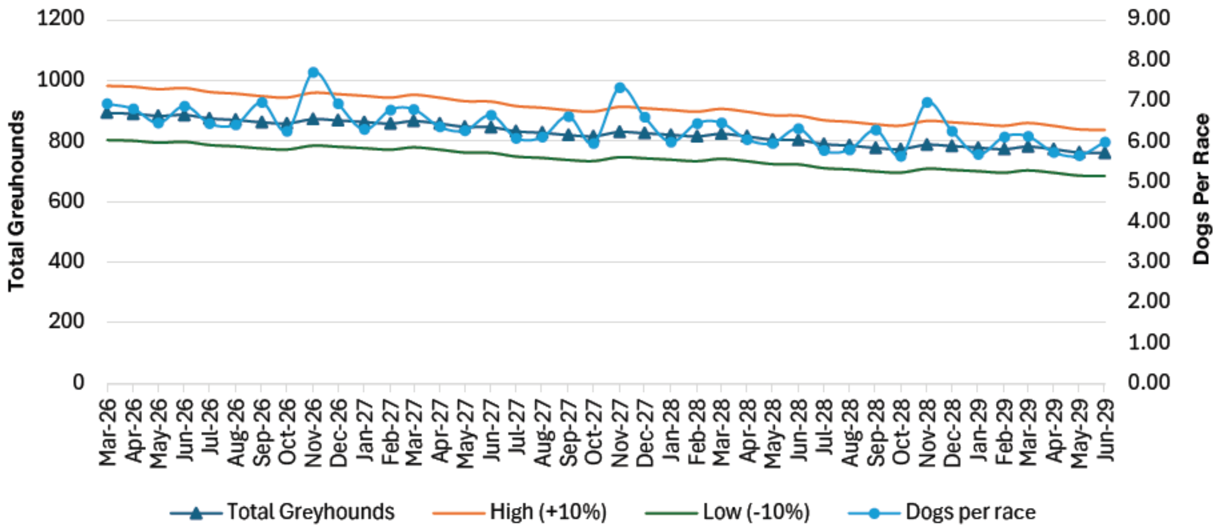
A.4.2.2 Baseline modelling

Our starting point is to project the active racing population monthly from the updated audit through to June 2029 under a baseline of natural attrition with no intervention. This projection is based on historic monthly average numbers received from OzChase for the period 1 October 2022 to 31 December 2025 as they relate to the following Tasmanian greyhound related movements, additions or losses: (a) pups whelped; (b) greyhounds imported; (c) greyhounds exported; (d) greyhounds retired; and (e) greyhounds deceased.

Table A.4.1 Projected Baseline Tasmanian Greyhound Numbers
(March 2026 through June 2029)

Period	Baseline Projection
Start (updated audit)	893
Jun 2026	886
Dec 2026	868
Jun 2027	846
Dec 2027	826
Jun 2028	804
Dec 2028	785
Jun 2029	761

Accordingly, we project that under natural attrition alone the population falls by approximately 14.8% over this period. This gradual natural attrition is illustrated in the diagram below, alongside average dog per race metrics based upon the maintenance of current race scheduling.



A.4.2.3 Projected transition modelling

In order to project greyhound numbers during the transition period leading to cessation on 30 June 2029, and overlay a scheduling approach consistent with the Transition Philosophy, several key assumptions were applied:

- As per base modelling, numbers were adjusted based on historic monthly average movements (whelped, imported, exported, retired, deceased) for the period 1 October 2022 to 31 December 2025;
- Over and above these numbers, consistent with current draft legislation as it relates to the proposed cessation of greyhound racing, zero pups whelped in Tasmania from 1 September 2026 was assumed, and dogs imported to Tasmania reduced to 10% of historic monthly levels;
- Greyhound retirements were reduced to 50% of historic monthly averages on the assumption whelping bans and import restrictions may cause current greyhound participants to continue to race the current greyhound population for longer.

Table A.4.2 Transition Model Projected Greyhound Numbers (v. Baseline) (March 2026 – June 2029)

Period	Baseline Projection	Transition Model	Transition Model vs Baseline
Start	893	893	—
Jun 2026	886	889	—
Dec 2026	868	802	(66)
Jun 2027	846	665	(181)
Dec 2027	826	537	(289)
Jun 2028	804	401	(403)
Dec 2028	785	272	(513)
Jun 2029	761	136	(625)

As can be seen from the above, we project that appropriate intervention levers — namely the breeding prohibition, an import restriction, and mandated retirement — will allow the Tasmanian greyhound racing industry to reach an orderly cessation, reducing the active population to approximately 136 by June 2029, consistent with the 1 July 2029 cessation target.

Race Schedule Framework

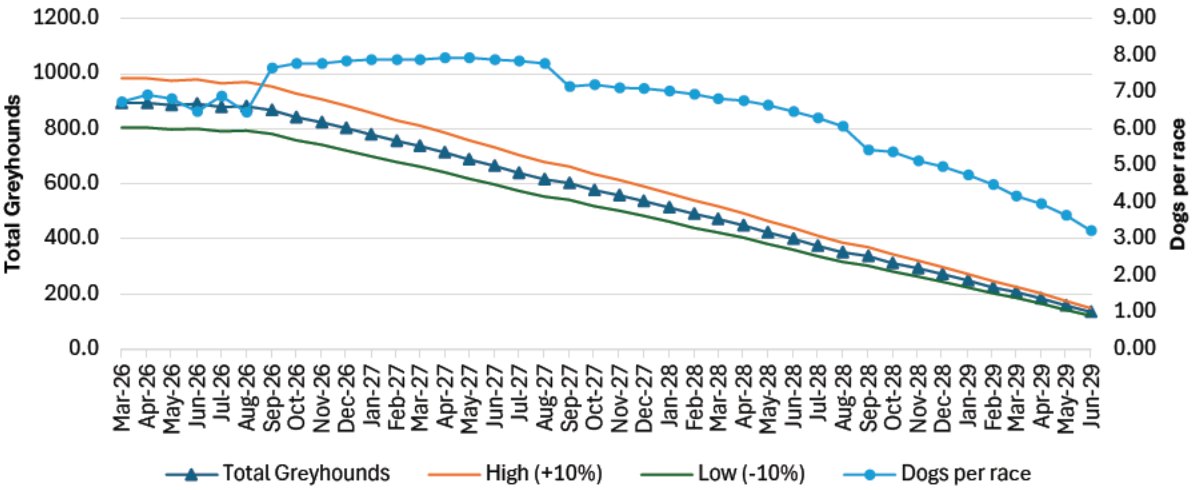
To accommodate the racing needs of the ongoing projected greyhound racing population, and consistent with the transition philosophy for a measured and predictable decline in greyhound race numbers across the transition period, while still providing continuity of appropriate racing opportunities, the Commissioner for Racing Integrity has proposed the following race reduction schedule:

- A 25% year-on-year reduction in the race program, applicable for the periods 1 August 2026 through 31 July 2027, 1 August 2027 through 31 July 2028, and 1 August 2028 through to the cessation of racing on 30 June 2029; and
- Such reductions to be incrementally introduced over each 12-month period to smooth impact.

Table A.4.3 Transition Model: Proposed Race Numbers with 25% Year-on-Year Reduction

Period	Races	Projected Weekly Races (End of Period)	Decrease (%)
1 August 2025 – 31 July 2026	1,562	31.38	
1 August 2026 – 31 July 2027	1,174	19	75.16
1 August 2027 – 31 July 2028	881	14.25	75.04
1 August 2028 – 30 June 2029	614	11.02	69.70

This reduction in Greyhound Numbers (including *High & Low Case*) in the Transition Model alongside the Dogs per Race impact of proposed Schedule Reduction is illustrated in the diagram below.



Importantly, the proposed race schedule reduction structure, which provides a measured and predictable decline in greyhound racing throughout the transition period, also provides consistent dogs-per-race numbers across the majority of the transition period, increasing from 6.82 in April 2026 to 7.66 in August 2026 and 7.14 in August 2027, before declining to 5.43 in August 2028 as a reducing greyhound population accelerates beyond race reduction measures closer to the date of cessation.

A.4.4 Financial impact of proposed transition model

In order to accurately model the current financial performance, and any impact of the transition model, average per-race stakes, race field revenue and operational costs were calculated for each meeting (the **Estimated Race by Race Costs**).

Key drivers in the Estimated Race by Race Costs:

- **Revenue** race-fields fee of approximately 3.1% of total wagers. Thursday is strongly profitable at both venues, and Tuesday racing at either venue is loss-making (and accordingly is a priority for early discontinuation).
- **Raceday costs and stakes**: Please see attached at Schedule A projected Tasracing Raceday P&L broken down by venue and day, which has been utilised to project financial impact.

- **Funding reductions**: Non-raceday costs are budgeted at an estimated $350,000 (Launceston) and $295,000 (Hobart) for 2026/27; Devonport-related travel allowance was $183,000 in 2024/25, this allowance ceases when the Tuesday designated meeting ends.

In order to apply a consistent and optimised financial approach across both baseline and transition models, the optimum combination of number of race meetings and venues was created on a financial basis depending upon both greyhound population and/or a pre-determined number of 11 races per meeting to be scheduled.

Baseline Financial Position

The estimated optimised financial position of Tasracing under the Baseline Model is as follows (broken down by maximum permitted races per meeting):

Table A.4.4 Optimised Financial Position based on Baseline Projections

Period	Financial Performance[6]
1 August 2026 – 31 July 2027	$892,161
1 August 2027 – 31 July 2028	$892,161
1 August 2028 – 30 June 2029	$816,898
Total	$2,601,220

Historically, Thursday racing at Hobart provides the strongest financial result, however all race meetings as stand alone propositions (no other central costs or non-raceday expenses) generate a profit.

Transition Model Financial Position & Impact

The estimated optimised financial position of Tasracing under the Transition Model is as follows (with comparison to the Baseline Optimised Financial Position):

Table A.4.5 Optimised Financial Position based on Transition Model (Incl. vs. Baseline)

Period	Financial Performance[7]
1 Aug 2026 – 31 Jul 2027	$906,271
v. Baseline	*$14,110*
1 Aug 2027 – 31 Jul 2028	$926,494
v. Baseline	*$34,332*
1 Aug 2028 – 30 Jun 2029	$700,161
v. Baseline	*($116,736)*
Total	**$2,532,926**
Total v Baseline	*($82,404)*

The stronger financial performance of the transition model in Years 1 and 2 is a reflection of the cessation of the travel allowance connected to Tuesday race meetings (the traditional Devenport Meetings). Whilst these Tuesday meeting do operate at a small profit, the $183,000 saving from not paying the travel allowance is greater than the collective Tuesday Race Day result.

[6] Note: This analysis only takes into account race-day related costs and revenues, and excludes all other non-raceday related costs, which are assumed to continue.
[7] Note: This analysis only takes into account race-day related costs and revenues, and excludes all other non-raceday related costs, which are assumed to continue.

However in Year 3, when the transition model reduced to 1 meeting per week, it ultimately performs worse financially than baseline, in recognition of the greater collective financial performance of the two (2) lost meetings

Accordingly, over the course of the Transition Period, we project there will be a small approximately $82,404 negative financial impact owing to reduced scheduling and associated raceday revenues.

A.4.5 Regulatory and policy framework & assumptions

The Transition Model, reduced scheduling framework and subsequent projected financial impact is predicated on a number of policy framework changes and key assumptions as to their breadth and timing, including:

- breeding prohibition and import restrictions (effective dates, enforcement mechanisms and any exemptions);
- a mandated retirement age (currently drafted at 6 years — at least 33 greyhounds faced immediate retirement at the audit date);
- modified racing-operations standards (minimum field sizes, race-frequency rules under GAR 39, and venue-closure protocols); and
- code-funding arrangements (entitlement, carry-over of unspent funding, and Tasracing's discretion to reduce funding).

Amendment or change to some or all of the above will impact the projections included in this Submission.

A.5 Impact of Cessation on the Ongoing Feasibility of the Remaining Codes

This section assesses how the cessation of greyhound racing may affect the ongoing feasibility of those two codes across four categories, which should be taken into account when assessing the overall potential impact of the cessation of Greyhound Racing.

As it is presently difficult to ascertain the impact of many of the considerations raised in this section, a Worst, Base and Best Case Scenario Model will be presented.

Greyhound racing currently represents around 28% of the industry's value added and FTE employment and a high share of its wagering product, so its removal has both adverse and favourable consequences for the remaining codes.

A.5.1 Market viability

Market viability touches on potential wagering and scheduling impacts, and potential effects on consumer engagement.

Greyhound racing is a strong, high-frequency wagering product; its removal reduces the total Tasmanian racing wagering product available to operators, with consequences not only for overall race-fields revenue (addressed earlier, and offset by stakes and race-day costs no longer incurred), but potential impact on broadcast arrangements and the attractiveness of the Tasmanian product to wagering service providers.

In this regard, the cessation of Tasmanian greyhound racing:

(a). has the capacity to decrease the leverage Tasracing may have with broadcast platforms (Sky Racing) to obtain more preferable slots for other codes, due to minimised scale of product;

(b). conversely, may free scheduling capacity (timeslots, broadcast windows) for remaining Tasmanian codes, and these slots may be preferable to current broadcast positions (i.e. harness on Sunday), providing potential upside for wagering turnover;

(c). may provide additional share of wagering wallet for other codes (of both Tasmanian and mainland punters). Whilst Section A.3 treated the cessation of greyhound racing as a direct loss of all associated wagering revenues, a potential consequence is that some of this wagering turnover transfers to remaining Tasmanian codes, having a positive impact on their feasibility; and

(d). may reduce the overall visibility and consumer engagement of the Tasmanian racing industry.

A.5.2 Financial viability

Financial viability relates to current and projected revenue, required investment and anticipated costs of the remaining codes that may be impacted from cessation of greyhound racing, that have not otherwise been considered in Section A.3. Additional potential financial implications (both positive and negative) flowing from the cessation include:

(a). Tasracing currently has a significant, organisation-wide partnership with Ladbrokes providing exclusive rights and benefits across all three codes, valued at $1.2 million per annum. Given the significance of greyhound racing and large scale of ongoing content, Ladbrokes may be open to pro-rata that proportion of rights fee applicable to greyhound racing (≈30%), or it may be open for them to terminate the partnership on the basis of material breach;

(b). Tasracing has recently renewed its partnership with Sky Racing. This attaches a significant fee in excess of $1.3 million per annum for international broadcast and digital rights for all codes. Cessation of greyhound racing would attract a pro rata reduction by Tabcorp for any fee as it relates to greyhound racing, which we would estimate at approximately 39% (consistent with contribution to turnover);

(c). The direct financial impacts detailed in Section A.4 build in resource cost savings for staff providing specific services to the greyhound code, but do not touch upon significant executive and management-level resources shared across all codes, including 8 Directors, the CEO and a seven-person executive team. At present, the expenses for these resources (FY25 ≈ \$1.66 million) are amortised across all codes. With cessation, and on the assumption this will not immediately impact the management structure of Tasracing, this will lead to a less efficient management cost per code, and further costs absorbed by thoroughbred and harness racing, adding to their net cost of code delivery;

(d). There are currently approximately \$400,000 in rates and land taxes per annum that accrue across both the Elwick and Mowbray facilities, internally apportioned equally across all three codes based on facility utilisation, with greyhounds responsible for approximately \$125,000. Cessation will simply apportion such amounts back across other codes remaining at these facilities, adding to their net cost of code delivery; and

(e). Other shared services or utilities at the Mowbray and Elwick facilities — cleaning, waste management, electricity and electrical services, water, pest control and shared area maintenance — will similarly be apportioned back across other codes (≈\$310K of these costs apportioned to greyhound racing across Mowbray and Elwick in FY25), with limited prospect of offsetting reduction.

A.5.3 Operational feasibility

Operational feasibility relates to impacts on the other codes' ongoing feasibility of track capacity, training facilities, participants, the breeding industry and staffing on cessation of greyhound racing.

As addressed above in relation to amortised costs across shared facilities, greyhound racing shares some infrastructure and staffing with the other codes, and accordingly these codes will bear a greater burden of absorbing these costs without greyhound contribution. There is a counter argument that cessation may free shared resources for the remaining codes, but this will necessarily be at the expense of greater shared cost.

Some analysis will need to be conducted as to the impact cessation of greyhound racing may have upon the ongoing feasibility of supporting local Tasmanian businesses, specifically in the area of veterinary services (where practices support both equine and dogs), and racing media and supporting companies.

Additionally, at a time when the racing industry more generally is looking to further establish education and training pathways to skill and grow the workforce, the loss of greyhound racing will place more pressure on the feasibility of such programs across a smaller overall addressable racing industry.

A.5.4 Social licence feasibility

Social licence feasibility relates to public perception, welfare concerns and integrity concerns, and how these may shift in relation to other codes upon greyhound racing cessation. The cessation of greyhound racing is driven substantially by welfare and social-licence considerations. The closure of greyhound racing has two potential outcomes on the remaining racing codes' social licence:

- it may improve the overall public perception of racing in Tasmania, taking the view that the code with greatest risk to the wellbeing of animals has been addressed; or
- it may heighten criticism of welfare and integrity practices in other codes from parties who can now narrow their focus, with no continued distraction of greyhound racing.

On balance, we do not believe that the cessation of greyhound racing will have any positive effect on the way in which the public perceives the remaining industries in Tasmania, and we believe there is a real risk in the short to medium term of an increase in the negative commentary afforded to welfare and integrity across these codes.

A.5.5 Scenario modelling and risk assessment

This scenario modelling brings together the four feasibility categories assessed above and sets out the range of outcomes for the remaining thoroughbred and harness codes following greyhound cessation. Three scenarios are considered — best, base and worst case — for each feasibility category. These figures are additional to, and do not double-count, the direct Tasracing, Government and club impacts already quantified in Section A.3.

Table A.5.1 Scenario Modelling: Impact on Remaining Codes by Feasibility Category

Feasibility category	Best case	Base case	Worst case
5.1 Market viability	Freed timeslots and broadcast windows improve positioning for harness and thoroughbred; partial transfer of greyhound wagering wallet lifts race-fields revenue. Net positive.	Broadly neutral — modest wallet transfer offsets the reduced product scale; broadcast positions largely maintained.	Reduced product scale weakens leverage with Sky/TAB; loss of preferred slots and lower visibility of the Tasmanian product. ≈2% decrease in overall wagering revenue across remaining codes. Adverse.
Potential Impact (≈$)	**≈$325,000**[8]	**Neutral**	**≈($435,000)**
5.2 Financial viability	Ladbrokes retained (no pro-rata reduction), re-investment in remaining codes. Sky licence fee maintained; shared executive, rates and utilities re-absorbed but offset by rationalisation.	Ladbrokes retained with pro-rata reduction (≈25%); Sky international fee reduced pro-rata (≈39%); shared costs re-apportion to two codes.[9]	Ladbrokes terminates for material breach (full ≈$1.2m p.a.); Sky fee reduced pro-rata (≈39%); full ≈$335K shared-cost re-absorption with no offset. Net burden ($2.0m)+ p.a.
Potential Impact (≈$)	**Neutral**	**≈($800,000)**	**≈($1,707,000)**
5.3 Operational feasibility	Cessation frees shared track, facility and staff capacity for the remaining codes; viable consolidation; veterinary and supplier base retained through equine demand. Net positive .	Remaining codes carry a greater share of shared facility and staffing cost (≈$335K); thinning of the veterinary, media and supplier base and training pathways. Mildly adverse.	Loss of scale undermines local veterinary, media and supplier viability and training and education pathways across a smaller industry; stranded shared-facility cost. Adverse.
Potential Impact (≈$)	**Neutral to Positive**	**Adverse**	**Medium Adverse**
5.4 Social licence feasibility	Public perception of racing improves as the highest welfare-risk code is removed; reduced aggregate scrutiny. Net positive (non-financial).	Limited change in perception; existing welfare and integrity scrutiny of both remaining codes continues.	Advocacy focus narrows onto other codes; heightened scrutiny and compliance pressure, with a potential cost tail. Adverse.
Potential Impact (≈$)	**Positive (Non-Financial)**	**Neutral**	**Adverse (Non-Financial)**
Indicative Aggregate Potential Impact	**≈$325,000 (Positive)**	**≈($800,000) +adverse absorption of shared costs (≈$335K)**	**≈($2,140,000) +adverse absorption of shared costs, supplier base and training pathway viability**

[8] *Harness Racefields*: Assume ability to transfer 10 Harness Meetings to alternative Thursday twilight slot. FY25 average Wagering Turnover per race Sunday Twilight $148,111. Assume can achieve Friday Twilight Average per race Wagering of $214,236 (differential $66,125) at 3.1% Race fields per race ($2,049.86). AT 8 races per meeting, ≈$163,990 Race fields Revenue; *Share of Wallet Uplift*: Tasmanian Thoroughbred Wagering ≈2% total National Thoroughbred Pool. Assume capture 2% Share of Wallet Tasmanian Greyhound Wagering on Tasmanian Thoroughbreds and Harness @3.1% Racefields = ≈$162,588.

[9] Shared cost reapportionment impact individual code financial performance, but we have not reflected in Potential Impact.

With respect to the above assessment, please note: financial estimates provided are based on significant assumptions that, whilst grounded in what is believed to be reasonably possible on all available information, have not had the opportunity to undergo rigorous testing, and are a guide only. When considering the allocation of shared costs currently internally allocated to greyhound racing across other codes, these costs are already incurred by Tasracing and will have no net financial impact at the consolidated level — they will simply, on an internal allocation basis, make both the thoroughbred and harness codes less profitable (or incur greater losses). With respect to impact on both the supplier base and the education and training framework, more work will be required at the individual business level to understand the importance of the greyhound industry and the scale it provides to the overall sustainability of their businesses.

A.6 Summary of Projected Financial Impacts

This section consolidates the projected financial impacts that may reasonably flow from cessation of the greyhound code, drawing together the direct assessment in Section A.3, the transition modelling in Section A.4 and the feasibility impact on the remaining codes in Section A.5.

Impacts are grouped by category and by whether they are recurring (annual) or one-off (over the transition period). All figures are indicative and drawn from the bases set out in the referenced sections. A positive figure (+) denotes a saving or benefit; a figure in parentheses denotes a loss or cost.

A.6.1 Direct and administrative impact (recurring, per annum)

The recurring direct and administrative effect of cessation, by category, is summarised below, applicable on cessation of greyhound racing post 30 June 2029.

Table A.6.1 Recurring Direct Administrative Impact of Greyhound Racing Cessation

(as at 1 July 2029)*.

Party	Category	Annual impact (≈$)
Tasracing	Greyhound code savings	$3.21m
	Greyhound Annual Capex	$0.8m
	POCT impact	($0.14m)
	Total	**$3.07m (Excl Capex)**
Government	POCT forgone	($0.16m)
	License fees forgone	($7K)
	Total	**($0.16m)**
Racing Clubs	Clubs — net surplus forgone	**($0.10m)**
TOTAL	**Net recurring effect**	**$2.81m**

*Please note we have deliberately excluded costs from the Gap Program ($0.86m) from this summary of Recurring Direct Administrative Impact of Greyhound Cessation, as such expenses will not cease as at 20 June 2029, as the Greyhound Adoption Program will be required to continue beyond the cessation of racing to assist with the rehoming and welfare of retiring Greyhounds. I is anticipated this GAP program will require operation and funding through at least 30 June 2031.

A.6.2 Broader economic impact (annual economic activity)

Beyond Tasracing's cash position, the IER 2021/22 baseline indicates the gross economic activity associated with the greyhound code that is placed at risk. These are economy-wide measures, not Tasracing cash flows, and are only partially recoverable as activity and expenditure redirect.

Table A.6.2 — Broader Economic Impact: IER 2021/22 Baseline

Measure	Value (2021/22)
Direct Expenditure	$51.3m (racing & wagering $43.7m; breeding & training $7.6m)
Total Value Added	$59.7m (≈28.7% of the industry)
Household income supported	$32.6m
Direct employment	486 FTE
Regional Tasmania	$17.5m value added; ≈142 FTE

A.6.3 *Transition model vs baseline (one-off, transition period)*

Over the transition period (1 August 2026 to 30 June 2029), reduced scheduling under the proposed transition model is projected to deliver a negative financial result against baseline of approximately ($82,404).

A.6.4 *Impact on feasibility of the remaining codes (recurring, per annum)*

Drawing on the scenario modelling at Section A.5.5, the net additional recurring burden on the thoroughbred and harness codes — over and above the direct impacts in Section A.3 — is summarised below.

Table A.6.4 — Net Additional Recurring Burden on the Remaining Codes

Feasibility category	Base case (≈$ p.a.)	Range (best to worst)
5.1 Market viability	Neutral	+$325,000 to ($435,000)
5.2 Financial viability	**($800,000)**	Neutral to ($1,707,000)
5.3 Operational feasibility	Adverse (non-quantified)	Neutral/positive to medium adverse
5.4 Social licence feasibility	Neutral	Positive (non-financial) to adverse (non-financial)
Indicative net additional recurring burden	**≈($800,000)**	**Broadly neutral (best) to in excess of ($2.14m) (worst)**

A.6.5 *Consolidated position*

Pulling these threads together, we project that the cessation of greyhound racing improves the Tasracing recurring cash position post 30 June 2029 by approximately $3.07m per annum - principally the removal of the greyhound code's ≈$3.2m operating deficit, minus anticipated POCT impact.

GAP program expenditure (≈$0.86m) will continue post cessation of Greyhound cessation on 30 June 2026[10], and accordingly will not be taken into account in terms of the immediate annual and ongoing financial impact of Greyhound cessation.

Potential capital expenditure savings have not been counted.

This recurring saving is, however, materially qualified: approximately $11.3m of shared and unallocated costs are not eliminated by cessation and are instead re-apportioned to the remaining codes, while Government forgoes ≈$0.16m of POCT and the clubs ≈$0.10m of net surplus.

Against that narrow cash improvement sits a much larger economic footprint. On the IER 2021/22 baseline, the code is associated with up to ≈$59.7m of total value added, ≈$32.6m of household income and ≈486 FTE, disproportionately concentrated in regional Tasmania and only partially recoverable as activity and expenditure redirect.

The transition itself is projected to be self-funding. Optimised scheduling under the proposed transition model delivers an estimated ($82,404) negative result over the transition period against a baseline scenario.

Finally, the ongoing feasibility of the remaining codes carries a net additional recurring burden estimated at ≈$800K per annum in the base case, driven by shared-cost reallocation and exposure on the Ladbrokes and Sky commercial arrangements.

[10] It is expected that expenditure on the GAP program will be required to continue at least through FY32.

A.7 Animal Welfare Impacts

Animal welfare is a central consideration in the cessation of greyhound racing, and welfare outcomes cannot be assessed in isolation from the industry's financial position. There is a direct relationship between economic viability - at both whole of industry and individual participant level - and the welfare status of animals in the code. Adequate funding underpins the kennelling, veterinary care, agistment, rehoming capacity and oversight on which welfare standards depend. Accordingly, the principal welfare risk through the transition is that these standards erode if financial viability is not maintained as the industry winds down. Welfare risk is therefore expected to increase, rather than diminish, in any scenario where participant-level or industry-level funding falls away ahead of an orderly reduction in dog numbers.

Welfare risks are also inherently elevated during periods of uncertainty and structural change, independent of the funding question. As cessation approaches, participants can reasonably be expected to prioritise their own personal and family circumstances - income security, employment alternatives and the disposition of their kennels - and this reordering of priorities can divert attention and resources away from the animals in their care. The combination of declining financial viability and heightened personal uncertainty is the period of greatest welfare exposure, and it is the period the transition framework is specifically designed to manage.

A coordinated set of measures is being implemented to mitigate these risks and to maintain high welfare standards as dog numbers decline to cessation. These include:

A. Increased traceability of animals through ongoing animal audits and a higher frequency of kennel inspections with a specific animal welfare focus;
B. The imminent introduction of formal animal welfare standards to guide industry participants, via the Greyhound Welfare Code of Practice;
C. Participant education modules currently being rolled out across the industry; and
D. A targeted transitional financial support package structured to place explicit value on the maintenance of high animal welfare standards throughout the wind-down.

Together, these measures are intended to preserve welfare and rehoming capacity throughout the transition, consistent with the principle that a stable, consistently funded reduction in population and race numbers is the lowest-risk path to cessation from an animal welfare perspective.

PART B

The Future of the Tasmanian Racing Deed

B.1 Executive Summary

This Part presents the case for continued and renewed government investment in the Tasmanian racing industry following the cessation of greyhound racing, and any impact on required funding stemming from such cessation. It outlines the industry's contribution to the Tasmanian economy and community on a two-code basis, the structural reforms and strategic vision now underway, and the specific funding investment required to ensure a sustainable, high-performing industry well into the future.

The Tasmanian racing industry as a two code state - encompassing thoroughbred and harness racing - remains among the State's most significant contributors to employment, regional economic activity and community engagement. Independent economic analysis, recalculated on a two-code basis, confirms that the industry generates approximately $147.9 million in annual value-added contribution to the Tasmanian economy, sustains 1,249 full-time equivalent positions, and involves more than 5,531 individuals as employees, participants or volunteers.

Importantly, a significant amount of this economic benefit flows directly to regional communities.

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

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

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

B.2 Background and Current Funding Arrangements

B.2.1 History of the Current Funding Deed

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

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

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

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

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

B.2.2 Purpose and Use of Existing Funding

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

- Prizemoney and owner incentive schemes: ensuring competitive prize pools that attract participation from Tasmanian and interstate owners, trainers and breeders;
- Operational grants to racing clubs: supporting the licensed thoroughbred and harness racing clubs to conduct race meetings, maintain facilities and engage their communities;
- Racing infrastructure maintenance and capital works: track upgrades, lighting, timing systems, facilities and grandstand works across all venues;
- Industry administration and integrity services: funding Tasracing's regulatory, stewardship and compliance functions under the Racing Regulation Act 2004;
- Breeding incentive schemes: implementation of the TasBred Thoroughbred Breeding Incentive Scheme and harness breeding incentives, providing financial incentives to grow local breeding;
- Animal welfare programs: the equine Off-The-Track (OTT) program, veterinary oversight, and development of enforceable welfare codes of practice;
- Workforce development and training: the Apprentice Jockey Program, Harness Academy, stablehand courses, track riding and stewards programs; and
- Marketing and events: the promotion of racing events to grow attendance and public engagement, including the Hobart Cup, Launceston Cup, and major harness feature meetings.

B.2.3 *Funding Quantum: Annual Contributions 2009 to 2025*

The table below presents the annual government funding contribution to Tasracing under the Funding Deed from its inception in 2009/10 through to 2024/25 (actual), with projected through to 2028/29. The base grant of $27 million has been CPI-indexed annually over this period. It also includes other grants and support provided by Government to the racing industry over this period outside of the Funding Deed (actual through 2024/25, projected through 2028/29).

Table B.2.3 — Funding Quantum 2010/11 to 2028/29 (Thoroughbred and Harness)

Financial Year	Funding Deed	Interest Support Treasury	Integrity Unit Funding	Breeding Program Grant	Racing Industry Training Initiative	POCT	Total
2010/11	$27,510,000	$12,691					**$27,522,691**
2011/12	$28,151,678	$546,098					**$28,697,776**
2012/13	$28,316,255	$907,087					**$29,223,342**
2013/14	$29,181,707	$987,638					**$30,169,344**
2014/15	$29,296,333	$942,167					**$30,238,499**
2015/16	$29,392,505	$894,993					**$30,287,498**
2016/17	$29,483,875	$722,398					**$30,206,273**
2017/18	$29,815,773	$580,170					**$30,395,943**
2018/19	$30,382,408	$543,253		$350,000			**$31,275,661**
2019/20	$30,787,147			$350,000			**$31,137,147**
2020/21	$31,461,712			$350,000		$2,537,342	**$34,349,054**
2021/22	$31,812,486			$350,000		$6,829,619	**$38,992,105**
2022/23	$33,431,442			$350,000	$138,992	$7,097,190	**$41,017,624**
2023/24	$35,778,928			$350,000	$145,927	$7,049,818	**$43,324,673**
2024/25	$36,716,302		$1,819,010	$350,000	$155,673	$7,303,611	**$46,344,596**
2025/26*	$37,230,759		$3,678,000	$350,000	$500,000	$7,479,025	**$49,237,784**
2026/27*	$38,561,125		$2,508,000		$200,000	$7,821,064	**$49,090,189**
2027/28*	$39,019,658		$2,563,176		$200,000	$7,993,127	**$49,775,962**
2028/29*	$39,406,355		$2,614,440		$200,000	$8,152,990	**$50,373,784**

*Projected

B.2.4 *Justification for Government Support*

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

- The sale of TOTE Tasmania removed a commercial revenue stream integral to industry viability; the Funding Deed was established as direct and proportionate compensation for this structural change;
- The industry operates under a statutory licensing framework — the *Racing Regulation Act* 2004 — that creates regulatory obligations requiring government oversight and investment to discharge;
- Tasmanian Thoroughbred and Harness Racing delivers measurable and independently verified public benefit through employment (1,249 FTE), economic activity ($147.9 million value added) and regional community engagement across all three regions of the State, now on a two-code basis;

- Wagering taxation receipts and Point of Consumption Tax revenues provide a direct and quantifiable fiscal return to government that partially offsets the cost of the grant; and
- The industry's physical and community infrastructure — racing clubs, tracks, and volunteers across the thoroughbred and harness codes — serves functions well beyond racing, including as venues for agricultural shows, community events and emergency services purposes.

B.3 Importance of the Racing Industry to Tasmania

This section addresses the ongoing importance of Thoroughbred and Harness Racing (the **Racing Industry**) to Tasmania. Unless otherwise stated, all figures below relate to the thoroughbred and harness codes only, and are drawn from the *IER, Size and Scope of the Tasmanian Racing Industry* (2023) - Key Findings and Economic Impacts, 2021/22 season (the **IER Report**), with totals reflecting the combined contribution of the two remaining codes.

B.3.1 Industry Scale — At a Glance

In the completed 24/25 Season, the thoroughbred and harness codes of racing collectively produced the following activity profile across Tasmania:

Table B.3.1 Industry Activity (Thoroughbred and Harness, 2024/25)

Activity Measure	Thoroughbred	Harness
Racing Clubs	4	7
Racing Tracks	5	7
Total Race Meetings (TAB & Non-TAB)	73	90
Total Races	575	750
Unique Horses (Starts)	867	595
Live Foals Bred	446[11]	126

Racing continues to provide Tasmania with a regular community product, with thoroughbred and harness race meetings held across the State on a weekly basis throughout the year. The industry remains supported by registered club members across thoroughbred and harness clubs, and a breeding sector producing live foals each season, supported by registered breeders across both codes.

B.3.2 Economic Contribution — Total Value Added

The Tasmanian racing industry, on a thoroughbred and harness basis, generated a combined real gross value-added contribution of approximately $147.9 million to the Tasmanian economy in 2021/22[12] — incorporating both direct and indirect (flow-on) impacts. This is set out by code below:

Table B.3.2 — Value Added by Code (Thoroughbred and Harness)[13]

Measure	Thoroughbred	Harness	Total
Total Direct Expenditure	$95.6m	$42.7m	**$138.3m**
- Total Value Added (Direct)	$54.3m	$22.8m	**$77.1m**
- Total Value Added (Flow-on)	$49.0m	$21.7m	**$70.7m**
Total Value Added (Combined)	$103.4m	$44.5m	**$147.9m**
Total Household Income	$55.4m	$23.2m	**$78.6m**
Total FTE Employment	873	376	**1,249 FTE**

Thoroughbred racing accounts for the larger share of this combined value added, at approximately 70 per cent ($103.4 million), with harness racing contributing approximately 30 per cent ($44.5 million). The combined direct expenditure base underpinning this was **$138.3 million.**

11 Racing Australia Factbook (2025), page 47
12 *IER, Size and Scope of the Tasmanian Racing Industry* (2023) - Key Findings and Economic Impacts, 2021/22 season
13 *IER, Size and Scope of the Tasmanian Racing Industry* (2023) - Key Findings and Economic Impacts, 2021/22 season

B.3.3 Regional Economic Distribution

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

Table B.3.3 — Value Added by Region (Thoroughbred and Harness)[14]

Region	Thoroughbred	Harness	TOTAL
Hobart	$37.8m	$13.9m	$51.7m
Launceston	$21.5m	$8.4m	$29.9m
Regional Tasmania	$44.0m	$22.2m	$66.2m
STATE TOTAL	**$103.3m**	**$44.5m**	**$147.8m**

Regional Tasmania generates the largest single regional share of the combined thoroughbred and harness value added, reflecting that the majority of training activity for both codes occurs outside the two major cities.

B.3.4 Employment - Scale, Distribution and Significance

The thoroughbred and harness codes directly and indirectly sustained approximately 1,249 full-time equivalent (FTE) positions across the State in 2021/22:

Table B.3.4 — FTE Employment by Region (Thoroughbred and Harness) [15]

Region	Thoroughbred	Harness	TOTAL
Hobart	316	117	433
Launceston	184	72	256
Regional Tasmania	373	188	561
STATE TOTAL	**873**	**376**	**1,249**

Total **household income** sustained by the combined thoroughbred and harness industry in 2021/22 was approximately **$78.6 million** — a direct and recurring contribution to the living standards of Tasmanian families, particularly in regional areas.

The industry supports employment across an unusually diverse range of roles: professional (trainers, jockeys, integrity officials, veterinarians), trades and semi-skilled (stable hands, track maintenance, catering), business and commercial (administration, marketing, sponsorship), and agricultural (breeders, agistment operators, feed suppliers).

B.3.5 Employment of Disadvantaged and Low-Socioeconomic Tasmanians

Of particular policy relevance is the racing industry's role as an employer of Tasmanians who face structural barriers to participation in the mainstream labour market. As the IER Report[16] explicitly notes, racing provides gainful employment of specific skillsets to individuals who may find limited opportunities elsewhere, particularly in breeding, training and animal care disciplines.

The cohorts who disproportionately benefit from racing industry employment include:

- Young people without formal qualifications seeking a vocation - apprentice jockey programs, stablehand pathways and harness driving programs provide structured entry-level roles for young Tasmanians who have not completed secondary education;

[14] *IER, Size and Scope of the Tasmanian Racing Industry* (2023) - Key Findings and Economic Impacts, 2021/22 season
[15] *IER, Size and Scope of the Tasmanian Racing Industry* (2023) - Key Findings and Economic Impacts, 2021/22 season
[16] *IER, Size and Scope of the Tasmanian Racing Industry* (2023) - Key Findings and Economic Impacts, 2021/22 season

- People from regional and rural communities with limited local employment options - the majority of racing employment, particularly in training, is located in regional areas where alternative employment opportunities are sparse;
- Individuals with disability or mental health challenges - the animal care environment, with its emphasis on routine, physicality and animal connection, provides stabilising benefits for individuals who struggle in conventional workplace settings; and
- Long-term unemployed individuals re-entering the workforce - stable management roles provide accessible pathways back to employment.

B.3.6 Participants — The Breadth of Industry Engagement

Combining the thoroughbred and harness codes, approximately **5,655** individuals are directly involved in the industry as employees, participants or volunteers:

Table B.3.5 — Participants by Code (Thoroughbred and Harness)[17]

Role	Thoroughbred	Harness
Breeders	124	110
Owners	2,409[18]	515
Trainers	89*	187*
Racing Club & Industry Staff	488	208
Breeder Staff	74	114
Stable Employees	286	118
Jockeys & Drivers	26	90
Club Volunteers	376	441
TOTAL	**3,872**	**1,783**

The 2,924 registered owners across the two remaining codes collectively invest in the purchase, preparation and racing of animals. The 296 licensed trainers across both codes, with horses in training across the State, represent the operational backbone of the industry, with the majority of training expenditure located in regional areas.

[17] Please note, save for Owner numbers for Thoroughbred, and Trainer numbers for both codes, which have been updated for the 2024/26 Season, this data as it relates to all other categories is from the *IER, Size and Scope of the Tasmanian Racing Industry* (2023) - Key Findings and Economic Impacts, 2021/22 season, obtained through industry surveys to relevant participant groups.
[18] Racing Australia Factbook (2025), page 60

B.3.7 *The Supplier Network and Multiplier Effect*

The racing industry sits at the centre of an extensive supplier network — direct suppliers include trainers, breeders, agistment operators, gear and feed suppliers, farriers, veterinarians and transport providers; indirect suppliers include catering companies, media organisations, hardware stores, local tradespeople, professional services and wagering staff. The breadth of the Indirect Racing Industry economy, and how it connects to the Direct economy, is illustrated below:[19]

For many of these businesses the racing industry provides the critical mass of demand that makes their operations commercially viable. The loss or significant contraction of racing activity would therefore produce a multiplied impact well beyond the industry itself. The IER study identifies an extensive supplier network supporting all three codes, with thoroughbred and harness racing's flow-on value added (Indirect Impact) estimated at $70.7m in 2021/22.

[19] Adapted from *IER, Size and Scope of the Tasmanian Racing Industry (2023), Key Findings and Economic Impacts, 2021/22 season.*

B.3.8 Social and Community Contribution

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

- Community building: thoroughbred and harness clubs continue to assist and support charitable organisations and provide facilities shared with community and not-for-profit organisations;
- Family engagement: clubs offer activities and services supporting family attendance, with children's zones, playgrounds, family fun days and accessible facilities for people with disability;
- Social inclusion: attendee research demonstrates that socialising with family and friends is the primary motivation for race meeting attendance — reflecting the social cohesion function racing performs, particularly in rural and regional communities; and
- Cultural heritage: the thoroughbred and harness codes have a recorded history in Tasmania dating back over 140 years, making racing clubs part of the cultural identity of many local communities.

B.3.9 Return on Government Investment and Comparative Studies

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

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

The racing industry meets every one of those criteria, and continues to do so at a scale of economic output - now on a two-code basis - that compares favourably with comparable government-funded activities in Tasmania, several of which receive ongoing public investment without any equivalent independently verified economic study.

B.4 Vision and Strategic Direction for Tasmanian Racing

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

B.4.1 The Industry Vision

The agreed vision for the Tasmanian racing industry is:

> *Tasmania's racing industry, reimagined —*
> *united, transparent, and built to last.*

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

B.4.2 How We Got Here — The Strategy Development Process

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

- **Diagnosis and Baseline Assessment**: the process began with a thorough assessment of the industry's financial performance, participant numbers, horse population, race meeting volumes, wagering performance and attendance trends over the preceding five years;

- **Consultation with Industry**: a comprehensive consultation process was undertaken with participants, trainers, club committees, owners and industry representatives across the thoroughbred and harness codes and all regions of the State, through structured focus groups, one-on-one conversations and written submissions. Key themes that emerged consistently included a desire for greater transparency from Tasracing, concern about the succession and pipeline challenge as trainer and owner populations age, support for rationalisation of administration and facilities provided it respects club history and identity, and a desire for the industry to be run with commercial rigour accountability;

- **Independent Analysis**: complementing the consultation, independent financial and operational analysis was commissioned, including a comprehensive review of club and facility structures across thoroughbred and harness racing. This analysis modelled several potential structural scenarios for each code, assessing financial impact, operational risk and capital requirements, with a view to delivering the strongest long-term financial outcome while preserving meaningful opportunities for participants; and

- **Strategy Finalisation**: the strategy was finalised through a combination of key stakeholder and industry workshops, alongside a structured board and management process, incorporating the consultation findings, independent analysis and the broader economic context. The result is a five-pillar Industry Strategy and a rolling Operational

Plan translating each pillar into specific priorities, actions, responsibilities and timeframes across the 2026–2050 period.

B.4.3 The Five Strategic Pillars — Overview

The full Industry Strategy is organised around five strategic pillars, each developed into specific priorities, objectives and actions in the Operational Plan.

PILLAR 1 | Animal Welfare & Integrity

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

PILLAR 2 | Financial Sustainability & Operational Excellence

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

PILLAR 3 | Industry Development, Participation & Innovation

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

PILLAR 4 | Market Position, Brand & Audience Growth

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

PILLAR 5 | Industry Leadership, Culture & Trust

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

B.4.4 Rationalisation of Scheduling, Infrastructure and Operations

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

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

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

As an immediate response to this review, Tasracing is contemplating the following action moving forward, which will significantly and positively impact the efficiency and financial performance of the industry:

- A strategic reduction of races and race meeting volumes to the actual (and projected) animal population — ensuring race meetings in each code reflect the number of active racing animals available to fill and enhance competitive fields, lowering operational costs for the conduct of surplus race meetings and associated on-costs, and seeking to optimise remaining individual race field sizes and races per meeting (positively impacting both quality of racing and potential wagering revenue per race);
- Strategic reinvestment of any positive financial impact of these reduction initiatives into identified programs designed to increase sustainability of both stakeholders and industry; and
- Working actively with all thoroughbred and harness racing clubs to collaboratively eliminate structural duplication in club administration. In some instances this may result in the long-term consolidation of administrative functions of multiple clubs, reducing overhead costs and providing more consistent outcomes for participants. Tasracing has a long-term view of optimising club administration per code in Tasmania, and is actively working with clubs on the process and stages to achieve this.

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

B.4.5 Running Racing as a Business

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

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

- developing a live wagering performance dashboard - tracking turnover, margin, field size and WSP engagement metrics in real time, to better inform scheduling, product and commercial decisions, and provide live and transparent feedback to key stakeholders;
- establishing detailed commercial metrics for each code and club, with regular performance reporting to the Board and, through the annual report, to government and the public;
- actively pursuing alternative revenue streams - including venue and event hosting, media rights, data and content licensing, and digital distribution, targeting at least $1.5 million per annum in new or expanded commercial sources; and
- implementing a rolling operational cost efficiency program identifying savings in raceday delivery, staffing and administration without compromising product or participant experience.

B.4.6 Innovation, Technology and Wagering Growth

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

- *WSP Partnerships and Commercial Architecture*: the industry is reviewing and renegotiating its commercial arrangements with Wagering Service Providers (WSPs) on a more performance-linked basis, seeking genuine active growth partnerships with promotional commitments, co-investment and shared upside, rather than passive product-supply relationships;
- *Race Scheduling for Wagering Optimisation*: a race scheduling strategy is being developed explicitly to drive wagering performance, taking into account Sky Racing broadcast windows, national field density and interstate race timing;
- *Digital and Broadcast Infrastructure*: the industry is investing in the quality and functionality of its broadcast and data product, including investment in Tasracing Live as both an audience engagement platform and a commercial asset, enhanced digital content and data feeds, and upgraded timing, camera and broadcast infrastructure at key venues; and
- Scoping and adopting technology solutions that improve raceday integrity monitoring and support better data-driven decision-making.

B.5 Additional Considerations

B.5.1 *Alignment with Tasmanian Government Priorities*

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

Government Priority	Racing Industry Alignment	Key Evidence
Strong Economy & Jobs (2030 Strong Plan)	Thoroughbred and harness racing together contribute approximately $147.9m in annual value added and sustain 1,249 FTE positions. The Deed secures this within a fiscally structured, measurable framework.	IER Report (Aug 2023)
Regional Development & Communities	The majority of value added flows to regional Tasmania across both remaining codes, with the majority of participants based in regional communities.	IER Regional Summaries
Tourism, Recreation & Culture	Key carnivals (Launceston Cup, Hobart Cup, Tasmania Cup, The Beautide) attract interstate visitors. Formal Tourism Tasmania partnership and racing tourism packages proposed.	Tasracing Event Data
Fiscal Responsibility & Surplus Path	Wagering tax, POCT receipts and payroll tax provide direct fiscal return. Deed structure gives indexed, predictable expenditure against measurable KPIs.	Treasury Review 2020
Employment of Disadvantaged Tasmanians	Racing employs individuals with limited formal qualifications, from regional areas with few alternatives, and long-term unemployed re-entering the workforce.	IER Employment Chapter
Animal Welfare Reform	Industry's Pillar 1 Codes of Practice, including the Off The Track Platform and establishment of the Tasracing Integrity Unit, directly meets government community expectations and the independent *Sykes Review* recommendations.	Annual Report 2024; Sykes Review
Sport, Community & Social Wellbeing	Charitable support, shared club facilities and volunteer engagement continue across the remaining two codes, providing community entertainment statewide.	IER Social Impact Chapter
Skills & Workforce Development	Apprentice Jockey Program, Harness Academy and stablehand pathways provide vocational training aligned with Skills Tasmania priorities.	Tasracing Training Programs

B.5.2 *Fiscal Responsibility and Value for Money*

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

The racing industry's funding submission is not an ask for more of the same.

It is a commitment to structural reform, commercial discipline and measurable performance improvement in exchange for a renewed and appropriately structured funding partnership.

The KPI framework proposed in Section B.6 below as an integral part of the request will provide the Government with assurance that its investment is being deployed against clear outcomes, with accountability built into the structure of the Deed from the outset.

B.5.3 *Key Financial Reductions Already Made*

Working alongside Government, and recognising its commitment to return Net Operating Balance to surplus, Tasracing has already taken significant steps to deliver improved efficiencies whilst ensuring it fulfils its legislated obligations.

Tasracing has been targeting significant cost savings since September 2024. Three specific savings packages have been implemented in that time, including:

- **the FY25 Q1 review in October 2024**: The FY25 Q1 review anticipated a significant revenue reduction due to a sharp downturn in commercial race field fees and the reinstatement of the annual 1% "efficiency dividend". To minimise the longer-term impacts, the Board approved a **savings package totalling $1.01 million** for the remainder of FY25, including labour savings of $115,000, marketing reductions of $300,000, consulting and legal cost reductions of $200,000, targeted travel reductions of $72,000, animal welfare program reductions of $130,000, social responsibility program reductions of $100,000, and other items of $90,000.

- **the FY25 Corporate Plan in April 2025**: The FY25 Corporate Plan included a further set of **cost savings totalling $1.04 million**, including four TIU animal welfare officers funded from existing animal welfare budgets ($376,000), redundancies plus restructure ($270,000), further marketing reductions ($200,000), Foxtel subscriptions at Elwick and Mowbray ($100,000), Tasracing TV scaled back ($50,000), and other minor items ($45,000); and

- **the FY26 Budget in June 2025**: The Corporate Plan forecast a $450,000 pre-tax loss for FY26. As part of the Budget process in June 2025, the Board requested management prepare a "break even" budget, which necessitated a **further $395,000 in savings**, including interest savings from delay of the North-West Tracks project ($240,000), additional savings against the Double Cups and Triple Treat bonuses, reduced internal audit, targeted TIU administration savings and targeted savings in facilities maintenance.

Accordingly, over the past 18 months Tasracing has achieved **$2.4 million** in costs savings against budgeted expenditure.

B.5.4 Consequences of Inadequate Funding

Importantly, should the requested investment not be provided at the levels sought, the consequences for the industry and for Tasmania are significant and quantifiable.

Based on the economic analysis in Section B.3, inadequate funding of the Tasmanian Racing Industry will necessarily result in significant measures being taken by Tasracing to continue to operate the industry, depending on the significance of the shortfall including but not limited to:

(a). Further reduction in scheduled races and race meetings, and reduction in total stakes and stakes per race;

(b). Reduction or elimination of Breeding bonuses and Tasbred scheme;

(c). Complete rationalisation of racing clubs and facilities, and closure of regional racing clubs and facilities;

(d). Broader review of the feasibility of operating ongoing a regulated Harness Racing or Thoroughbred Racing Industry in Tasmania.

This in turn will have the following impact, again dependent upon the significance of funding deficiency:

- Loss of direct and indirect FTE positions, with likely concentrated impact in regional communities where alternative employment is most limited, potentially resulting in up to the loss of **561 FTE regional jobs** and up to **$35.3 million in household income** in regional areas;
- Closure or curtailment of racing club operations in regional centres, removing community assets serving functions well beyond racing – including key regional facilities and institutions such as *Burnie Harness Club*, Devonport Racing Club, ST. Marys Racing Club;
- Reduction or eradication of the POCT revenue currently returned to government;
- Deterioration of animal welfare outcomes through reduced funding for the *Off The Track* program and reduced veterinary oversight capacity;
- Reputational damage to Tasmania as a racing jurisdiction, reducing or eliminating interstate trainer and owner participation and associated visitor expenditure;
- Complete Loss of breeding industry (impacting approximately **188 staff**, a further 305 volunteers, and **$13.7 million** in economic activity from the production and care of breeding stock[20]). This is a real risk, and without necessary support the breeding indsutry could be lost to Tasmania;
- At its highest, the necessary controlled closure of either Thoroughbred Racing of Harness Racing Industry, or both, with significant financial and ongoing mental health consequences for Tasmanians, and a dent in the Tasmanian economy.

[20] *IER, Size and Scope of the Tasmanian Racing Industry* (2023) - Key Findings and Economic Impacts, 2021/22 season

B.6 The Funding Request

B.6.1 Investment Required

The racing industry requests a renewed Government investment over 20 years, structured as follows:

Table B.6.1 Proposed Funding FY2030 to FY49 to Tasracing

Financial Year	Projected POCT Distribution	Funding Deed	Total Contribution ($)
FY30	$8,316,050	$42,100,000	$50,416,050
FY31	$8,482,371	$42,942,000	$51,424,371
FY32	$8,652,018	$43,800,840	$52,452,858
FY33	$8,825,058	$44,676,857	$53,501,916
FY34	$9,001,560	$45,570,394	$54,571,954
FY35	$9,181,591	$46,481,802	$55,663,393
FY36	$9,365,223	$47,411,438	$56,776,661
FY37	$9,552,527	$48,359,667	$57,912,194
FY38	$9,743,578	$49,326,860	$59,070,438
FY39	$9,938,449	$50,313,398	$60,251,847
FY40	$10,137,218	$51,319,665	$61,456,884
FY41	$10,339,963	$52,346,059	$62,686,021
FY42	$10,546,762	$53,392,980	$63,939,742
FY43	$10,757,697	$54,460,840	$65,218,537
FY44	$10,972,851	$55,550,056	$66,522,907
FY45	$11,192,308	$56,661,057	$67,853,365
FY46	$11,416,154	$57,794,279	$69,210,433
FY47	$11,644,477	$58,950,164	$70,594,641
FY48	$11,877,367	$60,129,168	$72,006,534
FY49	$12,114,914	$61,331,751	$73,446,665

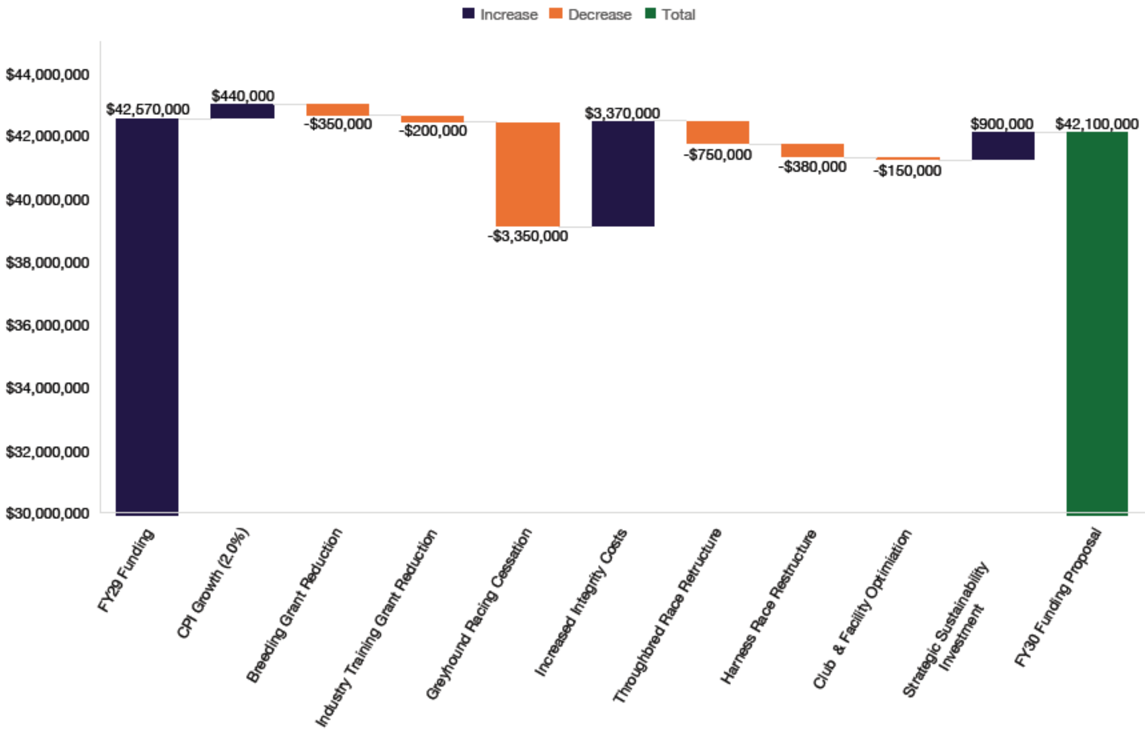
B.6.2 Key Assumptions Relied Upon

In order to achieve the starting point for required funding for the Tasmanian Racing Industry in FY30, we have worked on the basis of assuming the contracted level of investment for FY29 under the current Funding Deed[21], and then applying a combination of both identified cost reduction measures, and required strategic investments, in addition to accounting for the cessation of Greyhound Racing as of 30 June 2029.

[21] In this regard, whilst we are currently working through an internal review of Tasracing Structures and operations, we again reiterate a program of cost saving measures implemented by Tasracing over the past 18 months totalling in excess of $2 million in cost reductions.

This is visualised below, with full assumptions and details to follow:

Graph B.6.2 Waterfall Chart Illustrating basis for FY30 Deed Funding Proposal



Please refer **Schedule B** which sets out the Profit & Loss Statement for Tasracing in FY30 and FY31 based upon above assumptions and investment levels.

B.6.3 Proposed Funding Structure: POCT & Funding Deed

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

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

POCT funds are derived directly from wagering activities and as such can be directly linked to the racing industry. The current arrangements see Tasracing receive 80% of the net additional revenues.

Tasracing is proposing increasing the share of POCT receipts from 80% of net additional revenues to 100% of total gross receipts, which includes the currently deducted pari-mutuel licence fee offset of around $6 million. This would in turn allow a corresponding reduction in funding received under the Funding Deed.

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

This approach would have the following estimated impact on the structure of Tasmanian Racing funding and its source:

Table B.6.2 Proposed Funding FY2030 to FY49 to Tasracing

Financial Year	Projected Total POCT Receipts	Funding Deed	Total ($m)
FY30	$15,788,722	$34,627,328	$50,416,050
FY31	$16,104,496	$35,319,875	$51,424,371
FY32	$16,426,586	$36,026,272	$52,452,858
FY33	$16,755,118	$36,746,798	$53,501,916
FY34	$17,090,220	$37,481,734	$54,571,954
FY35	$17,432,025	$38,231,368	$55,663,393
FY36	$17,780,665	$38,995,996	$56,776,661
FY37	$18,136,279	$39,775,916	$57,912,194
FY38	$18,499,004	$40,571,434	$59,070,438
FY39	$18,868,984	$41,382,863	$60,251,847
FY40	$19,246,364	$42,210,520	$61,456,884
FY41	$19,631,291	$43,054,730	$62,686,021
FY42	$20,023,917	$43,915,825	$63,939,742
FY43	$20,424,395	$44,794,141	$65,218,537
FY44	$20,832,883	$45,690,024	$66,522,907
FY45	$21,249,541	$46,603,825	$67,853,365
FY46	$21,674,532	$47,535,901	$69,210,433
FY47	$22,108,022	$48,486,619	$70,594,641
FY48	$22,550,183	$49,456,351	$72,006,534
FY49	$23,001,186	$50,445,478	$73,446,665

Given the uncertainty of POCT receipts in each year, which may increase or decrease subject to broader wagering trends, but the certainty of funding requirement needed by Tasracing to sustain the Tasmanian Racing Industry, we would propose an agile or modular funding agreement with Tasmanian Government which recognises the total investment required by Tasracing, and which then adjusts Tasmanian Government Investment in each financial year in accordance with increases or decrease on POCT receipts by Tasracing.

B.6.4 Term and Structure of Proposed Deed

The industry requests a Funding Deed of 20 years, commencing 1 July 2030.

A multi-year deed of this duration is required to:

- Provide the planning certainty needed to execute and embed the structural reforms described in Section B.4. Rationalisation decisions of the significance contemplated cannot be responsibly made without funding certainty extending well beyond annual budget cycles;
- Underpin capital investment decisions at key venues - particularly Devonport Racing Club (Spreyton facilities track upgrade), and potential harness infrastructure investment at Elwick, Carrick Park and a proposed Maxfield site - which require a funding horizon of at least 15–20 years to justify;

- Enable commercial partnerships with WSPs, Tourism Tasmania, sponsors and media partners that require multi-year commitment to be negotiated on competitive terms; and
- Provide the industry's participant community, in particular breeders, trainers and facilities, with confidence that the structural changes being asked of them are matched by a stable and committed government partnership.

B.6.5 Performance Measurables and Accountability Framework

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

Financial Performance

- Achievement of commercial revenue growth targets; and
- Operating within approved budget parameters, with any material variance reported and explained; and
- Best endeavours to achieve year-on-year reduction in the ratio of government funding to total industry revenue post FY2033

Industry Activity

- Total race meetings and races conducted by code and region, benchmarked against projected animal population, reviewed annually;
- Target average starters per race by code.

Economic and Employment Outcomes

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

Infrastructure and Capital

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

Welfare and Integrity

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

B.7 Conclusion

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

The investment sought through this submission is not a perpetuation of the status quo. It is a catalyst for transformation, enabling an industry that employs thousands of Tasmanians, sustains approximately $147.9 million in annual economic activity, returns revenue to government, and contributes to the identity and community fabric of the State to become increasingly self-sustaining and resilient.

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

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

Schedules

The following supporting materials are available to the Committee on request:

- **Schedule A**: Projected Tasracing Greyhound Raceday P&L by Venue & Day
- **Schedule B**: Projected Tasracing Profit & Loss Statement FY30 & FY31.

Tasracing

SCHEDULE A
PROJECTED TASRACING GREYHOUND RACEDAY P&L BY VENUE & DAY

REVENUE Racefields 3.10%

	MondayLAUNCESTON	MondayHobart	TuesdayLaunceston	TuesdayHobart	ThursdayLaunceston	ThursdayHobart	FridayHobart
1	$ 5,506	$ 5,176	$ 3,823	$ 4,054	$ 5,048	$ 5,316	$ 7,581
2	$ 5,448	$ 5,253	$ 3,992	$ 4,180	$ 5,704	$ 6,179	$ 9,896
3	$ 5,407	$ 5,635	$ 4,388	$ 4,440	$ 6,457	$ 5,793	$ 9,113
4	$ 5,743	$ 5,911	$ 4,208	$ 4,264	$ 4,541	$ 5,840	$ 7,453
5	$ 5,459	$ 5,278	$ 4,929	$ 4,210	$ 6,235	$ 6,508	$ 10,793
6	$ 5,548	$ 6,101	$ 4,937	$ 5,036	$ 7,310	$ 6,343	$ 8,811
7	$ 5,701	$ 5,866	$ 5,622	$ 5,048	$ 5,517	$ 6,687	$ 8,677
8	$ 5,490	$ 5,025	$ 5,225	$ 4,985	$ 7,868	$ 6,885	$ 10,632
9	$ 5,067	$ 5,533	$ 4,683	$ 4,744	$ 6,896	$ 6,609	$ 7,453
10	$ 4,863	$ 4,963	$ 4,659	$ 4,991	$ 6,732	$ 6,466	$ 7,453
11	$ 4,989	$ 4,000	$ 3,816	$ 4,256	$ 8,565	$ 6,156	$ 7,453
12	$ 4,863	$ 4,000	$ 3,816	$ 4,054	$ 4,541	$ 5,316	$ 7,453
13	$ 4,863	$ 4,000	$ 3,816	$ 4,054	$ 4,541	$ 5,316	$ 7,453

COSTS

	MondayLAUNCESTON	MondayHobart	TuesdayLaunceston	TuesdayHobart	ThursdayLaunceston	ThursdayHobart	FridayHobart
1	$4,857.83	$4,263.46	$4,216.77	$4,480.41	$5,042.14	$5,291.97	$4,145.21
2	$4,857.83	$4,263.46	$4,216.77	$4,480.41	$5,042.14	$5,291.97	$4,145.21
3	$4,857.83	$4,263.46	$4,216.77	$4,480.41	$5,042.14	$5,291.97	$4,145.21
4	$4,857.83	$4,263.46	$4,216.77	$4,480.41	$5,042.14	$5,291.97	$4,145.21
5	$4,857.83	$4,263.46	$4,216.77	$4,480.41	$5,042.14	$5,291.97	$4,145.21
6	$4,857.83	$4,263.46	$4,216.77	$4,480.41	$5,042.14	$5,291.97	$4,145.21
7	$4,857.83	$4,263.46	$4,216.77	$4,480.41	$5,042.14	$5,291.97	$4,145.21
8	$4,857.83	$4,263.46	$4,216.77	$4,480.41	$5,042.14	$5,291.97	$4,145.21
9	$4,857.83	$4,263.46	$4,216.77	$4,480.41	$5,042.14	$5,291.97	$4,145.21
10	$4,857.83	$4,263.46	$4,216.77	$4,480.41	$5,042.14	$5,291.97	$4,145.21
11	$4,857.83	$4,263.46	$4,216.77	$4,480.41	$5,042.14	$5,291.97	$4,145.21
12	$4,857.83	$4,263.46	$4,216.77	$4,480.41	$5,042.14	$5,291.97	$4,145.21
13	$4,857.83	$4,263.46	$4,216.77	$4,480.41	$5,042.14	$5,291.97	$4,145.21

P&L Per Race

	MondayLAUNCESTON	MondayHobart	TuesdayLaunceston	TuesdayHobart	ThursdayLaunceston	ThursdayHobart	FridayHobart
1	$648.11	$912.86	($393.71)	($426.71)	$6.18	$23.67	$3,435.81
2	$590.19	$989.54	($224.29)	($300.40)	$661.75	$886.70	$5,750.77
3	$549.34	$1,371.35	$171.47	($40.06)	$1,415.32	$501.16	$4,967.49
4	$885.11	$1,647.40	($8.72)	($216.82)	($500.89)	$547.80	$3,308.07
5	$601.26	$1,014.95	$712.08	($270.32)	$1,193.14	$1,216.15	$6,647.82
6	$690.61	$1,837.57	$720.03	$555.38	$2,268.25	$1,051.47	$4,665.41
7	$843.24	$1,602.12	$1,405.23	$567.78	$474.84	$1,395.19	$4,531.38
8	$632.64	$761.34	$1,008.60	$504.66	$2,826.21	$1,592.64	$6,486.36
9	$209.63	$1,269.27	$466.22	$263.94	$1,854.18	$1,316.56	$3,308.07
10	$5.57	$699.35	$442.27	$511.07	$1,689.99	$1,173.98	$3,308.07
11	$130.85	($263.91)	($401.04)	($224.69)	$3,522.69	$864.44	$3,308.07
12	$5.57	($263.91)	($401.04)	($426.71)	($500.89)	$23.67	$3,308.07
13	$5.57	($263.91)	($401.04)	($426.71)	($500.89)	$23.67	$3,308.07

P&L Per Race Day

	MondayLAUNCESTON	MondayHobart	TuesdayLaunceston	TuesdayHobart	ThursdayLaunceston	ThursdayHobart	FridayHobart
1	$648.11	$912.86	($393.71)	($426.71)	$6.18	$23.67	$3,435.81
2	$1,238.29	$1,902.40	($618.00)	($727.11)	$667.92	$910.37	$9,186.57
3	$1,787.64	$3,273.76	($446.52)	($767.17)	$2,083.24	$1,411.53	$14,154.06
4	$2,672.75	$4,921.15	($455.24)	($983.99)	$1,582.35	$1,959.33	$17,462.13
5	$3,274.00	$5,936.10	$256.84	($1,254.31)	$2,775.49	$3,175.48	$24,109.95
6	$3,964.61	$7,773.67	$976.87	($698.93)	$5,043.73	$4,226.95	$28,775.36
7	$4,807.86	$9,375.79	$2,382.10	($131.16)	$5,518.57	$5,622.14	$33,306.74
8	$5,440.49	$10,137.13	$3,390.70	$373.51	$8,344.78	$7,214.78	$39,793.10
9	$5,650.12	$11,406.40	$3,856.92	$637.45	$10,198.97	$8,531.34	$43,101.17
10	$5,655.69	$12,105.76	$4,299.19	$1,148.52	$11,888.96	$9,705.31	$46,409.24
11	$5,786.55	$11,841.85	$3,898.15	$923.83	$15,411.65	$10,569.75	$49,717.31
12	$5,792.12	$11,577.94	$3,497.11	$497.12	$14,910.76	$10,593.42	$53,025.38
13	$5,797.69	$11,314.03	$3,096.08	$70.42	$14,409.87	$10,617.09	$56,333.45

SCHEDULE B
PROJECTED TASRACING PROFIT & LOSS STATEMENT
FY30 & FY31*

	FY30 Forecast $Million	FY31 Forecast $Million
Revenue and Other Income		
Racefield Fees	16.30	17.03
POCT Funding	8.32	8.48
Other Income	5.16	5.26
Government grant	42.10	42.55
Interest Revenue	1.28	1.35
Impairment	-	-
TOTAL Revenue and Other Income	**$73.16**	**$74.67**
Prizemoney and Industry Funding	34.57	35.60
Raceday and racing expenses	10.70	10.91
Integrity Operations	0.93	0.95
Depreciation and Amortisation Expense	5.77	5.78
Sales and Marketing	1.61	1.64
Employee benefits expense	15.24	15.54
Finance and leasing costs	0.05	0.05
Other expenses	3.86	3.94
Total Expenses	**$72.72**	**$74.40**
Profit/(Loss) before tax	**$0.44**	**$0.27**
Income tax expense	(0.13)	(0.08)
Other comprehensive income	-	0.00
Total Comprehensive Profit for the Year	**$0.31**	**$0.19**

*P&L Statement based upon ongoing Tasmanian Government Investment at proposed Levels in Section B6.

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