



SIZE AND SCOPE OF THE

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Tasmanian Racing Industry

Executive Summary



Purpose of the Study

The specific purpose of this study is to determine the following outcomes:

- + The number of jobs and level of full-time equivalent employment generated by racing industry activities in Tasmania
- + The number of participants in racing industry related pursuits, both professional and non-professional
- + The economic value of the racing industry in Tasmania, including an assessment of the impacts within the Hobart, Launceston & regional Tasmania
- + The level of investment and activity generated by the breeding and training sectors in each code
- + The impact of the racing industry in the context of the Australian and New Zealand Standard Industry Classifications (ANZSIC) framework

Key Findings

The racing industry in Tasmania generates recurrent expenditure of more than \$103.4 million annually. Owners, trainers and breeders are responsible for more than 52% of this expenditure through their breeding and training activities.

Regional Tasmania is responsible for generating more than \$31.5 million in value-added contribution to Gross State Product. This equates to 30.5% of the total impact generated by the Tasmanian racing industry.

Participants provide the investment, time, skills and passion that underpins the racing industry. In total, there are 5,571 individuals who are employed or are direct participants in the Tasmanian racing industry. More than 47% of these participants (2,647) are in Regional Tasmania.

The economic output generated by the racing industry in Tasmania is responsible for sustaining just under 1,000 full time equivalent jobs in the State. Racing in regional Tasmania supports 313 of these jobs.

Economic Impact

	Thoroughbred	Harness	Greyhound	Total
Economic value of racing [*]	\$53.4 mil	\$34.2 mil	\$15.6 mil	\$103.1 mil
Total FTE employment ^{**}	514	331	153	998
Total household income ^{***}	\$26.7 mil	\$16.9 mil	\$7.9 mil	\$51.5 mil

^{*} Some totals may not add due to rounding

^{*} Calculated using value added multipliers. Value added is equal to the wages, salaries and profits generated by the industry. The calculation of 'economic value of racing' includes the direct & flow-on impacts generated by the racing industry's expenditure.

^{**} The calculation of 'total full-time equivalent' (FTE) employment includes the direct & flow-on employment impacts sustained by the economic activity generated by the racing industry.

^{***} 'Total household income' relates to the value of wages & salaries paid to those whose employment is directly or indirectly sustained by the racing industry's activities.



- + The Tasmanian racing industry contributes **more than \$103.1 Million in real gross value added** to the Tasmanian economy
- + The racing industry is directly responsible for sustaining **just under 1,000 full time equivalent (FTE) jobs** in the Tasmanian economy

Regional Tasmania	Economic Value	FTE Jobs
Thoroughbred	\$16.4 mil	163
Harness	\$11.5 mil	114
Greyhound	\$3.6 mil	36
Total	\$31.5 mil	313

Launceston	Economic Value	FTE Jobs
Thoroughbred	\$14.4 mil	136
Harness	\$7.1 mil	68
Greyhound	\$4.3 mil	42
Total	\$25.8 mil	246

Hobart	Economic Value	FTE Jobs
Thoroughbred	\$22.6 mil	215
Harness	\$15.6 mil	149
Greyhound	\$7.6 mil	75
Total	\$45.9 mil	439



- + **5,571 individuals are employed or are direct participants in the racing industry.**

This equates to nearly **one in every seventy-three adult residents in Tasmania being involved in racing** as an owner, participant, volunteer, direct employee or horse/ greyhound service provider.

- + Breeders & trainers directly employ more than 940 individuals to assist in various roles including administration, track riding, stable and kennel duties
- + There are 2,647 people who participate in the racing industry in regional Tasmania – approximately 1 in every 65 adults living in the region

JOBS & PARTICIPANTS

	Thoroughbred	Harness	Greyhound	Total
Employed directly by racing				
Employed by racing clubs	693	117	76	886
Employed by participants	598	370	59	1,027
Non-code specific employment				229
Total employed directly by racing	1,291	487	135	2,142
Participants in Racing				
Racing club volunteers	31	125	52	208
Owners and syndicate members	1,210	887	244	2,341
Breeders	202	173	101	476
Trainers	96	212	96	404
Total participants in racing	1,539	1,397	493	3,429
Total employment & participation in racing	2,830	1,884	628	5,571



- + There are **more than 2,620 racing animals** in training in Tasmania. More than 57% are in regional Tasmania
- + There are more than 400 trainers who prepare **more than 1,000 thoroughbreds, 790 standardbreds and 800 greyhounds for racing**. Just over 57% of this activity is in regional Tasmania
- + Breeders invest **more than \$13 million in the production of racehorses and greyhounds** for racing. More than 60% of this investment is made in regional areas of the State
- + Owners invest **more than \$40 million in the preparation of racehorses and greyhounds** for racing. More than 55% of this investment is made in regional areas of the State

HORSES & GREYHOUNDS IN TRAINING

	Thoroughbred	Harness	Greyhound	Total
Hobart	314	263	366	943
Launceston	10	56	117	183
Regional Tasmania	712	474	316	1,502
Horses & greyhounds in training	1,036	793	799	2,628

NUMBER OF LIVE FOALS & PUPS

	Thoroughbred	Harness	Greyhound	Total
Hobart	33	47	173	253
Launceston	93	26	28	147
Regional Tasmania	158	158	305	621
Live foals & pups	284	231	506	1,021



- + One in ten Tasmanian residents have attended **at least one thoroughbred, harness or greyhound race meeting** according to the ABS sporting attendance survey
- + Race meetings in Tasmania attract **attendances from more than 119,000 people per annum**. More than 42% of these attendances are at race meetings in Launceston
- + Racing patrons and customers spend more than \$10.5 Million in relation to their involvement in racing. **35% of the raceday related spending by racing patrons occurs off-course**. Retail, fashion & accommodation are particular beneficiaries of this spending

TOTAL ATTENDANCES

	Thoroughbred	Harness	Greyhound	Total
Hobart	15,400	14,200	11,100	40,700
Launceston	31,000	10,000	8,800	49,800
Regional Tasmania	10,400	11,500	6,800	28,700
Attendances	56,800	35,700	26,700	119,200

TOTAL RACE MEETINGS

	Thoroughbred	Harness	Greyhound	Total
Hobart	24	34	56	114
Launceston	26	29	54	109
Regional Tasmania	27	28	48	103
Race Meetings	77	91	158	326



- + Fifteen racing clubs in Tasmania **host 326 race meetings** throughout the year
- + Across the fifteen racing clubs in Tasmania, there are **more than 800 full-time, part-time, casual and contractor employees** involved in the operation of racing at a club level – many of which are employed during major racing carnivals

476 Breeders

15 Racing clubs

1,021 Foals & pups

326 Race meetings

2,341 Owners & syndicate members

3,046 Races

404 Trainers

2,100 Racing club members

2,628 Horses & greyhounds in training

119,200 Attendances

About IER

IER is a leading strategic consulting business specialising in the tourism, events and entertainment industries and is the author of this report. For over twenty years, IER has provided economic impact evaluations for both private and Government level clients. In particular, IER has specialised in the horse and greyhound racing industries in Australia and New Zealand over this time.

This study is a summary of the report into the Size and Scope of the Tasmanian Racing Industry published in November 2013.

About Tasracing & Racing Services Tasmania

Tasracing is the peak industry body governing the three codes of racing (thoroughbred, harness and greyhound) in Tasmania. It is the corporate entity which governs the racing industry in Tasmania, providing the strategic direction and funding required to produce quality racing product. Tasracing is responsible for the following roles:-

- + development of racing and breeding,
- + the funding of clubs (including the provision of stakes)
- + media rights
- + management of the racing venues
- + thoroughbred handicapping
- + race programming
- + industry training
- + making rules and policies for governing the racing industry

Racing Services Tasmania (RST) is a division of the Department of Infrastructure Energy and Resources (DIER) and is the peak racing integrity body for the three codes of racing (thoroughbred, harness and greyhound) in Tasmania. RST is responsible for the following roles:-

- + provision of integrity services
- + participant licensing and animal registration
- + harness handicapping and greyhound grading
- + registrations of racing clubs and bookmakers.

Tasracing and DIER have jointly commissioned a study into the size and scope of the racing industry in Tasmania. This study aims to provide a robust and definitive estimate of the economic contribution that racing generates for the State.

Study Methodology

In assessing the size and scope of the industry, the study will take into account a number of the traditional measures adopted by the racing industry such as foal and pup production, attendances, horse and greyhound training activities and wagering activities. For the purpose of this study, thoroughbred, harness and greyhound racing in Tasmania is defined as covering the full spectrum of activities associated with the conduct of the racing industry within these codes. This study does not include other 'horse/greyhound related industries' outside of the racing industry such as equestrian horses and hobby horses.

It is important to note that this study is based on the 2011/12 racing season. During that time, the sale of the previously Government owned totalisator was completed, with Tattersalls becoming the new owner in March 2012. As such, this study is based on the premise that there is no organic nexus between the racing and wagering businesses in Tasmania (except for the funding that the industry receives from the Government). As such, this study does not include net wagering revenues from racing that are retained by the totalisator operator.

The effect of this is that this study is very different from previous studies conducted for the racing industries both in Tasmania and in other parts of the nation, where wagering revenues have been included in their totality. Furthermore, this study will be fundamentally different to any previous studies of the Tasmanian racing industry where State owned or run wagering operations were in existence.

