

# Size & Scope of the Harness Racing Industry in Australia







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## IER Pty Ltd

IER is a leading strategic consulting business specialising in the tourism, events and entertainment industries and the author of this report. For over twenty years, IER has undertaken a considerable amount of economic impact evaluation 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 constitutes an economic impact evaluation of the Harness Racing Industry in Australia. An understanding of the intricate and sometimes complex flow of money in the racing industry underpins this assessment.

IER has prepared similar studies in a number of jurisdictions, with some specific examples being:-

- Size and Scope of the Victorian Racing Industry, 2005
- Economic Impact of Australian Racing, 2001 & 2007
- Size and Scope of Thoroughbred Racing in the NT, 2008 & 2012
- Size and Scope of Thoroughbred and Standardbred Racing Industries in British Columbia, 2008
- Size and Scope of Racing in Queensland, 2009
- Size and Scope of the New Zealand Racing Industry, 2005 & 2010
- Size and Scope of the Western Australian Racing Industry, 2006 & 2011

In addition to the work conducted in regards to economic impact assessments, IER have extensive experience in the horse and greyhound racing industries in the areas of stakeholder research, customer research, strategic planning and participant research.

## Associate Professor Barry Burgan

Barry Burgan (B Ec (Hons), FINSIA (Fellow) is a director of Economic Research Consultants Pty Ltd. He has extensive experience in the area of economic and financial assessment and policy advice. He has a background in the public and private sectors, and in academia, and projects in the area of application of economic policy, including in the area of economic modelling, (trained and experienced in the use of both CGE and I/O models) regional development and cost/benefit analysis. He has undertaken a number of these studies and projects with the Sustainable Tourism Cooperative Research Centre.

Barry has undertaken a significant range of studies of special events, with some specific examples including analysis of:

- The Economic Impact of the 2010 Melbourne Fringe Festival, For the Melbourne Fringe, 2011 (with Econsearch)
- Impact of regional Festivals in Victoria (1999) – for Arts Victoria, with Pricewaterhouse Coopers, and development of an excel modelling framework
- Analysis of economic impact (CGE modelling exercise) of 2006 Commonwealth Games on the Victorian economy (with KPMG, 2005)
- Pre event evaluation of impacts of the Sydney Olympic Games on NSW – with KPMG

Specific studies on the horse and racing industry Barry has been involved in include:

- Study of Taxation Revenue Arising from Horse Racing Industry and Gambling in South Australia – for Thoroughbreds SA (2006)
- Economic Evaluation of State Horse Centre – for Horse SA, 2007/08
- Size and Scope of the Western Australian Racing Industry - for RWWA, 2010-11



# Key Findings - National Impacts

## AT A GLANCE - RACING

117	Racing Clubs (Metro - 6 Regional - 111)
1,928	Race Meetings (Metro - 619 Regional - 1,309)
15,230	Races (Metro - 5,053 Regional - 10,177)
14,475	Racing Club Members (Metro - 3,528 Regional - 10,947)
143,376	Race Starts (Metro - 50,044 Regional - 93,332)
1,024,194	Attendances (Metro - 485,501 Regional - 538,693)
4,462	Foals Produced (Metro - 1,368 Regional - 3,094)
12,331	Horses in Training (Metro - 4,075 Regional - 8,256)

MORE THAN 19,000 PEOPLE RELY ON RACING, IN PART OR TOTALITY, FOR THEIR LIVELIHOOD

MORE THAN 48,400 PEOPLE PARTICIPATE IN THE HARNESS RACING INDUSTRY IN AUSTRALIA - APPROXIMATELY 1 IN EVERY 368 ADULT RESIDENTS

Participant Type (Number of)	Metro	Non Metro	Total
Breeders	1,983	3,571	5,554
Breeders Staff	1,849	3,079	4,929
Owners & Syndicate Owners	10,390	13,755	24,145
Trainers (All Classes)	731	1,653	2,384
Trainer/Driver	710	1,639	2,349
Registered Drivers	312	872	1,184
Stable Staff	836	1,697	2,533
<b>Participants in Producing Standardbreds</b>	<b>16,811</b>	<b>26,267</b>	<b>43,077</b>
Full Time Club Staff	56	68	124
Part Time Club Staff	24	116	140
Casual/Contractor Club Staff	752	981	1,733
Club Volunteer	90	1,868	1,958
Barrier/Stable Attendants & Track Maintenance	27	478	514
Stewards	46	10	56
Farriers	30	151	181
Industry Vets	123	354	477
<b>Participants in Producing the Racing Product</b>	<b>1,148</b>	<b>4,035</b>	<b>5,183</b>
Industry Administration Staff	170	0	170
<b>Total Participants in the Racing Industry</b>	<b>18,129</b>	<b>30,301</b>	<b>48,431</b>



# Key Findings - National Impacts

More than 48,400 individuals are involved in the process of producing and preparing standardbreds for racing in Australia. The 24,000 owners of standardbred racehorses provide significant capital investment into the industry. They do this by investing in the goods produced by the breeding sector (foals) and employing trainers to prepare them for racing.

In total, more than \$113 million is spent on producing standardbred racehorses. This expenditure occurs before the horse even makes it to the training paddock. Victoria is the largest generator of expenditure within this sector of the industry (47.6%) followed by NSW (22.0%).

Once the racehorse makes it to the training and racing stage of its life, the industry (through owners and trainers) generates a further \$398 million in expenditure. Therefore, the process of producing and preparing standardbred racehorses to compete in the industry is worth more than half a billion in direct expenditure alone.

MORE THAN \$511 MILLION IS SPENT ON PRODUCING AND PREPARING THE RACING STOCK FOR THE INDUSTRY - 64% OF WHICH IS IN REGIONAL AREAS

## AT A GLANCE - PARTICIPANTS

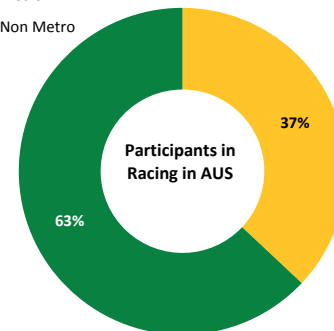
5,554 Number of Breeders

24,145 Number of Owners

4,733 Number of Trainers

1,184 Number of Drivers

■ Metro  
■ Non Metro



# Key Findings - National Impacts

## AT A GLANCE - SOCIAL

Harness Racing in Australia is not only a sport, leisure and entertainment pursuit, it also plays an important role in the environmental and social dimensions of the communities in which it is represented.

In addition to the entertainment & participation opportunities provided, the industry also generates community and social benefits, particularly in the areas of Community Building, Education & Training, Health, Leisure and Environment.

The survey results highlighted the following positive initiatives highlighted by Clubs:

### **COMMUNITY BUILDING**

- Over 326 community organisations or charities are assisted financially by racing clubs whilst over 460 community organisations share racing club facilities and resources
- Racing clubs currently engage close to 1,960 volunteers who participate in the clubs
- More than 14,475 Members belong to their Racing Club communities

### **SUPPORTING FAMILY RELATIONSHIPS**

- Over 93% of Clubs offer attractions or services available that support attendance by children

- Over 50% percent of clubs offer special discounts for family group attendance, with most clubs offering free entry for children

### **PROVIDING LEISURE OPPORTUNITIES**

- Just over 85% of Harness Racing Clubs across Australia have engaged with community organisations to share their facilities and resources

### **HISTORY & HERITAGE**

- More than 75% of Harness Racing Clubs throughout Australia actively promote the history and heritage elements of their Club

### **EDUCATION & TRAINING**

- On average, each Club has three members of staff participating in further education, career development & training programs each year
- 28% of Clubs have partnerships with primary, secondary, trade and tertiary institutions
- A quarter of clubs (27.6%) have placements available for work experience students at their racing clubs

### **PROMOTING HEALTH ON-TRACK**

- Over 75% of Race Clubs provide healthy choice options for both racing participants and customers

- Over 93% of Clubs have policies and practices in place to encourage responsible consumption of alcohol

### **ENVIRONMENTAL AWARENESS**

- Over 60% of Clubs have policies in place to save water and re-use or re-circulate water
- A third of Clubs have policies in place to save power through the introduction of solar energy
- More than one in four Clubs (28%) have policies and programs to develop native flora and fauna. A number of Clubs have developed wetlands areas and regeneration of natural vegetation to allow native flora & fauna to grow

### **ANIMAL WELFARE**

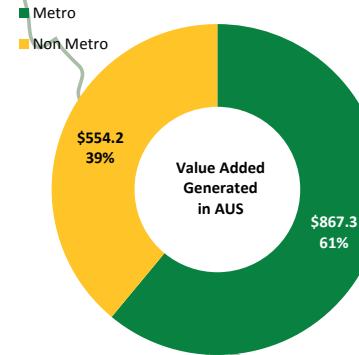
- The welfare of the racing animal is paramount to the success of the industry. To that end Harness Racing Australia and the State Controlling Bodies have programs in place to promote the use of retired Standardbreds in recreational, performance and other activities. Retired Standardbreds are now working in roles as diverse as policing to companion animals and from high level dressage to Riding for the Disabled. The welfare of the Standardbred will continue to be a high level priority.



# Key Findings - National Impacts

## AT A GLANCE - ECONOMIC

<b>\$113m</b>	Spent on the Production of Racehorses
<b>\$398m</b>	Spent on the Preparation of Racehorses
<b>\$963m</b>	Direct Expenditure <sup>1</sup> Generated
<b>\$1,421m</b>	Value Added <sup>2</sup> Generated
<b>13,067</b>	Full Time Equivalent Employment



The Harness Racing Industry in Australia contributes more than \$1,421 million in value added to Gross National Product.

The economic output generated by the Harness Racing Industry in Australia is responsible for sustaining 13,067 full time equivalent jobs in the Nation.

The direct value added generated by the Harness Racing Industry in Australia equates to 0.04% of the

total economic output generated in the Nation.

Harness Racing in Australia contributes most significantly to the following sectors:-

- Arts & Recreational Services - 0.65%
- Agriculture, Forestry & Fishing - 0.22%
- Health Care & Social Assistance - 0.12%



<sup>1</sup> Direct expenditure is defined as expenditure associated with producing standardbreds (breeding & rearing), preparing standardbreds (training), net wagering revenue, on course customer expenditure and off course customer expenditure

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

## Background

IER has been commissioned by Harness Racing Australia to provide an assessment of the economic and social importance of the harness racing industry in Australia.

This study extends previous studies relating to Harness Racing in Victoria, South Australia, Queensland and Western Australia.

## Definition of the Australian Harness Racing Industry

The Australian Harness Racing Industry is defined as covering the full spectrum of activities associated with harness racing in each of the jurisdictions in which it operates. Within Australia, this includes all States and Territories except for the Northern Territory.

The term 'industry' covers all areas relating to the training, management and preparation of horses, the operation of racing clubs and of the race meetings that they hold, including the entertainment of patrons and the provision of wagering facilities. The racing industry, for the purposes of this study, also includes the breeding industry.

This study does not include 'horse related industries' outside of the racing industry. As such, any prior studies that included these external industries (equestrian, hobby horses etc.) do not fall within the definition of the 'racing industry' for the purposes of this report.

## Study Methodology

This study measures the economic activity generated by the Harness Racing Industry nationally and on a State by State basis. In considering the expenditure impact of the racing industry, it is important to consider the complex internal flows of money that exist between different sectors.

Duplicate expenditures have been identified within this monetary framework and excluded from the total expenditure calculations. In this regard, the key is to identify the final expenditures - ensuring not to count the same expenditures as they flow between internal racing industry transactions.

Expenditure impacts generated by the racing industry, typically originate from the following sectors:-

- **Participants** - This comprises those who are responsible for the production of standardbreds, particularly trainers, breeders and owners. As mentioned earlier, care must be taken to extricate duplicate flows from these sectors to ensure that impacts are not double counted.
- **Consumers** - Through the consumption of the racing product as either an entertainment experience or as a betting industry, consumers generate significant levels of expenditure.

The study also excludes major capital expenditure items that have been incurred during the assessment period. **As this study is designed to illustrate the 'annual impact' of the industry, major capital investment cannot be included.**

The data used within this report has been gathered from the following sources:-

- Racegoer surveys conducted at Interdominion race meetings over the last four years
- Data supplied by key racing industry stakeholders and entities including; Harness Racing Australia, each of the peak bodies in each State, racing clubs and industry participants

## Definition of the Regions

Throughout the report, data has been presented at the State level. The State level analysis is based on the separation of metropolitan and regional impacts.

The separation of metropolitan and regional impacts has been based on postcode analysis.

Separate reports, outlining key outputs on a State and LGA basis, have been provided as a supplement to this study.

## Economic Methodology

The economic methodology used within this study follows three key steps:-

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



2. **Categorisation of industry expenditure into ANZSIC classifications** - The 'racing industry' does not exist within the Australian and New Zealand Standard Industry Classification (ANZSIC) structure. For modelling purposes, it is necessary to allocate direct expenditures to the appropriate industry group. The majority of expenditures are classified within their relevant ANZSIC codes.

However, the majority of expenditures are classified within ANZSIC code related to the Arts & Recreation Services (which contains various aspects of the administration of the racing industry.)

3. **Economic modelling** - IER has used an input-output model in order to determine the economic impacts of the Harness Racing Industry within the State and National economies.

## Limitations of this study

The assessment of industry wide impacts brings with it inherent challenges. These are outlined below:-

- The breeding industry is extremely complex and contains a number of different businesses and finance models. IER has consulted industry experts and completed its own primary level research in order to best represent this vital sector. Despite this, the analysis within this report is still largely at an aggregate level. This is because of the inherently difficult nature of extracting financial data from:-

- a) a representative of the wide cross-section of businesses and individuals and,
- b) essentially private individuals and organisations are under no obligation to provide information.

IER believes however that the analysis of the breeding industry within this report is extremely comprehensive. In conducting detailed interviews with a cross section of breeders, some mathematical estimations can be determined on the 'typical' per horse costs associated with different horses and different stages of the breeding process.

Whilst standardbred yearling sales provide one option for the collection of data relating to breeding activities, the amount of available information about private sales transactions is limited. Therefore, rather than focusing on the financial impacts of sales transactions, this report focuses on the expenditure of breeders in producing this animal inventory. Assuming that the majority of breeders operate at a profitable/breakeven level, this may actually understate the economic impacts contained within this report.

- Any comparisons of the Harness Racing Industry with ANZSIC sectors is made for indicative purposes only, as racing does not constitute a mutually exclusive sector within the ANZSIC framework.

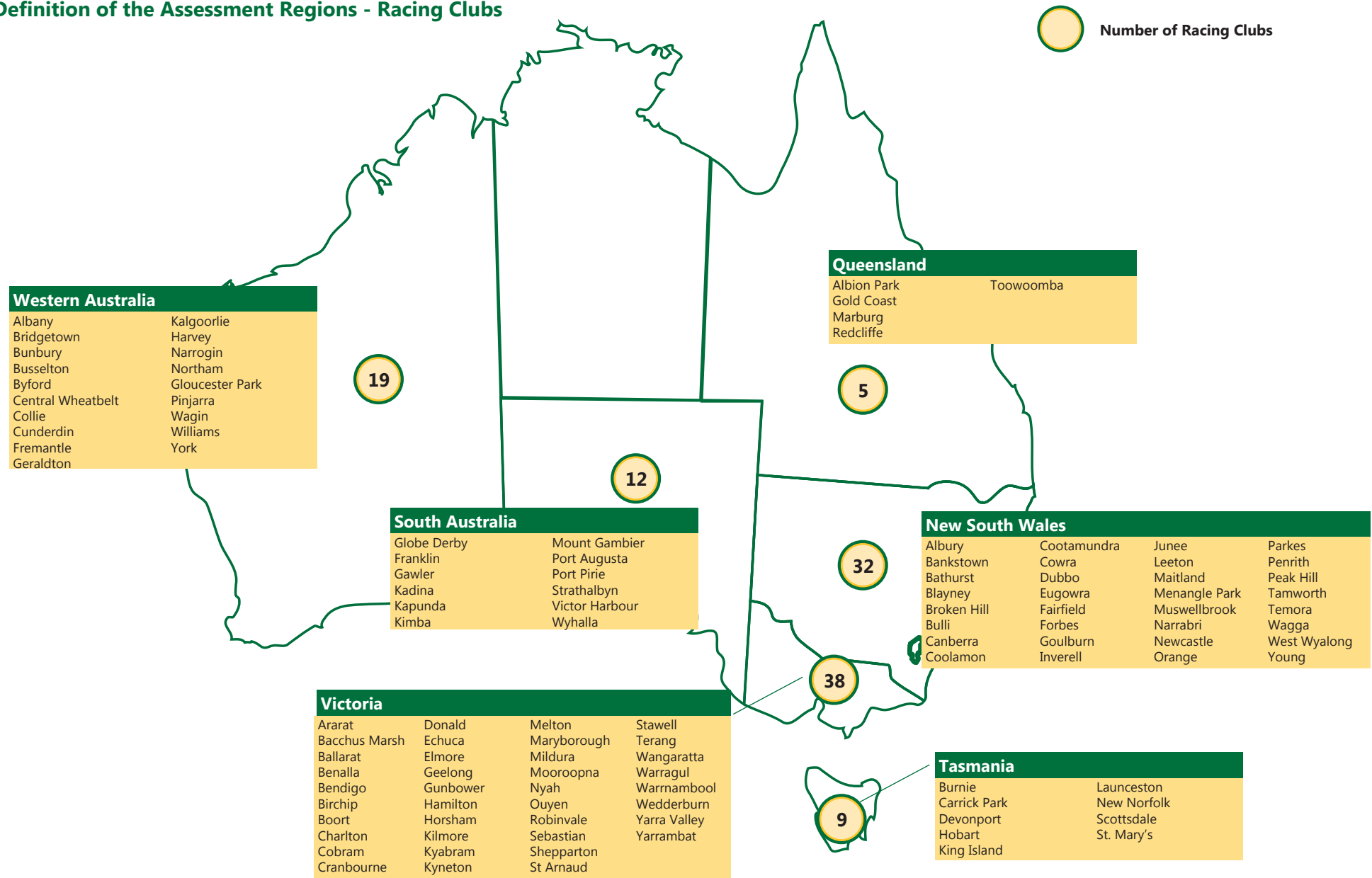
## Disclaimer

IER has prepared this report for Harness Racing Australia (and by extension for the peak harness racing bodies in each State), for their sole use and within the scope of work set out in the project terms of reference. Much of the data provided by the industry, in particular the Racing Clubs, has been accepted without audit and in good faith.

We do not assume or accept or owe any responsibility or duty of care to any person other than Harness Racing Australia. We did not, and do not by consenting to publication of this report, assume or accept or owe any responsibility or duty of care to any other person.

# Introduction

## Definition of the Assessment Regions - Racing Clubs





# Introduction



# Economic Impacts



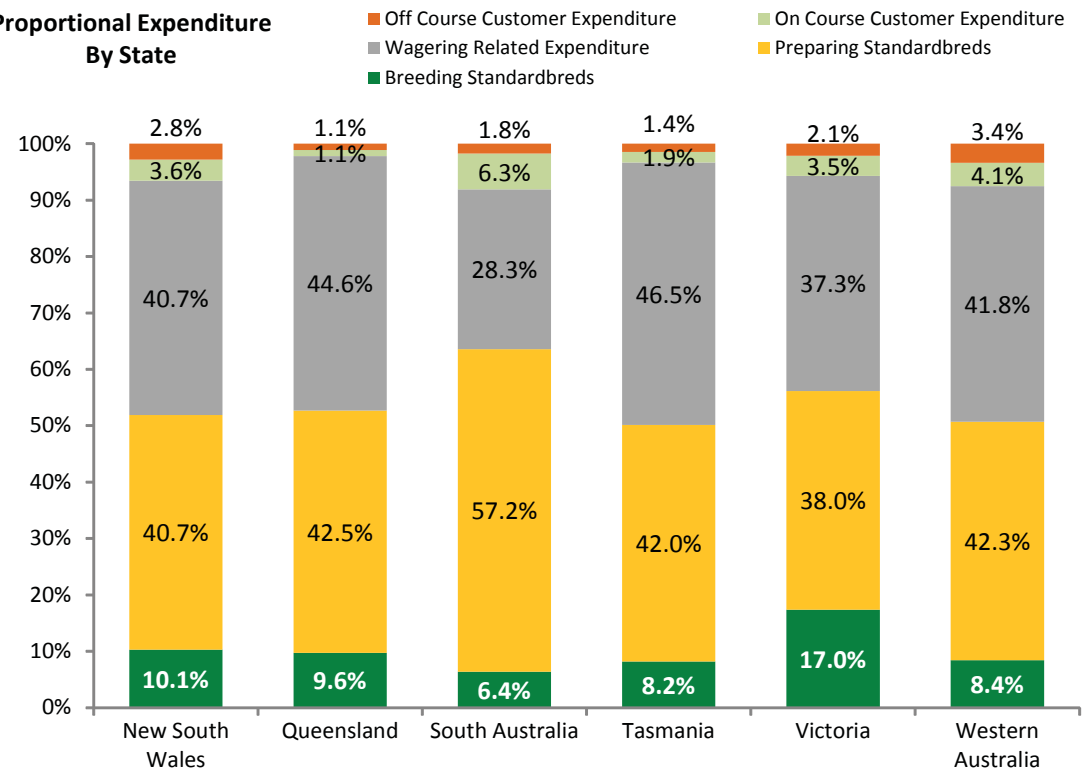
## Direct Spending

In 2010-11, the Australian Harness Racing Industry generated more than \$963.9 million in direct expenditure. Some of this spending occurs on consumption items within the racing industry and as such does not directly enter the value added calculation.

Nationally, the preparation (training) of standardbreds comprises more than 41.3% of this expenditure impact. New South Wales (\$121.9 mil) generates the largest amount of expenditure on the preparation of standardbreds for racing.

The expenditure impacts generated from wagering activities are also significant. Nationally, this comprises 41.2% of the total expenditure impact. Revenues generated from wagering are an important part of the funding of the racing industry. The chart below illustrates the proportional breakdown of direct expenditure within each State:-

**Proportional Expenditure By State**





Expenditure Area	New South Wales	Queensland	South Australia	Tasmania	Victoria	Western Australia	Total
Producing Standardbred (Breeding & Rearing)	\$30.26	\$10.99	\$3.71	\$4.08	\$54.06	\$10.52	\$113.62
Preparing Standardbreds (Training)	\$121.93	\$48.47	\$33.22	\$20.92	\$120.90	\$52.75	\$398.19
Wagering Related Expenditure	\$127.97	\$52.23	\$16.44	\$23.18	\$125.07	\$52.13	\$397.02
On Course Customer Expenditure	\$10.89	\$1.23	\$3.68	\$0.95	\$11.12	\$5.11	\$32.98
Off Course Customer Expenditure	\$8.27	\$1.24	\$1.02	\$0.72	\$6.68	\$4.24	\$22.17
<b>Total</b>	<b>\$299.32</b>	<b>\$114.16</b>	<b>\$58.07</b>	<b>\$49.85</b>	<b>\$317.83</b>	<b>\$124.75</b>	<b>\$963.98</b>
<b>Proportion of the Industry</b>	<b>31.1%</b>	<b>11.8%</b>	<b>6.0%</b>	<b>5.2%</b>	<b>33.0%</b>	<b>12.9%</b>	

## Contribution of Harness Racing by State

The total expenditures for each state are distributed to industry sectors based on the proportions of expenditure allocated to each ANZSIC sector in each State. The resultant value added, household income and employment outcomes are calculated by shocking the relevant state's input output table with the estimated component of final demand. It is assumed that GST revenue is directed back to the state in which the expenditure occurs – and is used to fund government administration, health and education expenditures.

The direct impacts that are calculated are the value added, household income and employment in the industries supplying the harness industry and the industry itself, calculated using the ratios of the various measures for the relevant ANZIC code as identified in the input output table. Value added can be considered as the contribution the industry has to Gross State Product (or Gross Domestic Product at the national level) – the core measure the State and National Treasuries use to measure the health of the economy.

The calculation of the induced effects – allocated to industries in which the impact occurs- is undertaken by running an impact assessment, and tracing the

whole of economy effect of the expenditure patterns linked to the racing industry.

The direct expenditure has been allocated to metropolitan and regional areas in each State. The level of economic activity will not proportionally follow the expenditure, as regional areas generally have higher import penetrations than metropolitan areas (i.e. a lot of the expenditure is on product imported from the metropolitan area). Therefore the study has adopted a tops-down distribution that recognises that where regional input output tables exist (eg South Australia and Victoria) direct industry ratios of value added, employment etc are generally similar between the state and sub-regional table, but regional induced impacts are on average of the order of 50% of the state induced impacts. This will vary from industry to industry sector, and from region to region, but this observation has been used as a basis for distributing the state level impacts to metropolitan versus regional outcomes. That is, the direct impacts have been distributed proportionally, while the induced impacts have been distributed with a 50% discount for the regional area of the State, and the balance is distributed to the metropolitan area.

## Adjustment of Expenditures

This aggregated data is converted from purchasers' prices to basic prices, as the raw data includes margins, taxes and subsidies. All monetary values in the national, and regional I-O models are expressed as basic values. The prime differences between purchaser prices and basic values are that:

- Basic values exclude the cost of transport and wholesale and retail trade embedded in the purchase price (and allocate these to the transport and trade sectors)
- GST will be allocated to Gross Operating Surplus

The core assumptions used to adjust from purchaser price distributions to basic values are:

- The average value added in each of the industry sectors is extracted and then the GST component (at 10% - which is only paid on the value added) is deducted and separately identified
- The purchaser price is adjusted for the average margin for wholesale, retail and transport sectors, as identified in the national input output tables.

# Economic Impacts

## Calculation of State and National Results

The top-line outcome of this study is to determine the estimated contribution of the Harness Racing Industry at the national level. This has been calculated by summing the total expenditure for each state and distributing it to industries on the weighted proportions of the allocations to each ANZSIC industry, and then tracing through the national input output table. There are a couple of key points that need to be made in this context:

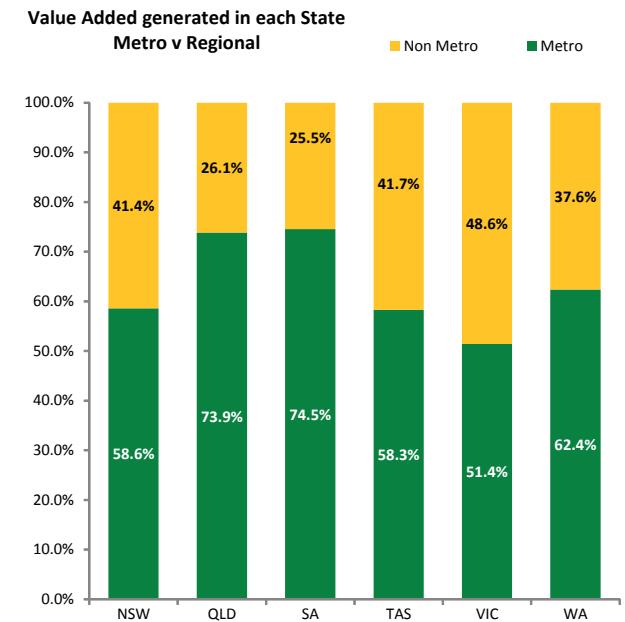
- The national total impact is greater than the sum of the total impact by state (while the initial impact is approximately equal). This is because the direct spend on harness racing activity that occurs in each state involves spending in services and products that – in order for them to be produced – buy products from other states. Therefore for example the Victorian economy receives an impact from the spend of the Harness Industry in NSW (and other states) because the suppliers to the Harness industry buy inputs from Victorian businesses. This additional impact on an individual state is not included in the calculations by state – as it is not something the state industry has any

control over. However it is implicitly included in the national estimates – as this across state spend is relevant at the national level. In effect – this explains why national multipliers are greater than state multipliers.

- As already noted, the calculation of the contribution in this way should not be taken as an indication of what would happen if the industry did not exist, or was expanded or contracted (proportionally). This is particularly true at the national level, and partially true at the state level. If the industry was to no longer exist – the resources being used by it would be allocated to other activities, and there would be downward pressure on wages and capital prices and as such other industries would expand. This would be more completely modelled by using a CGE model (see earlier discussion). However this study is about recognising the contribution of the sector at the current point of time, and so the application of multipliers in this way is appropriate.

The table below illustrates the value added generated by Harness Racing in each state based on State Controlled spending:-

The following chart illustrates the proportion of value added generated in metropolitan and regional areas in each State:-



Value Added Generated in each State by Harness Racing in Australia				
(\$ mil)	Direct Expenditure	Initial Value Added	Total Value Added	% of Total Value Added
New South Wales	\$299.3	\$156.6	\$410.6	33.2%
Queensland	\$114.2	\$59.8	\$143.5	11.6%
South Australia	\$58.0	\$30.5	\$70.3	5.7%
Tasmania	\$49.8	\$26.7	\$58.0	4.7%
Victoria	\$317.8	\$166.1	\$421.9	34.1%
Western Australia	\$124.8	\$61.9	\$133.5	10.8%



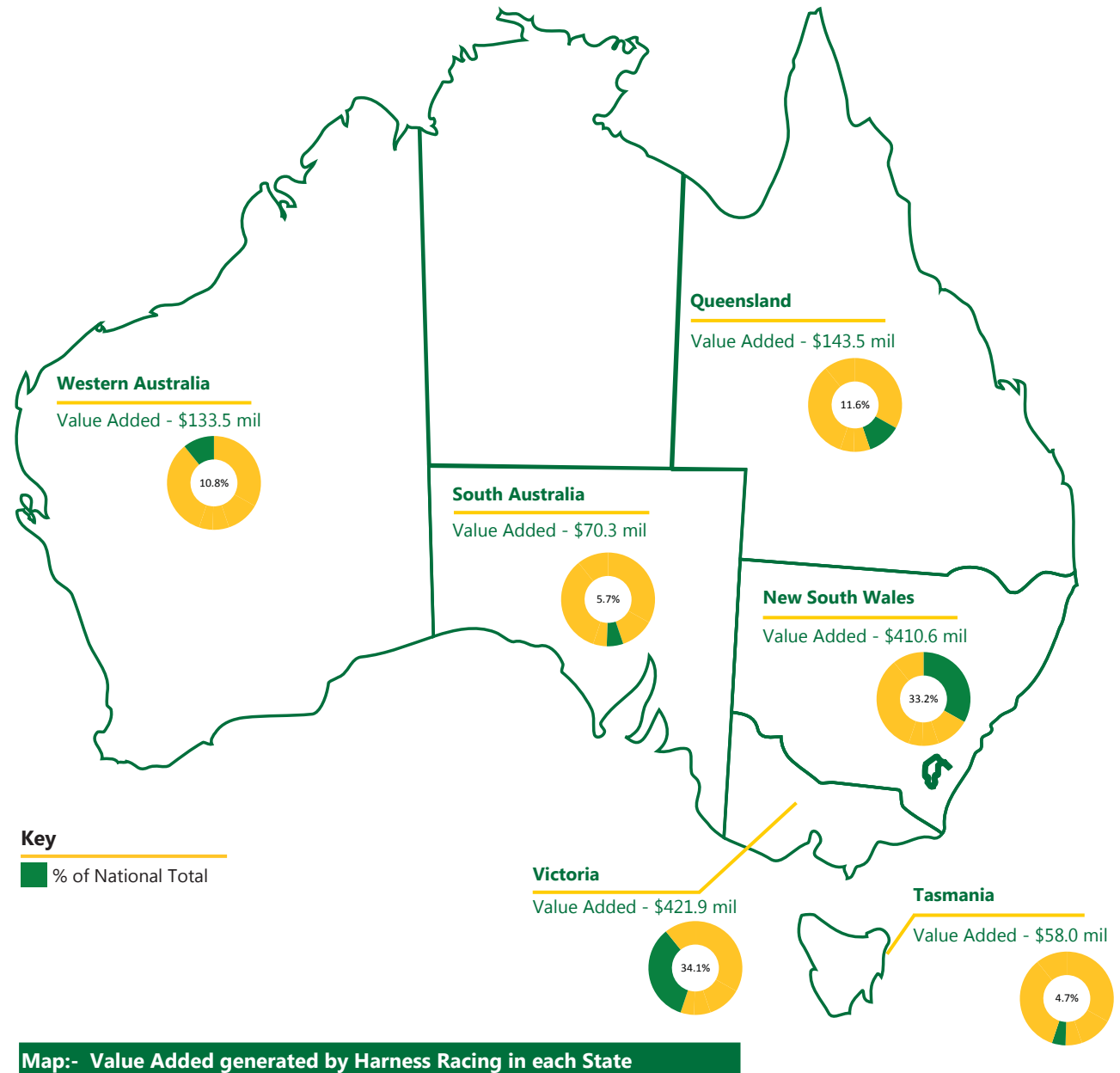
## Contribution to Gross National Product

Nationally, the Harness Racing Industry is responsible for generating \$1,421.5 million in value added contribution to GNP. This is the extent to which the Harness Racing Industry contributes to the National Economy.

The initial value added shows the direct impact on the economy generated by spending within the racing industry. The direct or initial impact of the racing industry amounts to \$501.65 Million. When the indirect impact of the racing industry is included, taking on the flow-on of economic impacts, the total contribution to Gross National Product rises to \$1,421.5 Million. The flow-on represents the impact that expenditure in the racing industry has in 'down-the-line' industries which indirectly benefit from the economic activity generated.

Real gross value added is the generally accepted measure of the value of production from economic activity. It is the sum of value added by all industries in a region (in this case, the entire nation). In any period of time, the value added in an industry is essentially, the value of sales less the value of inputs used in production. This means value added is equal to the income (wages, salaries and profits) generated in production.

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



# Economic Impacts

## National Outcomes

The total direct value added impact generated by the harness racing industry in Australia in 2010-11 equates to 0.04% of the Nation's total Gross Value Added (GVA). The racing industry has the most significant impact on the following industry sectors:-

- Arts & Recreation Services - 0.78%
- Agriculture, Forestry & Fishing - 0.24%
- Health Care & Social Assistance - 0.09%

The table opposite illustrates the impact that the Harness Racing industry has nationally within various ANZSIC sectors. When interpreting these results above, it is important to understand the following:-

- **'Arts & Recreation Services'** is the sector within which a number of key harness racing subsectors exist. These include:- wagering, administration of harness racing, administration and operation of harness racing tracks.
- **'Agriculture, Forestry & Fishing'** is the sector within which activities relating to the breeding sector (not including veterinary) are included.
- **'Health Care & Social Assistance'** is the sector within which veterinary services, major medical and feed supplements are contained.

ANZSIC Industry Classification	Harness Racing Direct VA (\$ mil)	% of Harness Racing Direct VA	Total Gross National Product	Harness Racing % of Gross National Product
Agriculture, Forestry & Fishing	\$86.10	17.2%	\$35,803	0.24%
Manufacturing	\$6.78	1.4%	\$107,965	0.01%
Electricity, Gas, Water & Waste	\$13.10	2.6%	\$30,786	0.04%
Construction	\$2.78	0.6%	\$99,553	0.00%
Wholesale Trade	\$16.31	3.3%	\$56,468	0.03%
Retail Trade	\$18.37	3.7%	\$60,841	0.03%
Accommodation & Food Services	\$19.36	3.9%	\$31,421	0.06%
Transport, Postal & Warehousing	\$24.04	4.8%	\$73,572	0.03%
Information Media & Telecommunications	\$21.26	4.3%	\$40,621	0.05%
Finance & Insurance Services	\$30.00	6.0%	\$137,187	0.02%
Property and Business Services	\$22.27	4.5%	\$148,326	0.02%
Public administration and safety	\$59.46	11.9%	\$68,008	0.09%
Education & Training	\$16.00	3.2%	\$61,069	0.03%
Health care and social assistance	\$71.17	14.3%	\$79,980	0.09%
Arts and recreation services	\$87.64	17.5%	\$11,253	0.78%
Other Services	\$4.78	1.0%	\$23,906	0.02%
<b>Total</b>	<b>\$501.60</b>		<b>\$1,189,678*</b>	<b>0.04%</b>

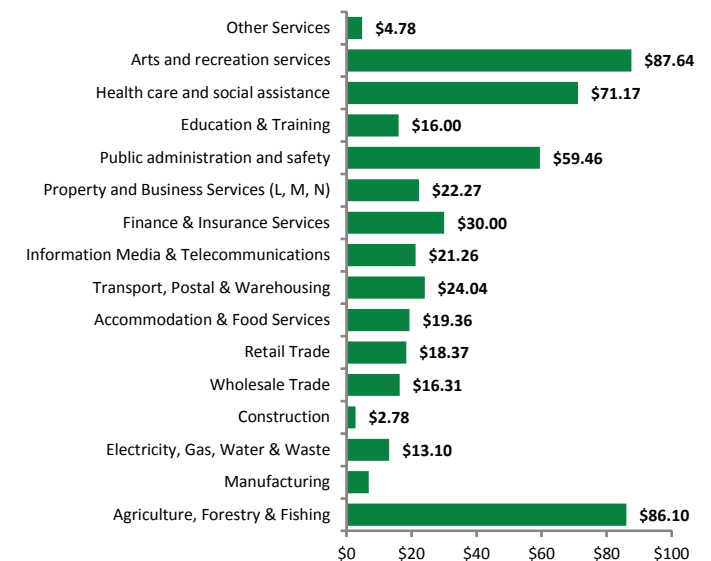
\*Total includes mining sector

## State Outcomes

The following table illustrates the contribution to Gross State Product made by the harness racing industry in each State:-

State	Harness Racing Direct VA (\$ mil)	% of GSP
New South Wales	\$156.6	0.04%
Queensland	\$59.8	0.03%
South Australia	\$30.5	0.04%
Tasmania	\$26.7	0.13%
Victoria	\$166.1	0.06%
Western Australia	\$61.9	0.03%
<b>National</b>	<b>\$501.60</b>	<b>0.04%</b>

Racing Industry Direct Value Added by Standard Industry Classifications (\$ mil)







# Employment & Participation

## Participants in the Racing Industry

The racing industry thrives on the strength of its participants. For many participants, the racing industry is their livelihood, their occupation. Breeders kickstart a chain of activity which leads to the production of a racing product that is consumed by audiences on most days of the year.

More than 48,400 people are directly involved in the Australian Harness Racing Industry in one way or another. These participants include paid employees, employers and volunteers.

Nearly 2,000 people provide voluntary time and assistance to harness racing clubs nationally. To these people, harness racing provides a community within which they feel welcomed and valuable.

The role that the racing industry plays in sustaining the livelihood of its participants is illustrated by the fact that more than **19,000 people rely on racing, in part or in totality, for their livelihood.** For these people (i.e. trainers, breeders etc) their skills are not easily transferrable to other employment sectors. Racing is the niche in which they find meaningful employment to match their skills.

Many of the participants in the production of standardbreds undertake more than one role. For instance, many breeders are also owners of standardbreds. Whilst every effort has been taken to avoid double counting, it is possible that there is some duplication across some categories within these figures. The Full Time Equivalent employment figures on the following pages provide a more accurate measure of the extent to which the racing industry sustains and stimulates employment Nationally and in each State.

Participant Type (Number of)	New South Wales	Queensland	South Australia	Tasmania	Victoria	Western Australia	Total
Breeders	1,577	294	189	150	3,048	296	5,554
Breeders Staff	1,672	211	163	70	2,441	372	4,929
Owners & Syndicate Owners	7,489	2,030	575	1,145	7,850	5,057	24,145
Trainers (All Classes)	299	172	184	115	1,360	254	2,384
Trainer/Driver	724	226	160	98	708	433	2,349
Registered Drivers	128	38	57	55	844	62	1,184
Stable Staff	391	205	184	137	1,330	286	2,533
<b>Participants in Producing Standardbreds</b>	<b>12,280</b>	<b>3,176</b>	<b>1,512</b>	<b>1,770</b>	<b>17,581</b>	<b>6,760</b>	<b>43,078</b>
Full Time Club Staff	47	3	4	2	39	29	124
Part Time Club Staff	24	1	3	10	57	45	140
Casual/Contractor Club Staff	447	44	84	113	661	384	1,733
Club Volunteer	785	66	18	191	461	437	1,958
Barrier/Stable Attendants & Track Maintenance	155	35	60	45	190	29	514
Stewards	10	8	6	5	10	17	56
Farriers	73	6	18	4	49	31	181
Industry Vets	178	40	37	17	187	18	477
<b>Participants in Producing the Racing Product</b>	<b>1,719</b>	<b>203</b>	<b>230</b>	<b>387</b>	<b>1,654</b>	<b>990</b>	<b>5,183</b>
Industry Administration Staff	50	15	10	10	70	15	170
<b>Total Participants in the Racing Industry</b>	<b>14,049</b>	<b>3,394</b>	<b>1,752</b>	<b>2,167</b>	<b>19,305</b>	<b>7,765</b>	<b>48,431</b>

\*Not including TAB staff and Medical Professionals

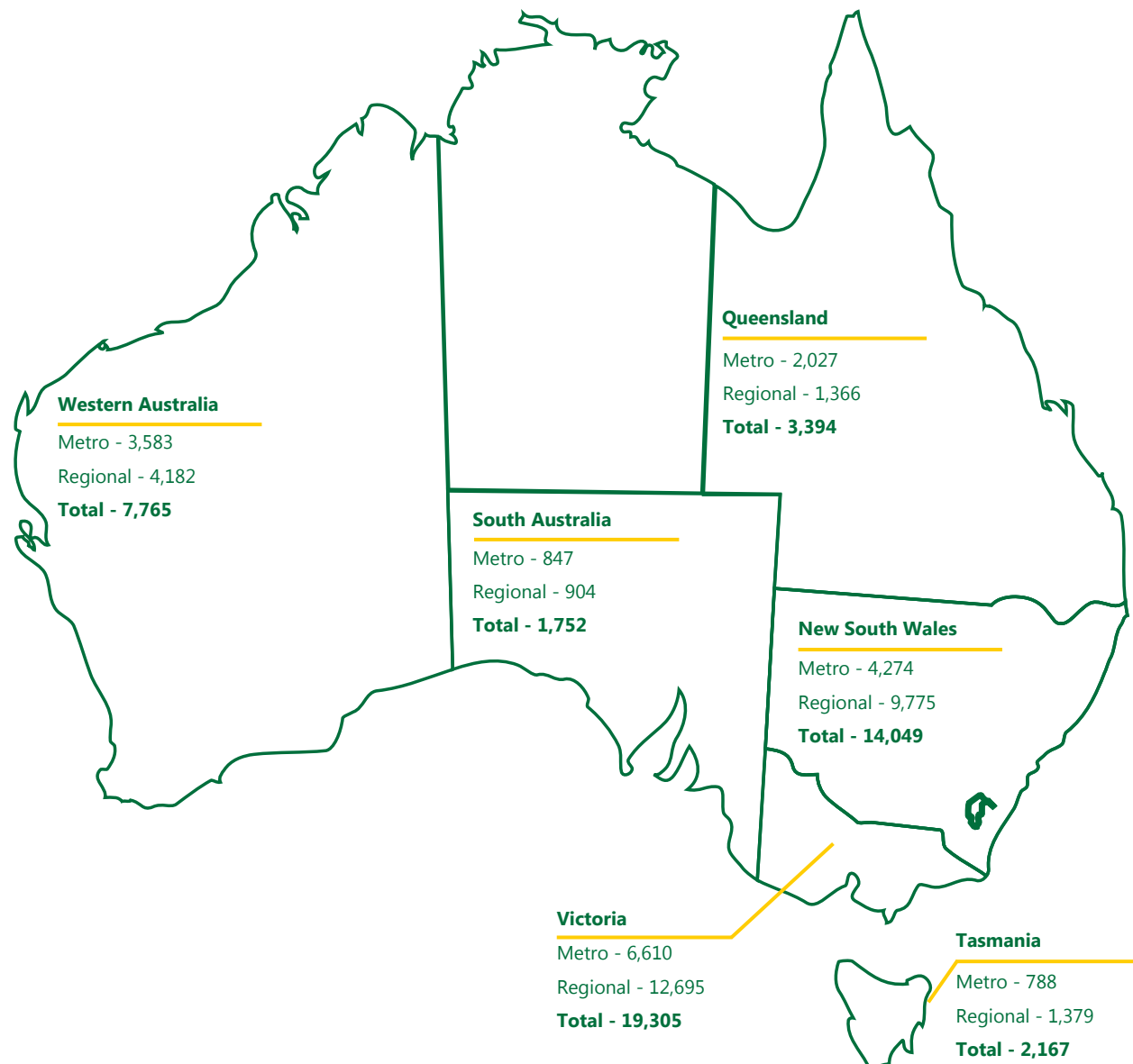
# Employment & Participation

Within the racing industry, the term participants is used to describe the people who are involved in the production, preparation and racing of standardbreds. Adding employed persons (at all levels) and volunteers to these participants reveals that there are 47,868 people participating or employed within the harness racing industry in Australia.

The Victorian harness racing industry is home to the largest number of participants in racing (19,305) ahead of New South Wales (14,049) and Western Australia (7,765).

Owners make up the largest portion of the participants in racing (49.8%), with Victoria claiming the largest number of harness owners (7,850). In part, this has been driven through the growth of syndicate ownership.

Illustrating the significant importance of harness racing in regional communities, more than 62% of these participants are based in regional parts of Australia.



Map:- Total Number of Participants in Racing

# Employment & Participation

There are approximately 47,868 participants involved in the harness racing industry across Australia. In economic terms, this equates to the equivalent of 13,067 Full Time Equivalent (FTE) jobs. The direct impact on employment generated by the activities of the racing industry, sustains 5,809 FTE jobs each year. When the indirect impacts generated by the flow-on of economic benefits to other industries is taken into account, the total employment impact rises to more than 13,060 FTE jobs each year.

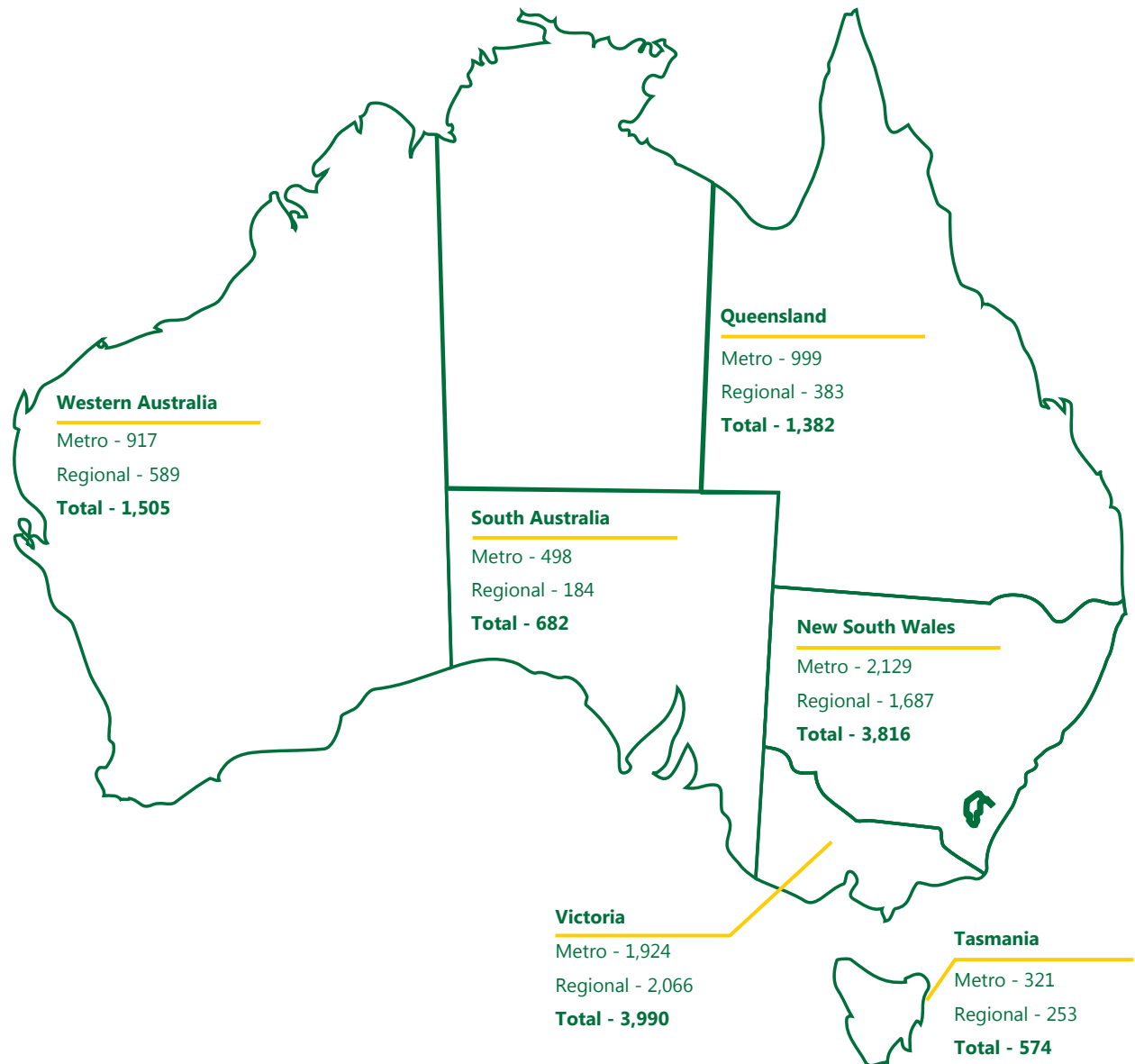
The differential between participation and FTE reveals that the harness racing industry is served by a large number of part time and casual employees. This is likely to be particularly true of regional racing clubs and participants in producing and preparing horses.

The following table illustrates the total FTE employment impacts generated by Harness Racing in each State:-

State	FTE Employment Sustained	% of FTE Employment in Harness Racing
New South Wales	3,816	31.9%
Queensland	1,382	11.6%
South Australia	682	5.7%
Tasmania	574	4.8%
Victoria	3,990	33.4%
Western Australia	1,505	12.6%
<b>National*</b>	<b>13,067</b>	

These FTE jobs generate more than \$754.4 million in wages and salaries for the people employed in the racing industry as well as in other down-the-line industries that receive increased demand as a result of racing. Some examples of the other industries that are stimulated by racing include; retail, tourism, accommodation, transport, entertainment & fashion.

The metropolitan regions account for 58.3% of the total FTE positions created by harness racing industry activity.



**Map:- Number of Full Time Equivalent positions maintained (State)**

\*Note - State FTE figures will not add to the National total because there are some roles that cannot be isolated to just one state.



# Employment & Participation

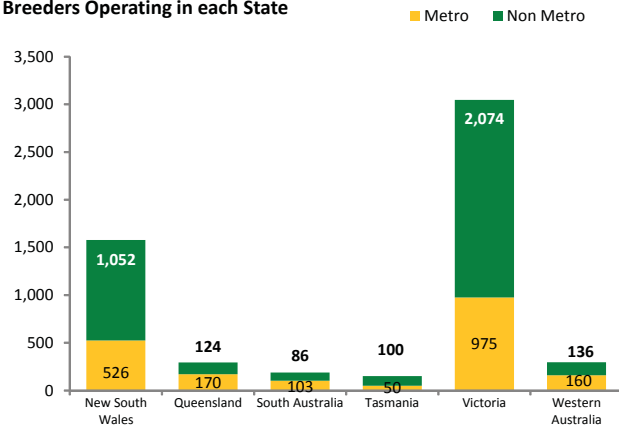


# Breeding

## Total Number of Breeders

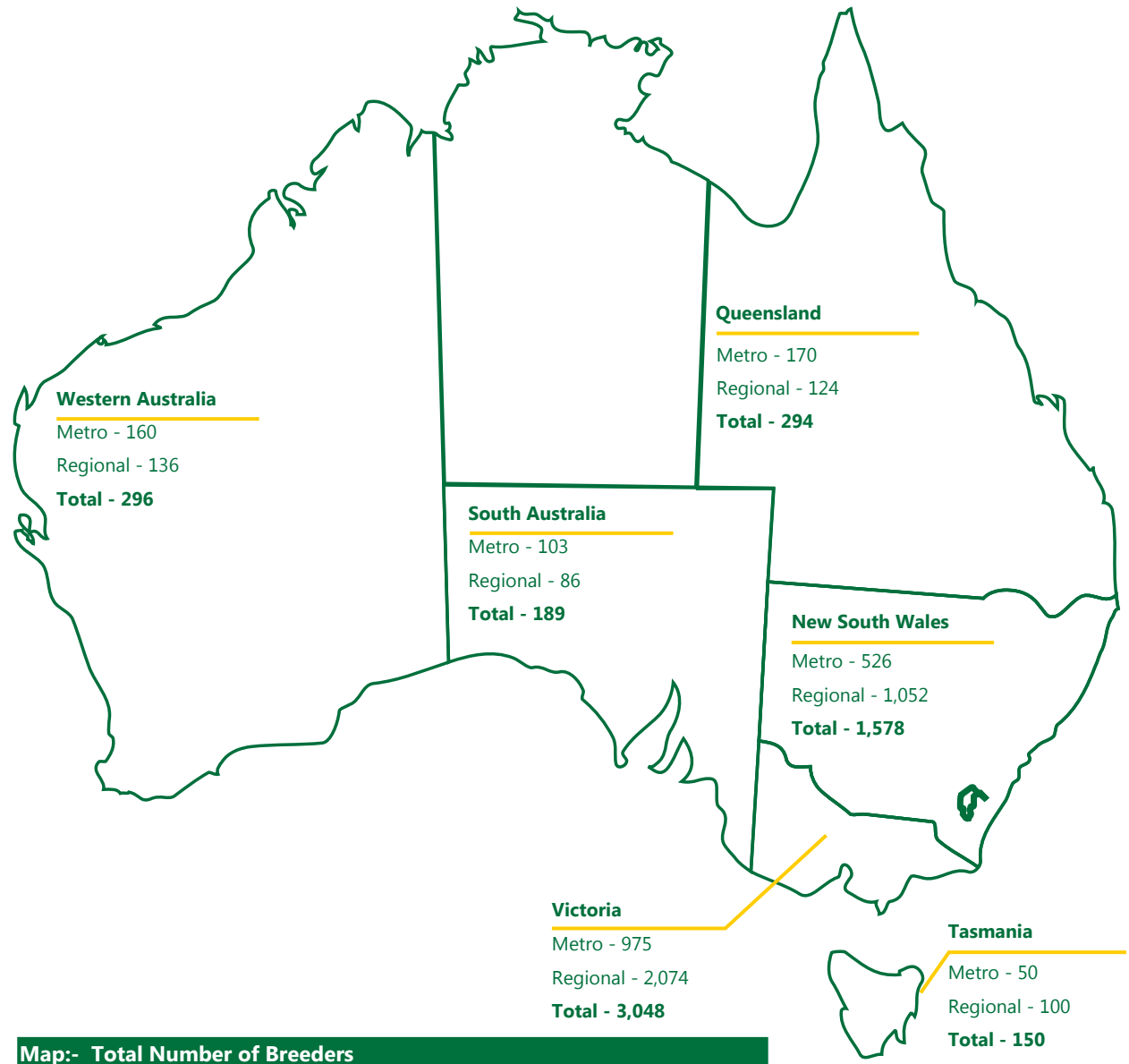
The breeding sector provides and replenishes the racing stock for the Australian Harness Racing Industry. There are nearly 5,560 breeders of Standardbreds in Australia. These breeders are also responsible for employing more than 4,900 staff to assist in this important function. More than two-thirds operate in regional areas.

Breeders Operating in each State



Victoria is home to the largest number of standardbred breeders (3,048) followed by New South Wales (1,578) and Western Australia (296).

Defining breeders is a difficult task. At the top end, large stud farms employ many staff and turn out large numbers of foals each year. At the other end of the scale, there are a large number of amateur and hobby breeders also producing racing stock. Breeders derive the majority of their income from the public and private sale of their stock as well as servicing fees for Stallions.



Map:- Total Number of Breeders

Active Stallions			
	Metro	Non Metro	Total
New South Wales	14	58	72
Queensland	20	34	54
South Australia	3	7	10
Tasmania	4	14	18
Victoria	11	106	117
Western Australia	8	26	34
<b>Total</b>	<b>60</b>	<b>245</b>	<b>305</b>

## Breeding Animals

In 2010-11, the standardbred breeding industry produced nearly 4,500 foals nationally. These foals provide the injection of future generations of racing stock. Victoria (47.8%) and New South Wales (22.0%) contribute more than two thirds of the racing stock in Australia.

To improve the quality of racing stock in a more cost effective manner, many breeders opt for Artificial Insemination as part of their breeding program.

Victoria (117) and New South Wales (72) are currently home to the largest number of active stallions in the Harness Racing Industry. More than 80% of the nations Stallions are domiciled in regional parts of Australia.

Victoria has the largest number of active broodmares (5,246) ahead of New South Wales (3,233).

Active Broodmares			
	Metro	Non Metro	Total
New South Wales	782	2,452	3,233
Queensland	695	600	1,295
South Australia	171	343	514
Tasmania	104	415	519
Victoria	1,326	3,920	5,246
Western Australia	476	828	1,304
<b>Total</b>	<b>3,554</b>	<b>8,558</b>	<b>12,111</b>

Foals Produced			
	Metro	Non Metro	Total
New South Wales	257	726	983
Queensland	280	236	516
South Australia	20	40	60
Tasmania	80	160	240
Victoria	525	1,608	2,133
Western Australia	206	324	530
<b>Total</b>	<b>1,368</b>	<b>3,094</b>	<b>4,462</b>





# Breeding

## Breeders Expenditure

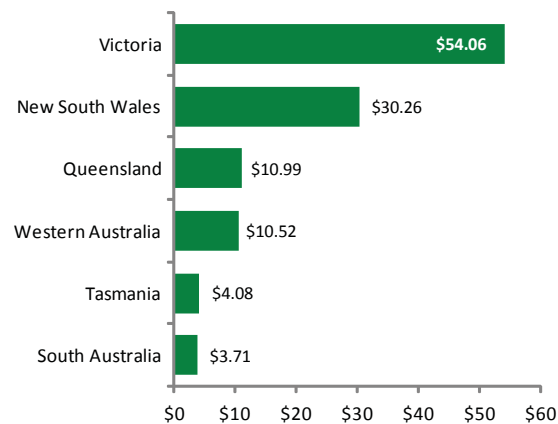
In 2010-11, standardbred breeders in Australia were responsible for spending more than \$113 million on the maintenance and production of racing stock.

In calculating the expenditure incurred by breeders, a number of factors must be considered. Essentially, breeders incur costs on the maintenance of broodmares and stallions as well as the production of foals. However, in addition to this breeders also incur costs for:-

- the maintenance of stallions through service fees
- sales commission on yearlings sold at auction
- bloodstock insurance
- business related expenditure
- sales and marketing related expenditure

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

### Expenditure on Producing Racing Animals (\$ mil)



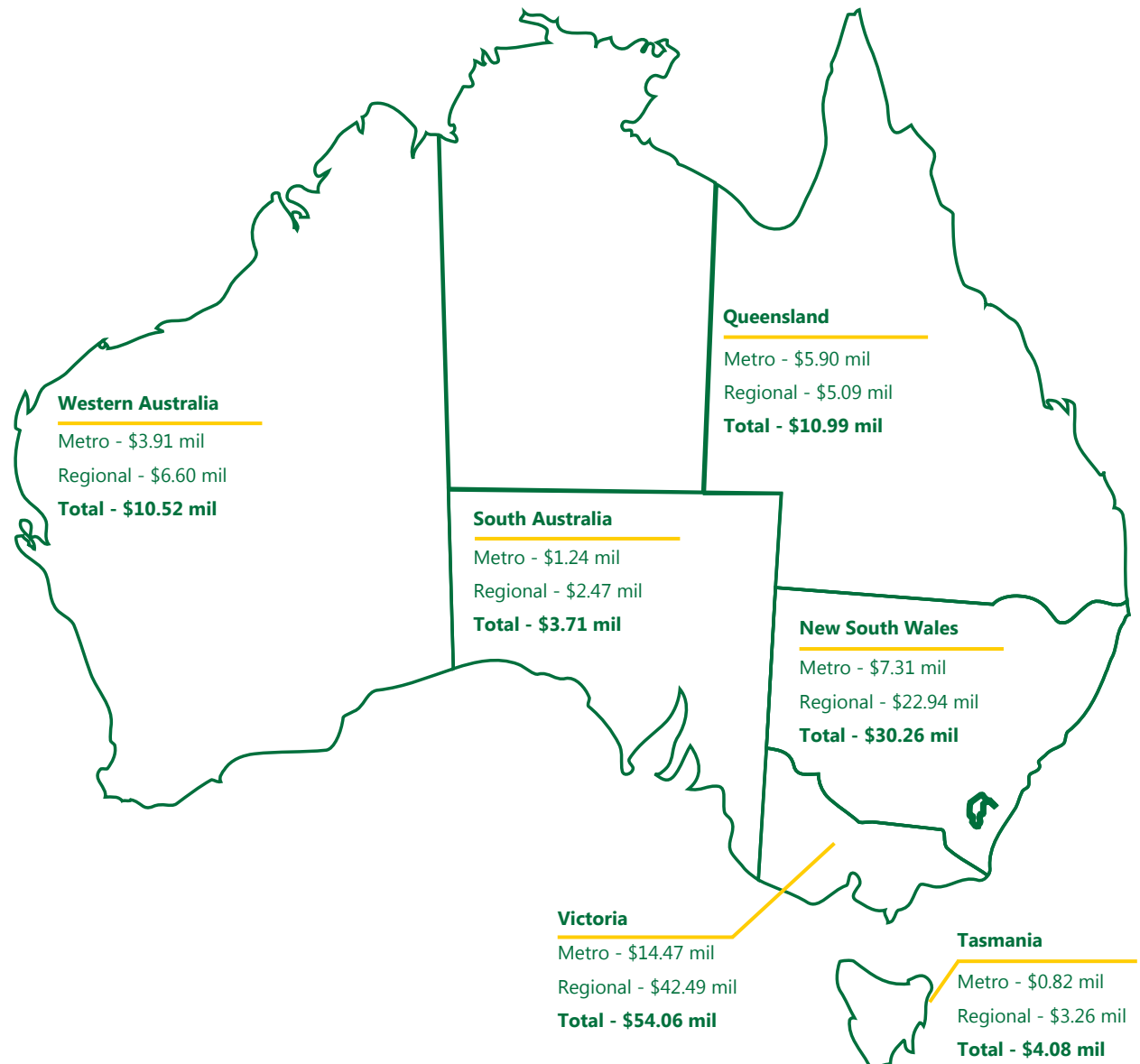
Nationally, more than 71% of the expenditure associated with the standardbred breeding sector occurs within regional areas. Queensland is the only exception, with expenditure split relatively evenly between metropolitan and regional areas.

Victoria is responsible for more than half of the expenditure generated by the breeding sector nationally. A sizeable component of the economic contribution that occurs in Victoria is derived from stallion fees. Victorian stallions are sought after through artificial insemination by harness breeders both domestically and overseas. In 2010/11 stallion fees alone contributed over \$10 mil in direct expenditure to the Victorian economy.

It is also worth noting that nationally, more than \$32 million is spent by breeders on the maintenance of empty mares.



# Breeding



Map:- Total Expenditure by Standardbred Breeders





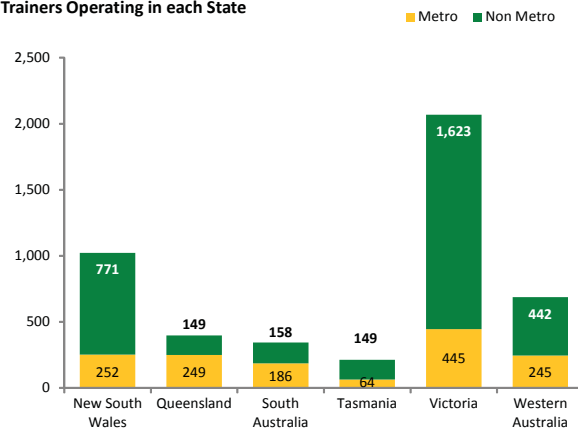


Trainers play an important role in the racing 'service' industry. They employ the services of a variety of skilled and unskilled labour in delivering their service. In particular, stablehands, drivers, farriers and vets are employed by trainers as part of the process of preparing racehorses.

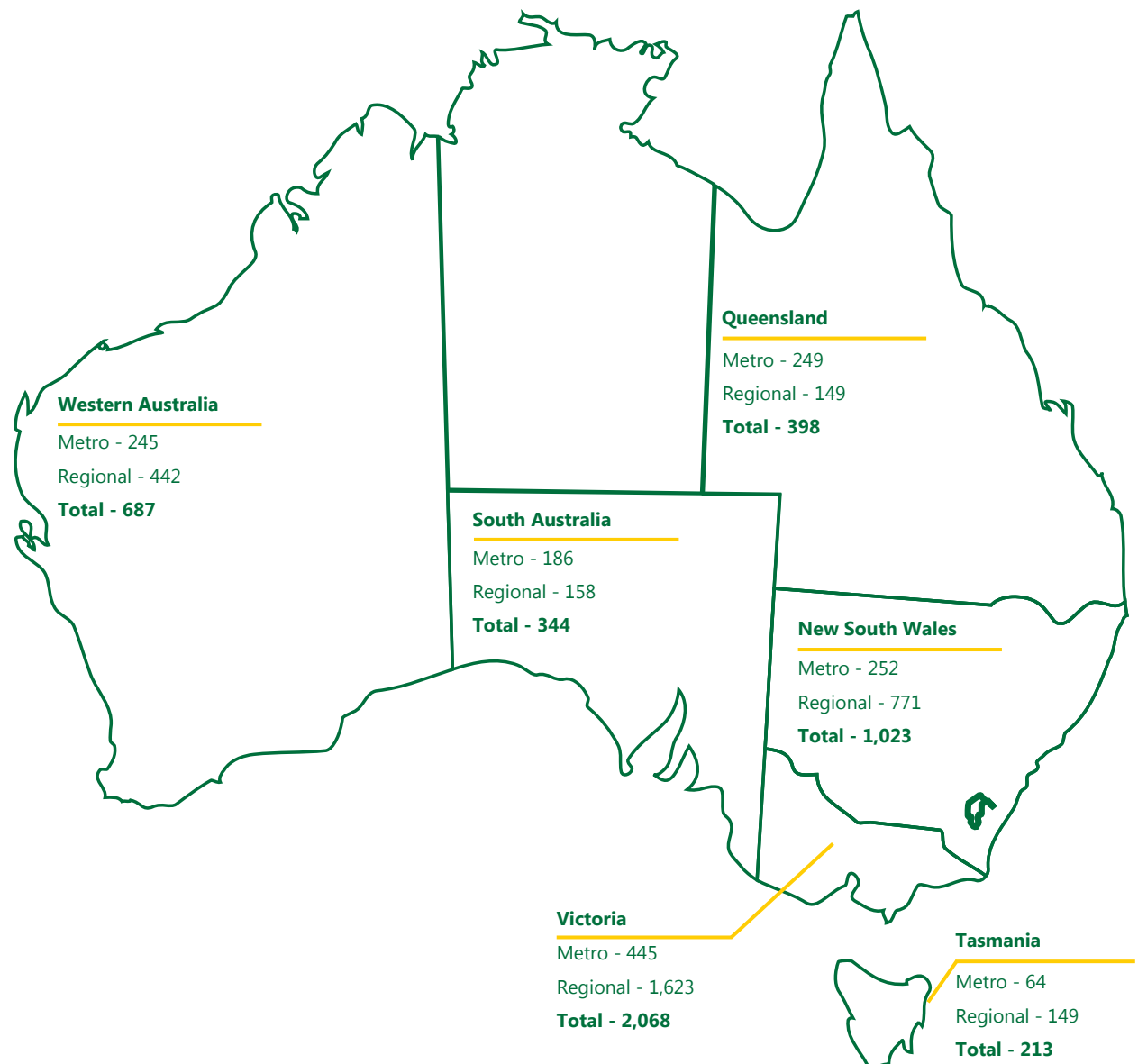
Training services generally incorporate the training (pre and race), trialling and raceday management of a racehorse. Trainers' income is mostly generated through trainers fees charged to owners and a percentage of prizemoney won.

During the 2010-11 racing season, there were more than 4,730 horse trainers providing services to owners in the Australian Harness Racing Industry. The following chart illustrates the spread of trainers within each State:-

Trainers Operating in each State



Trainers also employ more than 2,500 stablehands to assist with the preparation of standardbreds. For many of these people, the employment opportunities offered by trainers utilise skilled and unskilled labour that would otherwise be difficult to satisfy in the broader employment market.



Map:- Total Number of Trainers of Harness Horses

## Number of Horses in Training

	Metro	Non Metro	Total
New South Wales	1,128	2,515	3,643
Queensland	1,073	761	1,834
South Australia	150	200	350
Tasmania	150	350	500
Victoria	820	2,756	3,576
Western Australia	754	1,674	2,428
<b>Total</b>	<b>4,075</b>	<b>8,256</b>	<b>12,331</b>

## Number of Trainers of Harness Horses

	Metro	Non Metro	Total
New South Wales	252	771	1,023
Queensland	249	149	398
South Australia	186	158	344
Tasmania	64	149	213
Victoria	445	1,623	2,068
Western Australia	245	442	687
<b>Total</b>	<b>1,441</b>	<b>3,292</b>	<b>4,733</b>

## Number of Drivers

	Metro	Non Metro	Total
New South Wales	27	101	128
Queensland	21	17	38
South Australia	32	25	57
Tasmania	22	33	55
Victoria	175	669	844
Western Australia	35	27	62
<b>Total</b>	<b>312</b>	<b>872</b>	<b>1,184</b>

## Horses in Training

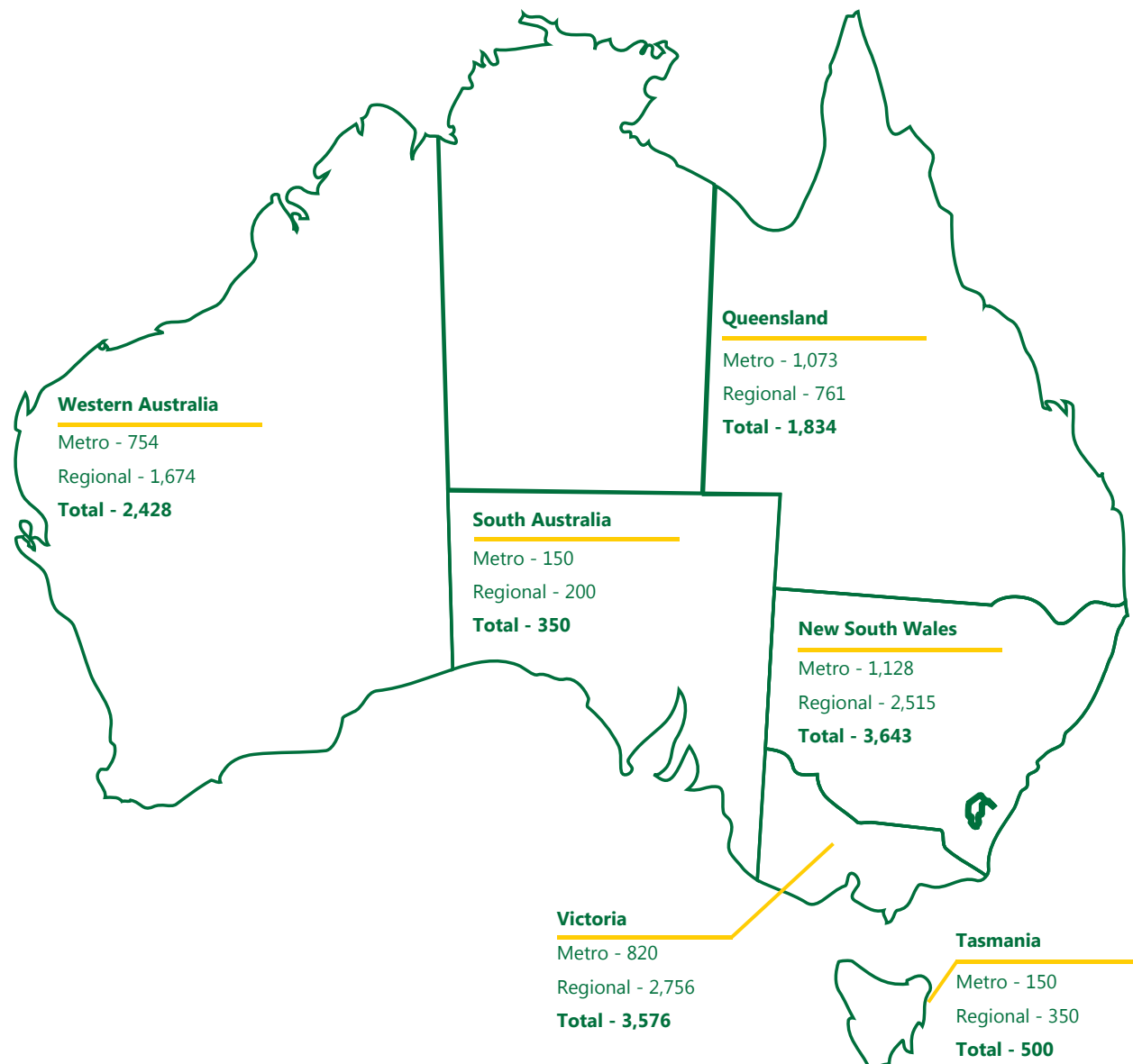
In 2010-11, there were more than 12,330 harness horses in training across Australia. New South Wales (29.5%) and Victoria (29.0%) make up more than half of the overall training population.

Trainers operating in the harness racing industry, do so within one of four training classes.

- **Grade A** - this license allows the trainer to train any horse
- **Grade B** - this license allows the trainer to train a horse which they partly own or which is owned by the person's spouse, other domestic partner, parent, sibling or child
- **Grade C** - this license allows the trainer to prepare, educate and exercise a horse, but cannot trial it or nominate it to race

It is also worth noting that one in every two harness trainers is also registered in limited or full driving capacity. The dual role nature of harness racing participants is a theme that has run strongly through this form of racing over its history.

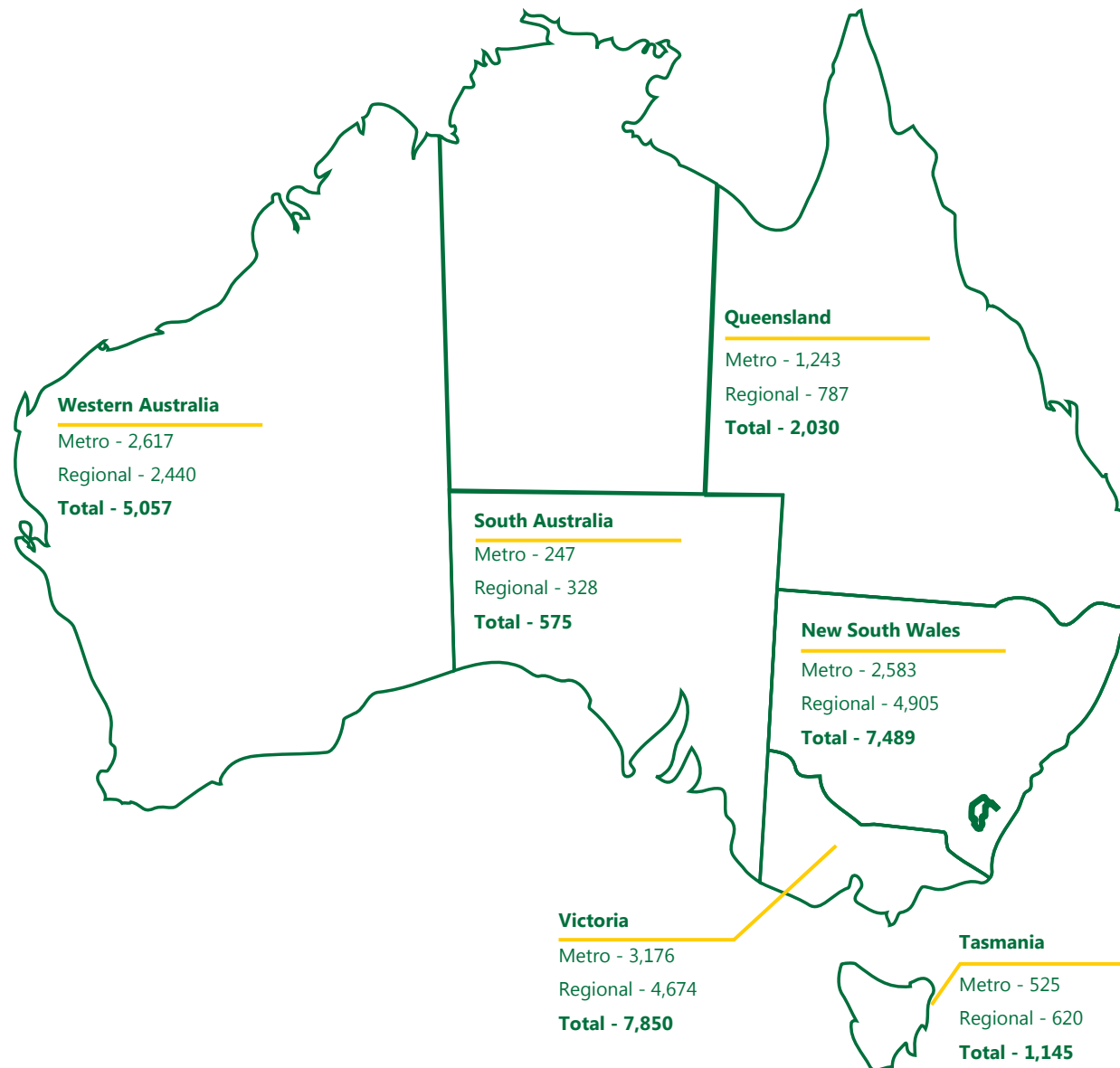
In each State, apart from Queensland and South Australia, more than two-thirds of all training activity occurs in regional areas. The exceptions are Queensland (59% in metropolitan areas) and South Australia (43% in metropolitan areas).



Map:- Total Number of Horses in Training



# Ownership



Map:- Total Number of Owners of Racehorses

## Total Number of Owners

Owners provide much of the capital outlay and day to day funding for the production of racehorses. In 2010-11 there were more than 24,140 Australians with an ownership interest in harness racehorses. The family oriented nature of harness racing ownership is something quite unique to this code of racing.

Considerable research over many years has shown that many owners do not consider their involvement to be a financial investment from which they require a return on investment. This is not to say however, that owners are prepared to continue to fund their involvement if there is diminished opportunities to realise a return. It is important though, to understand that financial returns are often, not the key motivation.

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

Category	Expenditure Item
Contained in the Trainers Fee (whilst animal is in training)	- Training Fee
	- Farriers
	- Feed & Supplements
	- Veterinary Bills
Covered by Owners Directly (not generally included in trainer accounts)	- Transport Costs
	- Race Entry Fees
	- Transport
	- Entertainment
	- Accommodation
	- Trophies & Prints
	- Agistment/Spelling
	- Registration Fees
	- Breaking In/Pre Training
- Insurance	
- Colours Registration	

In 2010-11, owners of harness racehorses in Australia spent more than \$398.2 million on the preparation of racing stock.

The calculation of expenditure on the preparation of standardbreds takes into account the various training and non training related expenditure items incurred. The development of expenditure profiles within each region is based upon the number of racehorses in training. It also takes into consideration the differing training costs at various stages of the lifecycle of the racehorse. For instance, expenditure on a yearling is different to expenditure on an established 3 year old racehorse.

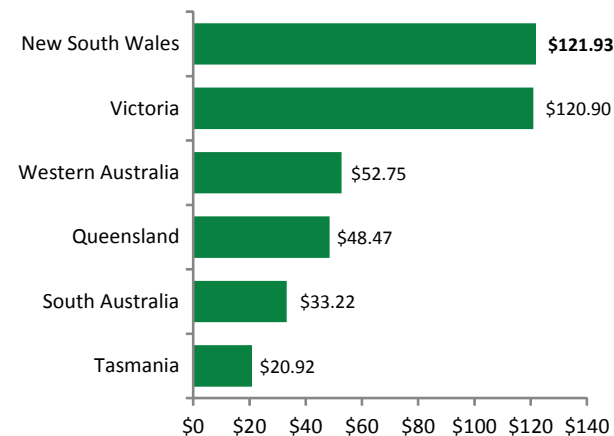
The expenditure figures outlined in this section have been derived through a combination of industry level consultation and surveying of a sample of trainers in each State of Australia.

The analysis of the expenditure on the preparation of standardbreds, includes items such as training fees, insurance, vitamins & supplements, veterinarian fees, gear hire/purchase and racing/trialling fees, among others.

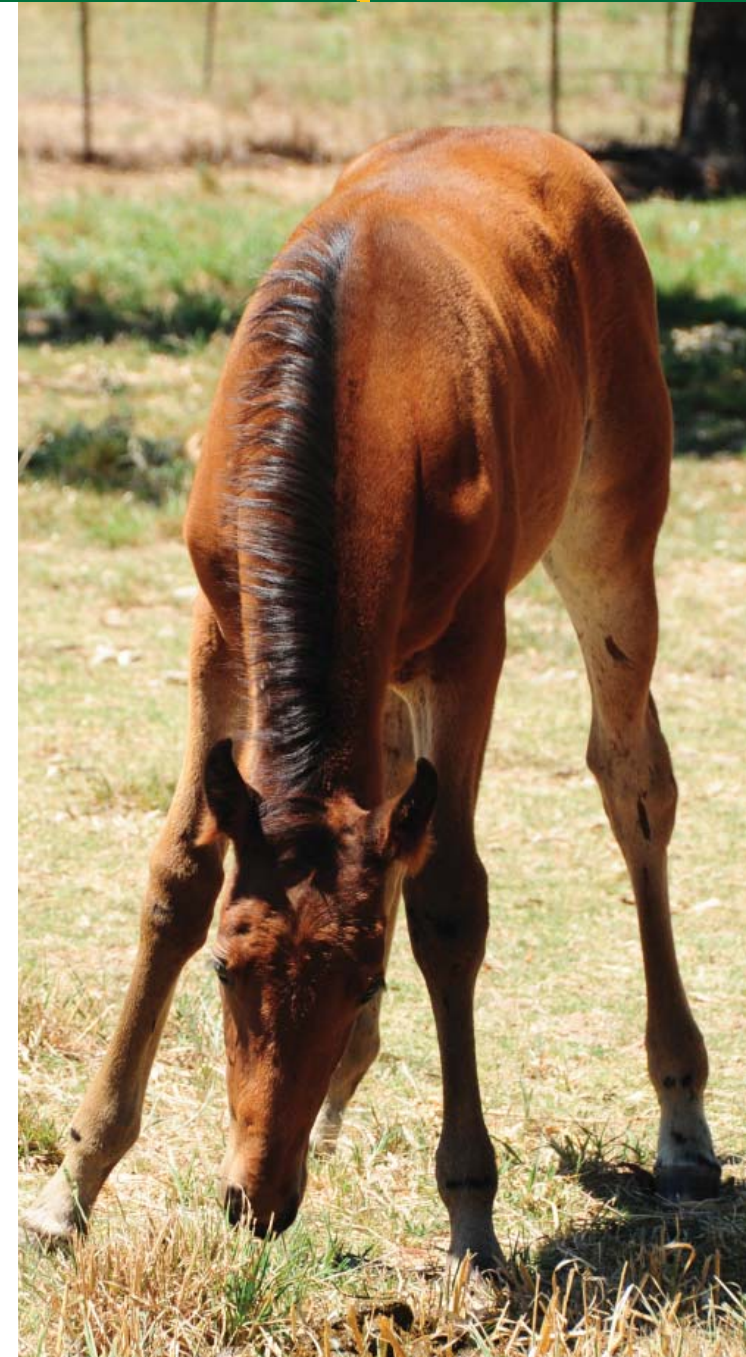
Training fees often cover a proportion of the expenditure incurred by the owner in the preparation of their animal, however there are a number of expenses that are either billed separately, or borne separately by owners. As such, using the training fee only as a measure of the cost of production would understate the true impact.

The following chart illustrates the total expenditure generated in the preparation of racehorses in each State:-

**Expenditure on Preparing Racing Animals (\$ mil)**



Overall, more than 62% of the expenditure in the preparation of racehorses occurs in regional areas of the Nation. The exceptions to this are Queensland (63.4% metro) and South Australia (62.7% metro).



# Racing Clubs

## Number of Racing Clubs

	Metro	Non Metro	Total
New South Wales	1	31	32
Queensland	1	6	7
South Australia	1	11	12
Tasmania	1	8	9
Victoria	1	37	38
Western Australia	1	18	19
<b>Total</b>	<b>6</b>	<b>111</b>	<b>117</b>

Note:- The principal club in each state is classified as the metropolitan club

## Number of Races

	Metro	Non Metro	Total
New South Wales	896	3,258	4,154
Queensland	1,329	1,199	2,528
South Australia	1,000	465	1,465
Tasmania	241	520	761
Victoria	628	3,378	4,006
Western Australia	959	1,357	2,316
<b>Total</b>	<b>5,053</b>	<b>10,177</b>	<b>15,230</b>

## Number of Race Meetings

	Metro	Non Metro	Total
New South Wales	109	428	537
Queensland	161	141	325
South Australia	132	57	189
Tasmania	33	59	91
Victoria	75	425	500
Western Australia	109	176	285
<b>Total</b>	<b>619</b>	<b>1,309</b>	<b>1,928</b>



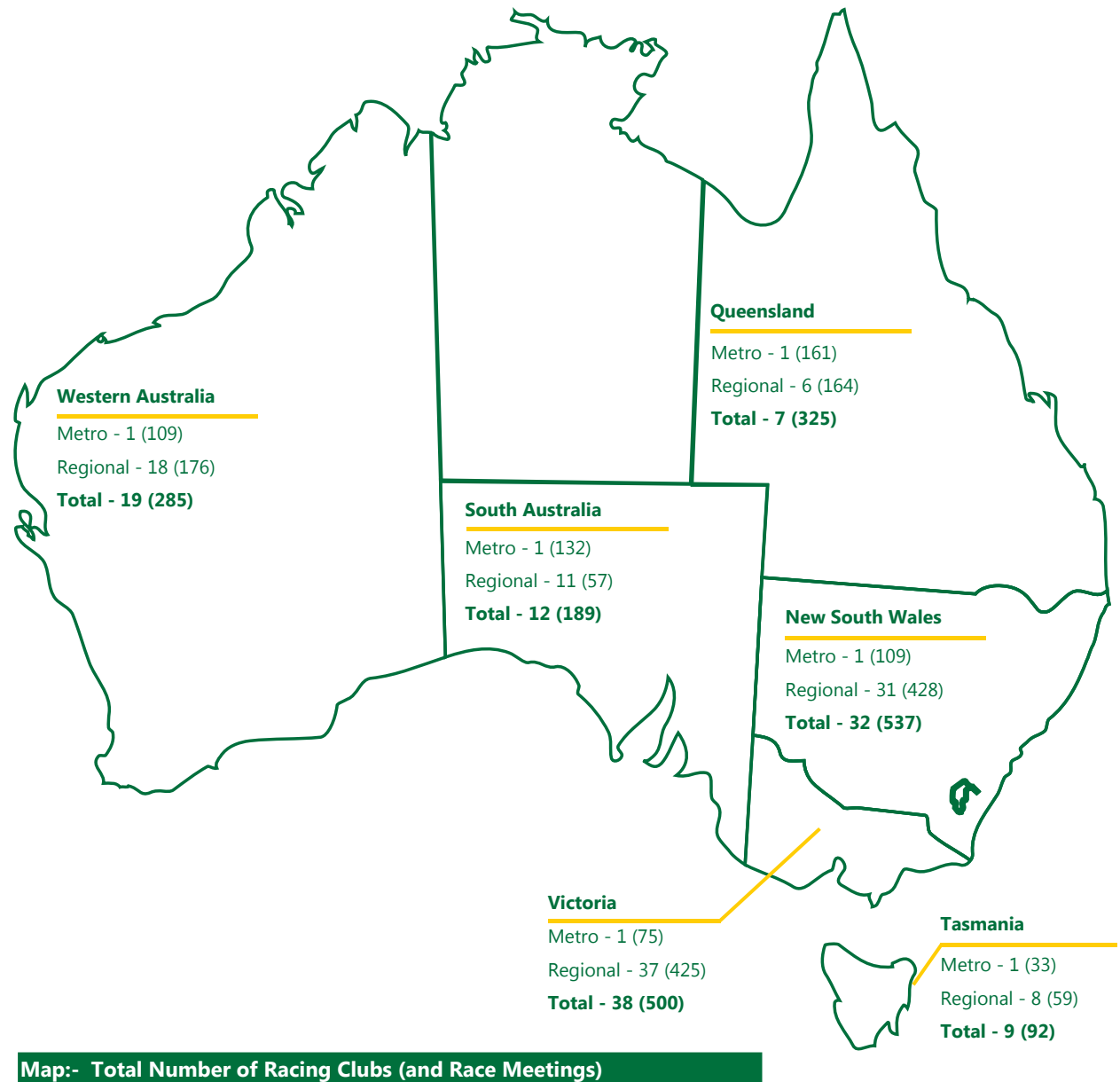
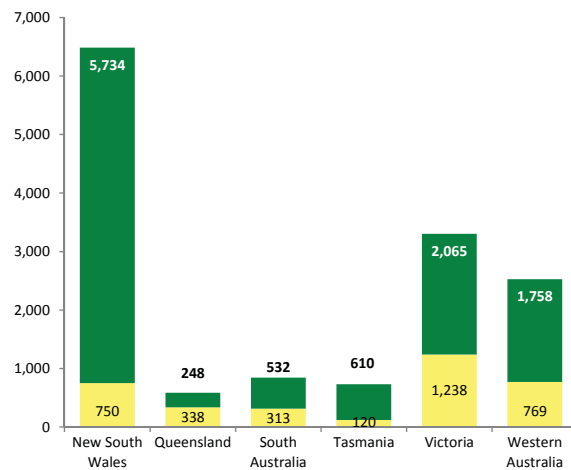
## Racing Clubs

There are 117 harness racing clubs operating at 97 race tracks across Australia. Racing Clubs operate, essentially, to provide an opportunity for owners to race their horses and to provide members with a facility in which to enjoy an association and the sport of racing. A significant portion of Racing Club expenditure is channelled to racehorse owners through prizemoney. In addition to this, racing clubs incur expenditure on the operation of the Club as well as the maintenance and upkeep of facilities and infrastructure.

Geographically, Victoria and New South Wales are home to the largest number of clubs (38 and 31 respectively).

The racing clubs are home to more than 1,900 race meetings over the course of the season. The following chart illustrates the numbers of members involved with harness racing clubs in each state:-

Number of Members of Harness Racing Clubs



Map:- Total Number of Racing Clubs (and Race Meetings)

# Racing Clubs

## Number of Race Starts (Total)

	Metro	Non Metro	Total
New South Wales	7,891	28,706	36,597
Queensland	10,803	10,971	21,774
South Australia	9,194	3,667	12,861
Tasmania	2,720	4,370	7,090
Victoria	6,579	31,949	38,528
Western Australia	10,036	12,945	22,981
<b>Total</b>	<b>47,223</b>	<b>92,608</b>	<b>139,831</b>

## Average Number of Starters per Race

	Metro	Non Metro
New South Wales	8.8	8.8
Queensland	10.3	9.8
South Australia	9.2	7.9
Tasmania	11.3	8.4
Victoria	10.5	9.5
Western Australia	10.5	9.5

## Prizemoney Paid Out

(\$mil)	Metro	Non Metro	Total
New South Wales	\$10.10	\$14.99	\$25.09
Queensland	\$10.12	\$2.97	\$13.09
South Australia	\$4.20	\$1.10	\$5.30
Tasmania	\$2.17	\$3.06	\$5.23
Victoria	\$15.89	\$16.64	\$32.53
Western Australia	\$13.74	\$7.40	\$21.14
<b>Total</b>	<b>\$56.22</b>	<b>\$46.14</b>	<b>\$102.37</b>

## Incentive Payments Paid Out

(\$mil)	Metro	Non Metro	Total
New South Wales	\$0.12	\$0.48	\$0.60
Queensland	\$0.83	\$0.41	\$1.24
South Australia	\$0.00	\$0.00	\$0.00
Tasmania	\$0.10	\$0.18	\$0.28
Victoria	\$0.11	\$0.24	\$0.35
Western Australia	\$0.16	\$0.34	\$0.50
<b>Total</b>	<b>\$1.32</b>	<b>\$1.65</b>	<b>\$2.97</b>

## Total Returns to Owners

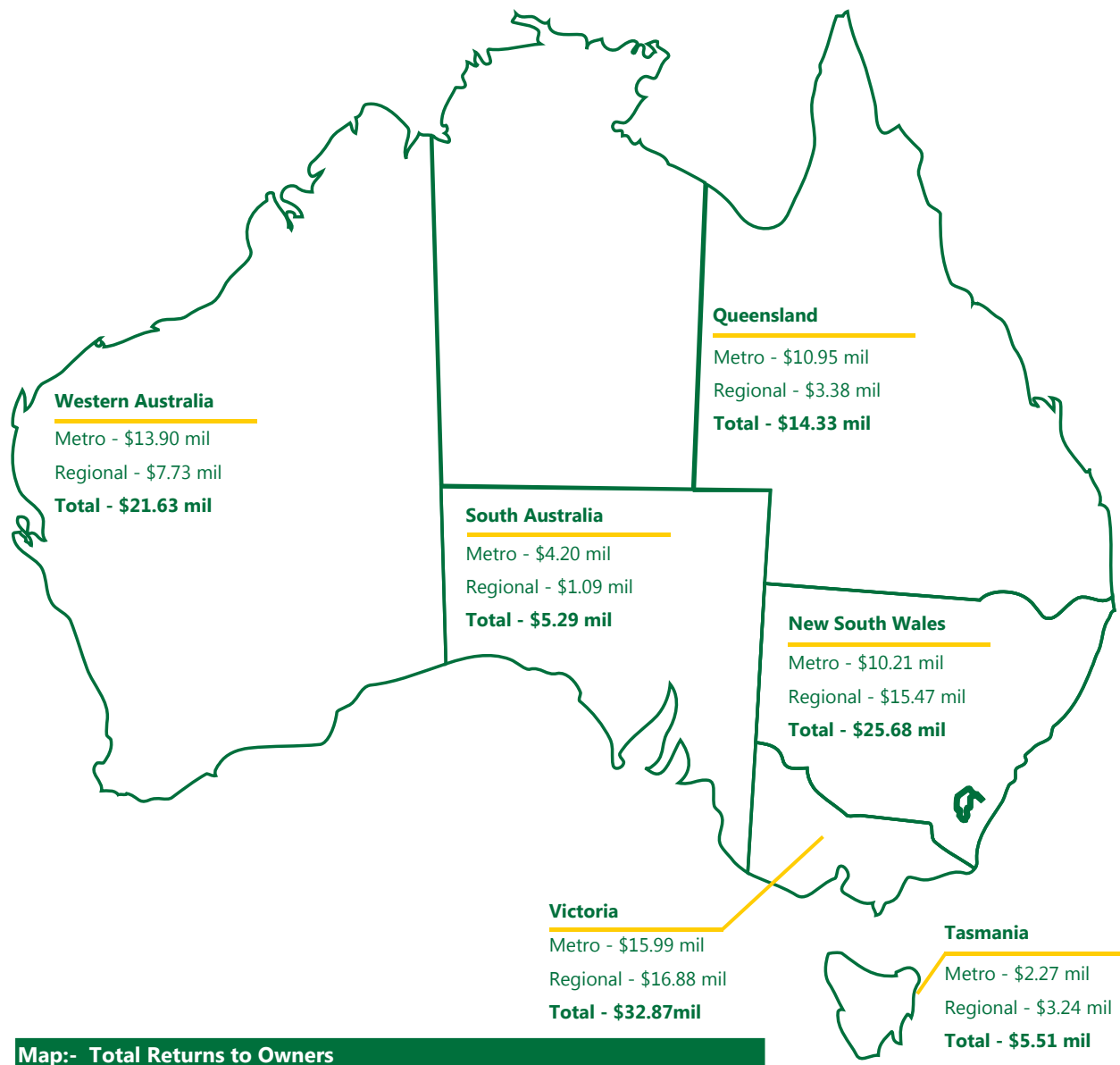
(\$mil)	Metro	Non Metro	Total
New South Wales	\$10.21	\$15.47	\$25.68
Queensland	\$10.95	\$3.38	\$14.33
South Australia	\$4.20	\$1.09	\$5.29
Tasmania	\$2.27	\$3.24	\$5.51
Victoria	\$15.99	\$16.88	\$32.87
Western Australia	\$13.90	\$7.73	\$21.63
<b>Total</b>	<b>\$57.53</b>	<b>\$47.80</b>	<b>\$105.32</b>

## Prizemoney on Offer

During the 2010-11 racing season, the Australian Harness Racing Industry provided owners with the opportunity to share in more than \$101 million in prizemoney and incentives. Whilst the majority of prizemoney is shared by owners; trainers, breeders and drivers also receive financial benefits for various elements of their involvement in racing horses.

## Prizemoney vs Training Costs

Previous research in a number of jurisdictions has shown that owners of standardbreds do not necessarily expect to achieve a return on their investment. In racing circles, this is often referred to as the 'acceptable loss'. This is often a reflection that ownership is often driven by a combination of business and hobby motivations. It is important however that owners generate a level of return to ensure their continued investment in the industry.





## Attendances

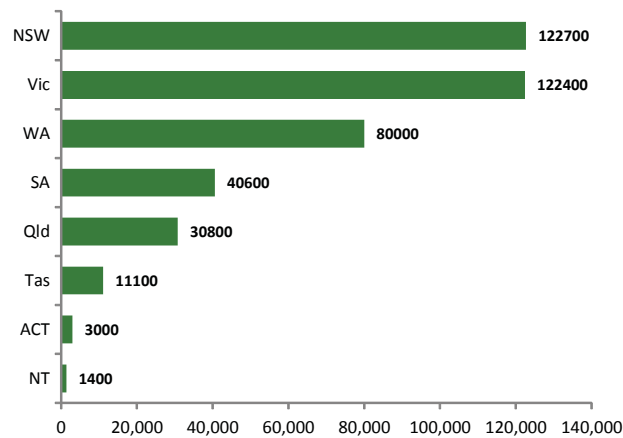
During the 2010-11 racing season, race meetings across Australia attracted attendances of just over 1.02 million. New South Wales accounts for 32% of these attendances, with Western Australian (28.7%) and Victoria (15.7%) making up the next largest proportions.

The following table illustrates the total attendances at race meetings in each State during the 2010-11 season:-

Region	Metro	Non Metro	Total
New South Wales	114,786	213,147	327,933
Queensland	75,540	24,760	100,300
South Australia	76,000	26,800	102,800
Tasmania	15,299	23,587	38,886
Victoria	32,076	128,324	160,400
Western Australia	171,800	122,075	293,875
<b>Total</b>	<b>485,501</b>	<b>538,693</b>	<b>1,024,194</b>

The attendances outlined above include multiple attendances throughout the course of the racing season by individuals. Whilst there is no primary data from which to estimate the number of individuals who attend race meetings, the Australian Bureau of Statistics estimates that in 2009-10 (the last year in which this assessment was made), the harness racing industry (nationally) attracted attendances from more than 412,000 individuals. The following chart illustrates the Harness Racing Industry's attendance in each State:-

**Attendance at Harness Race Meetings in Australia**  
(Individuals who attended at least once)

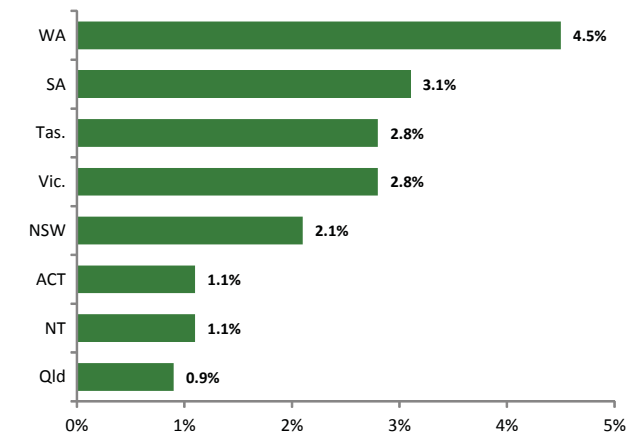


Source:- ABS Catalogue 4174.0 2009-10

**According to ABS data, New South Wales and Victoria have the highest number of individuals who have attended a harness race meeting at least once.**

The following chart shows the per capita attendance at harness race meetings by residents of each State. This is perhaps a better measure of consumption given the differing population in each State:-

**Attendance at Harness Race Meetings in Australia**  
(Per Capita Attendance)



Source:- ABS Catalogue 4174.0 2009-10

Harness Racing achieves the highest level attendance, on a per capita basis, from the Western Australian market (4.5%). South Australia (3.1%), Tasmania and Victoria (2.8%) report the next highest penetration. The following chart illustrates the national per capita attendance rates for a number of sports. It reveals that Australian Rules Football has the highest penetration (16.2%), followed by thoroughbred racing (11.1%) and Rugby League (8.9%). Harness racing (2.4%) is ahead of Tennis, Greyhound Racing, Basketball and Netball.

## Racing Customer Expenditure

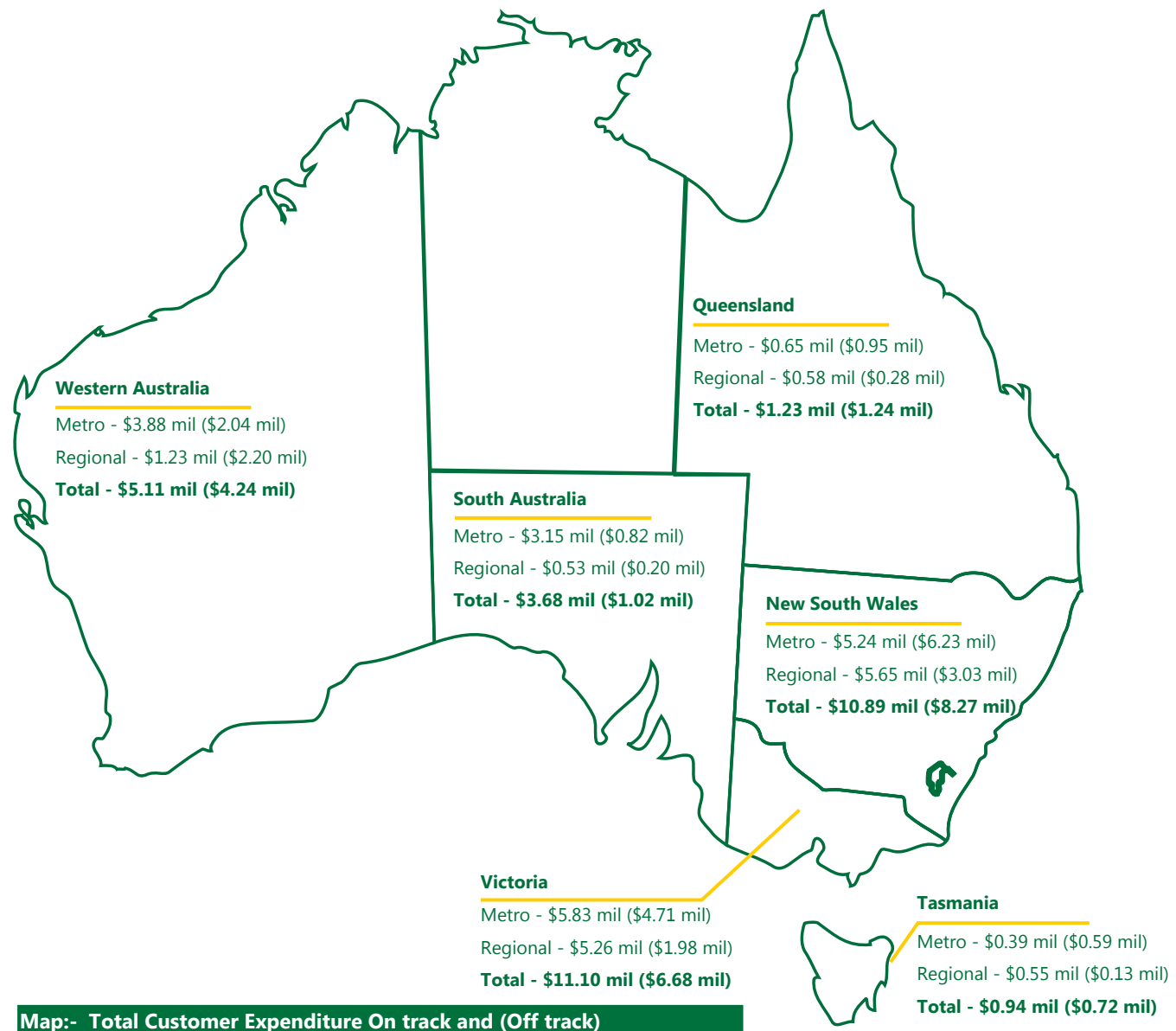
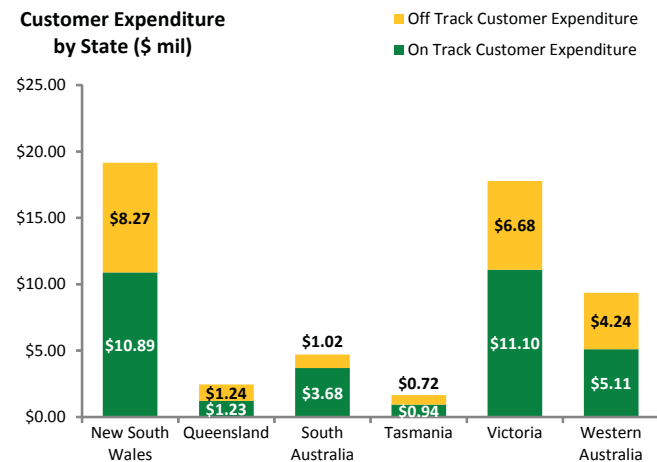
For the purposes of this study, the term 'racing's customers' includes racegoers, members and sponsors.

During the 2010-11 racing season, customers within the Australian Harness Racing Industry spent more than \$64.1 million (excluding wagering on the races). This expenditure is further broken down as follows:-

- \$8.3 million spent by customers on-track at race meets
- \$20.7 million spent with racing clubs by commercial customers (i.e. facility hire, broadcast fees, gaming, non raceday food & beverage etc.)
- \$9.1 millions spent by sponsors of racing clubs and racing club properties
- \$0.5 million spent by members on fees

In addition to on-track expenditure, racegoers spent a further \$25.4 million on goods and services in the community - associated with a visit to a race meeting. Accommodation (\$12.8 million) and retail - including fashion (\$5.0 million) make up the largest proportions of this expenditure.

The following chart illustrates the on and off track customer expenditure generated by harness racing in each State:-



# Racing Clubs

## Harness Racing's Customers

During the 2010-11 racing season, more than 1,830 harness race meetings nationally attracted attendances in excess of 1.02 million. These racegoers were responsible for spending more than \$30.5 million at, and in the lead up to attending, the races.

In addition to this, members and sponsors spent a further \$9.6 million with racing clubs, whilst non raceday income contributed a further \$15.0 million.

New South Wales (\$19.2 million) and Victoria (\$17.8 million) generated the largest component of this customer expenditure.

It should also be noted that major racing carnival's such as the InterDominion also play a part in generating a higher than normal level of expenditure. However this study does not reflect the 'interdominion impact' as it was held in New Zealand during this period of assessment (2010-11).

The data also revealed that harness race meetings also generate an expenditure impact in the broader community. Spending on items such as fashion, accommodation and transport is commonplace amongst those attending race meetings. The following table illustrates the spending generated in the broader community for every dollar spent at

the racetrack:-

Classification	Total Customer Expenditure
Total on-track expenditure	\$33.0 mil
Total off-track expenditure	\$22.1 mil
<b>Total expenditure</b>	<b>\$55.1 mil</b>

Across the entire Harness Racing Industry, for every \$1 spent on-track by racegoers, a further \$0.67 cents is spent in the broader community - illustrating that economic impacts extend to beyond the racetrack itself.

(\$ mil)	Raceday Income	Non Raceday Income	Membership	Sponsorship	Total On-Track	Overnight Accommodation	Fringe Event Spending	Additional Entertainment	Merchandise & Retail	Transport	Fashion Spending	Total Off-Track	Total Expenditure
<b>New South Wales</b>	\$1.57	\$3.43	\$0.14	\$5.74	<b>\$10.89</b>	\$3.98	\$0.23	\$0.82	\$0.24	\$1.29	\$1.69	<b>\$8.27</b>	<b>\$19.15</b>
<b>Queensland</b>	\$0.70	\$0.23	\$0.04	\$0.25	<b>\$1.23</b>	\$0.56	\$0.04	\$0.12	\$0.09	\$0.20	\$0.23	<b>\$1.24</b>	<b>\$2.46</b>
<b>South Australia</b>	\$0.27	\$3.19	\$0.04	\$0.18	<b>\$3.68</b>	\$0.45	\$0.03	\$0.11	\$0.05	\$0.25	\$0.13	<b>\$1.02</b>	<b>\$4.70</b>
<b>Tasmania</b>	\$0.52	\$0.16	\$0.02	\$0.24	<b>\$0.94</b>	\$0.30	\$0.03	\$0.11	\$0.06	\$0.14	\$0.08	<b>\$0.72</b>	<b>\$1.66</b>
<b>Victoria</b>	\$3.25	\$6.03	\$0.17	\$1.66	<b>\$11.10</b>	\$3.88	\$0.16	\$0.57	\$0.10	\$0.98	\$1.29	<b>\$6.68</b>	<b>\$17.80</b>
<b>Western Australia</b>	\$2.01	\$1.98	\$0.10	\$1.02	<b>\$5.11</b>	\$0.66	\$0.06	\$0.81	\$0.30	\$1.65	\$0.77	<b>\$4.24</b>	<b>\$9.36</b>
<b>TOTAL</b>	<b>\$8.33</b>	<b>\$15.03</b>	<b>\$0.51</b>	<b>\$9.10</b>	<b>\$32.97</b>	<b>\$9.53</b>	<b>\$0.54</b>	<b>\$2.54</b>	<b>\$0.85</b>	<b>\$4.52</b>	<b>\$4.19</b>	<b>\$22.16</b>	<b>\$55.13</b>



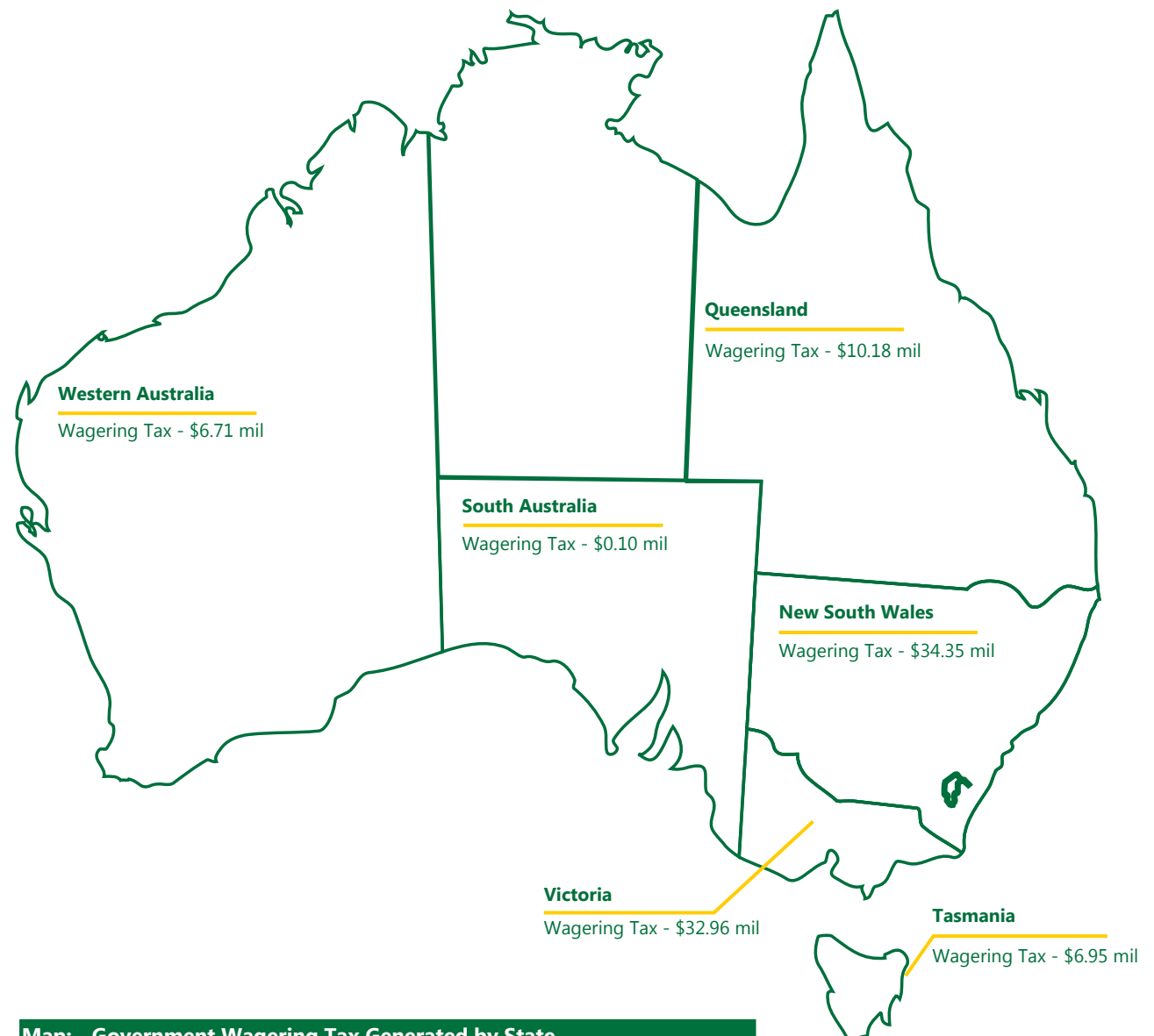


In 2010/11 Harness Racing in Australia was responsible for generating total wagering turnover of \$1,979 million through the various totalisator agency boards in each State. The table below outlines the total wagering turnover on harness racing in each State:-

Total Wagering Turnover		
(\$ mil)	Total TAB Turnover on Harness Racing	Harness Racing % of Total TAB Racing Turnover
Australian Capital Territory	\$16.1	10.1%
New South Wales	\$594.2	12.2%
Queensland	\$236.3	10.5%
Northern Territory	\$19.8	10.7%
South Australia	\$116.6	14.4%
Tasmania	\$159.9	16.9%
Victoria	\$529.0	14.4%
Western Australia	\$307.9	18.2%
<b>Total</b>	<b>\$1,979</b>	<b>13.6%</b>

Economic impacts accrue as a result of Net Wagering Revenues generated from betting turnover. In effect, once successful bets are paid out, the remaining amount is known as net wagering revenue. This revenue is then split, based on agreed formulas and legislated taxes, between the racing industry, the State and Federal Governments and the wagering operators. In total, the harness racing industry generated more than \$91 million in wagering tax for the respective State Governments combined.

In total, more than \$384 million flowed to the Harness Racing Industry from net totalisator wagering revenues. Further to this, race fields legislation delivered a further injection of funds into the industry.



# Community & Social Benefits of Harness Racing





# Community & Social Benefits of Harness Racing

## HISTORY OF HARNESS RACING

The history of harness racing in Australia is steeped in tradition. Trotting races commenced on 30 April 1810 at Parramatta, New South Wales when the first event was held during a sports carnival and was won by Miss Kitty by the imported (Old) Hector, an Arabian stallion that was used for breeding Thoroughbreds.

In 1834 Western Australia held its first trotting race at Fremantle and in 1844 Tasmania recorded its first trotting event at Launceston.

The first organized race meeting for trotters and pacers in Australia was held on the 21st January 1860 on the racecourse at Flemington, Victoria. The feature event was the Harness Race, which had a purse of 100 sovereigns. Trotting under saddle was another event which was held that day and it had a purse of 50 sovereigns. The Ballarat and Creswick Trotting Club was established in 1861 becoming Australia's first club formed specifically to promote Harness Racing.

In 1882 Australia's first harness racing track was constructed at Elsternwick Park (Melbourne). The same year Queensland's first trotting race was arranged by the Brisbane Driving Park Club and held at Eagle Farm. Tasmania's first all-trotting meeting was held at Newtown in 1884.

A meeting was conducted under electric lights on 6 February 1890 at what is now Harold Park Paceway. Further introductions of night trotting on floodlit tracks led to an increase in attendances and the development of a major racing industry.

In 1902 the New South Wales Trotting Club was established to formalise harness racing after the Government had banned unregistered racing. On 19 November 1902, the inaugural meeting was held on the Forest Lodge course as it was then known, later known as Epping until 21 March 1929, and then afterwards known as Harold Park.

On 7 July 1975 in Queensland, Junior Harness Racing was founded by a group of breeders to give young people, aged between 6 and 16, an opportunity to obtain a practical introduction to the Harness Racing Industry. The children have the opportunity to drive Shetland ponies in harness under race conditions. No prizemoney is payable on pony races, however winners and placegetters receive medallions.



## COMMUNITY & SOCIAL BENEFITS

Harness Racing in Australia is not only a sport, leisure and entertainment pursuit. It also plays an important role in the environmental and social dimensions of the communities in which it is represented. This contribution to community social benefit enhances both individual and community wellbeing throughout the States where racing is a profession, a sport, a hobby and both a volunteer and leisure activity.

The development of social and environmental initiatives has had a positive impact within the communities where racing exists in terms of family socialisation, supporting health, education, employment and environmental practices. However, maintaining and building the trust and respect of the communities in which Racing Clubs operate is also extremely valuable.

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



# Community & Social Benefits of Harness Racing

In addition to the entertainment and participation opportunities provided by the harness racing industry, research has found that it also has significant community and social benefits, particularly in the following areas:

- **Community building** – building inclusive and welcoming communities featuring powerful collaborative partnerships and relationships. Racing clubs are active in supporting local charities and organisations through fundraising and facility sharing
  - **Family** – providing opportunities for family participation in racing and assisting in the development of stronger family relationships
  - **Education and training** – supporting the education, training and development of participants and race club staff and volunteers
  - **Health** – commitment to policies that support priority community health objectives
  - **Leisure** – providing enjoyable leisure opportunities for hobby owners, trainers and breeders, race day customers and other race club event attendees
  - **Employment** – creating a major source of employment and a variety of career opportunities for the Western Australian community - many of which have skills that are not easily transferable to other sectors of employment
- **Environment** – adoption of many environmentally friendly practices that support Government and community expectations relating to the protection of the environment

## COMMUNITY BUILDING

Harness Racing Clubs throughout Australia have adopted practices that engage both individuals and organisations within their communities in terms of the support for charitable organisations, engaging volunteerism and building community partnerships.

The survey results highlighted the following positive community building initiatives highlighted by Clubs:

- Over 326 community organisations or charities are assisted financially by racing clubs
- Over 460 community organisations share the racing club facilities and resources
- Racing clubs currently engage close to 1,960 volunteers who participate in the clubs
- More than 14,475 Members belong to their Racing Club communities

Racing plays an important role in fostering a sense of worth and belonging to a large number of harness racing volunteers throughout Australia, in total 1,956 individuals. These volunteers assume roles in areas such as administration, hospitality, racing operations and preparations for raceday – many of these individuals form part of the Clubs committees.

In addition to the above-mentioned community organisations, IER found that racing clubs financially assist close to 326 community organisations and charities. Club organised functions raise significant funds for community organisations and charities through activities such as raffles, auctions, charity nights/days and charity functions. Furthermore, many regional clubs engage local community organisations and charities to undertake such activities as supplying food and beverages, operational duties (e.g. gate attendants), racecourse cleaning etc. Some of the charitable organisations identified by clubs include:

- St. John Ambulance/Cadets
- Masonic Lodges
- Riding for the Disabled
- Constable Care
- Salvation Army
- Church Organisations
- Juvenile Diabetes
- Make a Wish Foundation
- Cancer Societies (e.g. Bald & Beautiful)
- Prostate Cancer Societies
- Locals Schools
- Men of League Foundation
- Breast Cancer Foundations
- Ovarian Cancer Australia
- Probus
- Local Hospitals
- Children's Hospitals
- Relay for Life
- Sporting Clubs e.g. Aquatic Groups
- Equestrian sports/Pony Trots
- District Health Services
- Lifeline

# Community & Social Benefits of Harness Racing

- Children's Charity Clubs
- St Vincent de Paul
- Harness Racing Benevolent Fund
- Amateur Sporting Clubs
- Wesley Mission
- Cancer Supporters Group
- Movember

The community & social benefit survey asked Clubs how much they believed racing in their town or city has the ability to impact a number of key metrics in terms of community engagement. All indicators were positive; significantly, it was revealed that Clubs believed to 'bring together family and friends for a social experience' (4.6), to 'support businesses in the local economy' (4.4) and to 'connect people with both similar and diverse backgrounds' (4.2), were their greatest strengths.

## Community Engagement Australian Harness Racing Clubs



## SUPPORTING FAMILY RELATIONSHIPS

Harness racing has been known for its proactive manner in which it engages with families. The survey identified that Harness Racing throughout Australia holds major family days/nights and has established a number of family orientated activities such as Pony Trot Clubs, Kids Clubs, Stable Tours and Family Days.



Children participating in the Be Active Pony Trots at Gloucester Park

Racing Clubs themselves have increasingly developed activities and facilities that enable families to enjoy a social day at the races. Many clubs actively promote services and amenities for families including the provision of parent's rooms, baby change tables, jumping castles and rides, giveaways and live stage shows etc. These events have the ability to bring families together to build stronger family relationships.

The survey indicated positive initiatives undertaken by Clubs, which include: -

- Over 93% of Clubs offer attractions or services available that support attendance by children. Examples of activities and attractions available include: -

- Pony rides
- Jumping Castles
- Clowns
- Face Painting
- Children's permanent playground
- Pony Trots
- Pony Fancy Dress Days
- Stable Tours
- Klip Klop Club
- Children's game machines
- Petting Zoo
- Showbags and giveaways
- Swimming Pool

- Over 50% percent of clubs offer special discounts for family group attendance, however most clubs offer free entry for children.
- Over 32% of clubs offer events for families and children on non-racedays (e.g. Christmas Parties, volunteer functions, open-air movies, stables tours and BBQ fundraising events etc.)

# Community & Social Benefits of Harness Racing

In a number of participant interviews, IER identified 'building stronger family relationships' as a key motivator to owning and/or training racing horses. Racing a Standardbred can bring together both family and friends who enjoy an interest in racing and can create a positive, enjoyable and entertaining social environment.

## PROVIDING LEISURE OPPORTUNITIES

With large and restricted use of their facilities, 85% of Harness Racing Clubs across Australia have engaged with community organisations to share their facilities and resources. Some of the 460 organisations identified by clubs include: -

- Neighborhood Watch
- Local Based Charities
- Pony and Equestrian Clubs
- Western Horse Clubs
- Adult Riding Clubs
- Agricultural Societies
- Riding for the Disabled
- Rotary and Lions Clubs
- Football, Basketball and Cricket Clubs
- Soccer, Hockey and Softball Clubs
- Netball and Touch Football Clubs
- Primary, Secondary Schools
- Stay on Your Feet Program
- Running/Marathons
- Country and Western Singing
- Horse and Hound
- Greyhound Racing
- Scouts Groups
- Music Organisations
- Gem Stone Clubs
- Apiarists Associations

- Local Councils
- Sporting and Social Clubs
- Lifeline
- Children's Charity Clubs
- St Vincent de Paul
- Draught Horse Association
- Endurance Riders
- Harness Organisations (Kindred Groups)
- St. Johns Ambulance
- Make a Wish Foundation
- Swimming Clubs

## CLUB HISTORY & HERITAGE

Over 75% of Harness Racing Clubs throughout Australia actively promote the history and heritage elements of their Club. This is an important aspect of harness racing as many of the clubs have a long and rich history. The initiatives that Clubs have adopted interpret the history and convey the excitement of harness racing in their community to both visitors and locals. A number of examples include: -

- Harness racing Museums on the racetrack
- Restoration of heritage features on racetracks
- Alliances and partnerships with local historical/heritage societies
- Promotion through local papers, radio and websites
- Honoring life members
- Photo and memorabilia displays
- Racedays promoting the Clubs history
- Record Keeping of events and race performances
- Monuments of past greats of Harness Racing
- Memorial races for pioneers of the industry

## EDUCATION & TRAINING

Harness Racing Clubs and participants throughout Australia directly employ staff on a full-time or part-time basis. Race Club employees are involved in running the club, the conduct of racedays and other activities on non-racedays. As a commitment to delivering an enjoyable experience for racing participants and customers, race clubs have adopted a number of initiatives.

- On average, each Club has approximately three members of their staff participating in further education, career development and training programs each year
- Approximately 50% of Clubs have policies and practices in place to teach and encourage responsible gambling
- 28% of Clubs have partnerships with primary, secondary, trade and tertiary institutions (e.g. TAFE, Agricultural Colleges, Primary/Secondary schools, Harness Racing Training Centres)
- A quarter of clubs (27.6%) have placements available for work experience students at their racing clubs

The Harness Racing Industry has the ability to offer modestly skilled and underprivileged members of the community the opportunity to involve themselves in meaningful pursuits. Many stables and breeding farms are supported by volunteers and employees on the minimum wage – their input not only provides valuable support to the trainers and breeders throughout Australia, but also provides a sense of pride, confidence and achievement.



# Community & Social Benefits of Harness Racing

## PROMOTING HEALTH ON-TRACK

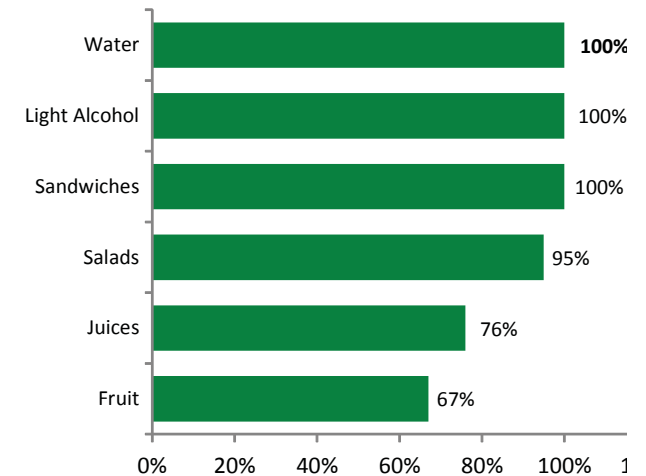
Harness racing customers are seeking healthier food and beverage options when enjoying a day or night at the races, a trend that is prevalent at most sporting events. IER found that Australian Harness Racing Clubs are committed to providing a healthy environment for their employees and customers.

Examples of practices revealed by Racing Clubs include: -

- Over 75% of Race Clubs provide healthy choice options for both racing participants and customers
- Over 93% of Race Clubs do not allow alcohol to be brought into the venue – to ensure responsible consumption of alcohol
- Over 93% of Clubs have policies and practices in place to encourage responsible consumption of alcohol
  - ❑ Over 96% of Clubs have RSA training for all bar staff and low alcohol alternatives
  - ❑ 73% of Clubs actively promote responsible consumption of alcohol through advertising
  - ❑ Half of all Clubs have 'alcohol free areas' for customers

- 72% of Clubs have policies and practices in place to reduce the consumption of tobacco. Approximately 90% of Clubs do not sell cigarettes on-course
  - ❑ Over 85% of Clubs have non-smoking areas
  - ❑ Over 60% of Clubs actively promote messages to reduce the consumption of tobacco
  - ❑ Many Clubs indicated that they were 'no smoking venues'
- Over 41% of Clubs have policies and practices in place to reduce the risk of skin cancer – examples include access to shaded areas (100%), advertising messages (25%) and other initiatives (42%) e.g. free sunscreen, staff training and the provision of protective clothing
- Over 30% of Clubs have partnerships with health bodies and associations
- Over 89% of Clubs have trained on-site medical staff available to assist participants, volunteers, staff and customers if required

## Top Six Healthy Food Choices Provided On-Track



## ENVIRONMENTAL AWARENESS

Harness Race Clubs manage major facilities and events involving large numbers of customers. Community and Government expectations on race clubs relating to environmentally friendly practices and policies, have led to the adoption of a number of important initiatives that have a positive impact on the Australian environment.

Race Clubs are actively implementing policies and practices in key areas that impact on the environment. These include:

- Over 60% of Clubs have policies in place to save water and re-use or re-circulate water.

# Community & Social Benefits of Harness Racing

- Thirty-eight percent of Clubs have programs in place to re-use or re-circulate water.

Other examples include: -

- Bore Water is used for horse wash, gardens and track maintenance and storm water captured for toilets
  - Rain storage tanks
  - Rainwater harvesting
  - Water saving toilets and showers
  - Track watering at nights only
  - Grey water usage
  - Development of dams to capture storm water
- A third of Clubs have policies in place to save power through the introduction of solar energy. Some Clubs stated they have solar powered batteries to run water trucks and have implemented light dimming between races.
  - More than one in four Clubs (28%) have policies and programs to develop native flora and fauna. A number of Clubs have developed wetlands areas and regeneration of natural vegetation to allow native flora & fauna to grow. Other Clubs have adopted their local shire tree programs and planted native trees in gardens and around track.

- Close to one-third (31%) of Clubs have programs in place to reduce or re-use resources and recycling of waste such as glass bottles, cardboard, plastic, aluminum cans and food scraps. Other Clubs indicated that track material, horse manure and straw are also recycled for local council gardens.

## CASE STUDIES

### Western Australia

#### Supporting People in the Community with Disabilities or Mental Illness

Bunbury Trotting Club has demonstrated strong leadership in assisting people with a disability or mental illness in the local community. The Club has adopted a number of employment programs which offer people with a disability or mental health illness a chance to commence work in both a race day and non-race day environment. Apart from improving the experience for all at Bunbury Trotting Club, regular work and stimulus can assist with the physical and mental recovery of those with mental illness.

In the last five years the Club has also been proactive with giving long term unemployed people in the community a much appreciated 'step up'. Over the past two years alone the Club has employed 40 long-term unemployed community members in both a casual and part-time capacity.

These roles have included administration, cooking, food and beverage service duties, cleaning duties, mowing and gardening, painting, race night operations; even video production and veterinary assistant roles.

The Club believes that implementing these programs has enabled the racing industry in Bunbury to build a stronger connection with the community while delivering positive social outcomes. The programs have been described as a 'springboard' to future employment by the Club, with up to fifteen casual and part-time staff finding full-time employment in the past two years.



Families enjoying the facilities of the Bunbury Harness Racing Club

# Community & Social Benefits of Harness Racing

## Victoria

### Sharing the thrill of owning a racehorse

Now in its second year, the Bendigo Harness Racing Club continues to engage the wider community in the thrill of owning a Standardbred through the Race for Fun Club. The 'Club' is a combined program of syndicated racehorse ownership and educational programs.

Under the program, members can be involved in the journey of a racehorse. Donated by Alabar Stud, sponsored by over 20 corporate partners and trained at no charge by a local Bendigo horse trainer, the horse is syndicated by the Bendigo Advertiser and can have in excess of 660 owners in the syndicate. Despite this, each Member can have a personal



Race for Fun Club filly "Addy" aka Spirit Of Bendigo leads the Easter Parade in Bendigo in front of 10's of thousands of onlookers, giving harness racing a huge advertisement. The Race for Fun Club entry took pride of place at the head of the annual parade through the city streets.

connection through regular communication via Twitter, Facebook and even a column in the Bendigo Advertiser. Members can also monitor the progress of the horse through its personal website, complete with Videocam.

With over 500 of the 600 plus members having never been involved in harness racing before, the Race for Fun club is certainly encouraging increased participation in the sport. One need only look to the large crowds that gather at the trials to see the effects.

Members can take part in competitions and are treated to giveaways such as caps and T-shirts, sponsored product, even the option to name the horse! Tours of the stables to watch shoeing, teeth inspections, vet visits are just some of the many aspects of horse ownership members can



"Charity filly" Addy (Spirit Of Bendigo) meets a few of her younger fans at Bendigo's Lord's Raceway

learn about, and there are also social barbeques to encourage increased participation in the sport. With mainstream newspaper, television and radio coverage and the Harness Racing Victoria Award for Best promotion, the Race for Fun Club is setting the standard in community engagement.



Strapper Emma Bowles proudly wears the Race for Fun Club silks displaying the advertising message to promote the City of Bendigo.



# Community & Social Benefits of Harness Racing

## New South Wales

### Harness Racing New South Wales Camp Quality Fundraiser a major success

Almost \$8000 was raised for the family cancer charity Camp Quality by New South Wales Harness Racing Club and Harness Racing New South Wales through a series of raffles, auctions and donations. Harness sponsors and owners supported the cause at the auction with significant donations. Josie Wilson from Camp Quality was excited about the prospect of developing future relationships with the harness racing industry. "We are so thankful of everyone's support in harness racing" she said.

The cause was also boosted by the driving efforts of Menangle Park Reinswoman Lauren Panella, whose Camp Quality Silks – worn throughout a two month fundraising period - fetched \$2000 alone. Furthermore, each time Panella drove past the post first, HRNSW matched her driver's cheque in a donation to the Camp Quality cause.



Originally from Newcastle, Panella burst onto the Harness Racing Scene over a year ago but has been around horses her whole life, having been introduced to horses and show jumping at a young age.

## Tasmania

### Tasmanian Harness Racing supports Make-A-Wish Foundation and the Special Olympics

For the third year in a row the Launceston Pacing Club has continued its support of Make-A-Wish Foundation, which grants the wishes of children with life-threatening medical conditions. The club has helped the Foundation to raise an average of \$7500 over the last two years. These funds can be used to give severely disadvantaged children the opportunity to live out a fantasy such as being a fireman, receiving a visit from a favourite celebrity, or even just being able to enjoy some time outside a hospital ward.

Launceston Pacing Club donated the naming rights of every race at one meeting for the Foundation to sell to local business sponsors, with all proceeds going to Make-A-Wish. The Club also donated trophies for each race for the Sponsors to present to the winners, and each time a horse carrying the Make-A-Wish coloured and branded saddlecloth won, Launceston Pacing Club donated additional money. Selling two course meal and entertainment packages at cost price to the Foundation for a \$150 person dinner, the Foundation received all profits from the evening.

The Tasmanian Pacing Club has run two race meetings in support of the Special Olympics, the not-for-profit organisation that transforms the lives of people with an intellectual disability through sport. The first event was a fundraiser where the Club raised over \$1,500 to support athletes when they went to Athens and athletes were given rides in the mobile for every race. A follow up meeting was also held to welcome the athletes home, and many family members and friends attended, in addition to sponsors and some local politicians.

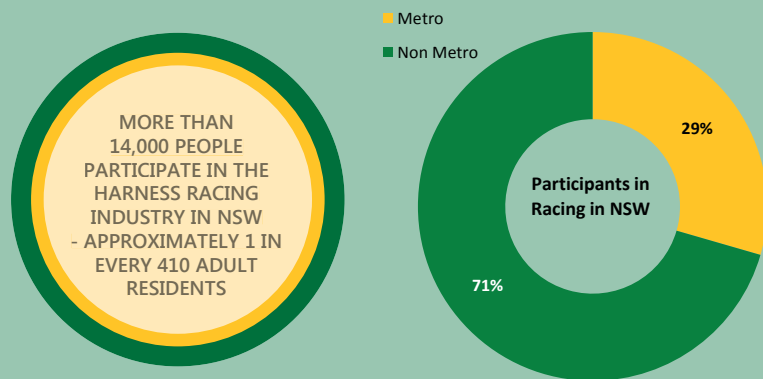
The Club has also been helping the country to meet the city by hosting wood chop events at major race meetings. Community member and twenty-one times consecutive World Champion axeman David Foster was joined by family members and eight of Tasmania's best axeman for a daring display of strength and skill. There are hopes that this proudly Tasmanian tradition will continue as an attraction that engages the community at Harness Racing events.



# Regional Summary - New South Wales

## AT A GLANCE - RACING

32 Racing Clubs (27.9% of Total)  
 537 Race Meetings (28.1% of Total)  
 4,154 Races (27.5% of Total)  
 6,484 Racing Club Members (44.8% of Total)  
 36,597 Race Starts (26.2% of Total)  
 327,933 Attendances (32.0% of Total)



Participant Type (Number of)	Metro	Non Metro	Total	% of Australia
Breeders	526	1,052	1,577	28.4%
Breeders Staff	505	1,167	1,672	33.9%
Owners & Syndicate Owners	2,583	4,905	7,489	31.0%
Trainers (All Classes)	83	216	299	12.5%
Trainer/Driver	169	555	724	30.8%
Registered Drivers	27	101	128	10.8%
Stable Staff	104	287	391	15.4%
<b>Participants in Producing Standardbreds</b>	<b>3,997</b>	<b>8,283</b>	<b>12,280</b>	<b>28.5%</b>
Full Time Club Staff	20	27	47	37.9%
Part Time Club Staff	5	19	24	17.1%
Casual/Contractor Club Staff	160	287	447	25.8%
Club Volunteer	0	785	785	40.1%
Barrier/Stable Attendants & Track Maintenance	5	150	155	30.2%
Stewards	6	4	10	17.9%
Farriers	6	67	73	40.3%
Industry Vets	25	153	178	37.3%
<b>Participants in Producing the Racing Product</b>	<b>227</b>	<b>1,492</b>	<b>1,719</b>	<b>33.2%</b>
Industry Administration Staff	50	0	50	29.4%
<b>Total Participants in the Racing Industry</b>	<b>4,274</b>	<b>9,775</b>	<b>14,049</b>	<b>29.0%</b>





# Regional Summary - New South Wales

## AT A GLANCE - ECONOMIC

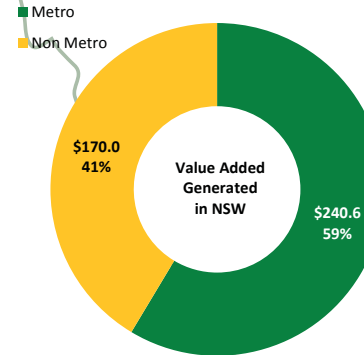
**\$30m** Spent on the Production of Racehorses (26.6% of Total)

**\$121m** Spent on the Preparation of Racehorses (30.6% of Total)

**\$299m** Direct Expenditure<sup>1</sup> Generated (31.1% of Total)

**\$411m** Value Added<sup>2</sup> Generated (33.2% of Total)

**3,816** Full Time Equivalent Employment (31.9% of Total)



The Harness Racing Industry in New South Wales contributes more than \$411 million in value added to Gross State Product. This equates to just over 33% of the total National impact generated by Harness Racing.

The economic output generated by the Harness Racing Industry in New South Wales is responsible for sustaining 3,810 full time equivalent jobs in the State.

The direct value added generated by the Harness Racing Industry in NSW equates to 0.04% of the total economic output generated in the State.

Harness Racing in New South Wales contributes most significantly to the following sectors:-

- Arts & Recreational Services - 0.59%
- Agriculture, Forestry & Fishing - 0.25%
- Public Administration & Safety - 0.13%

(largely driven by taxation on wagering)

NSW  
HARNESS RACING  
IS RESPONSIBLE FOR  
GENERATING MORE  
THAN \$411 MIL IN  
VALUE ADDED - 33.2%  
OF THE NATIONAL  
TOTAL

<sup>1</sup> Direct expenditure is defined as expenditure associated with producing standardbreds (breeding & rearing), preparing standardbreds (training), net wagering revenue, on course customer expenditure and off course customer expenditure

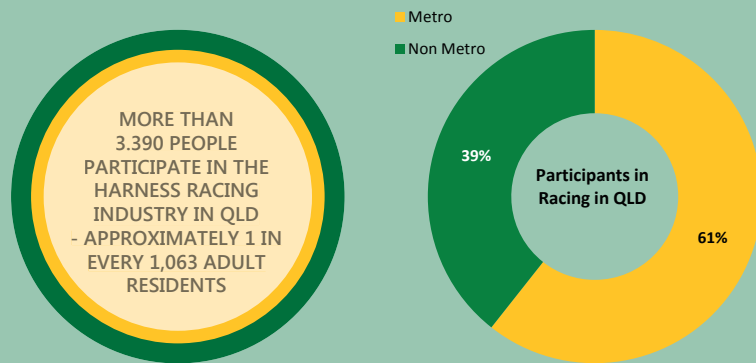
<sup>2</sup> Value added is defined as the value of sales less the value of inputs used in production, ie it is equal to the income (wages, salaries and profits) generated in production



# Regional Summary - Queensland

## AT A GLANCE - RACING

5 Racing Clubs (4.4% of Total)  
 325 Race Meetings (16.9% of Total)  
 2,528 Races (16.6% of Total)  
 586 Racing Club Members (4.0% of Total)  
 21,774 Race Starts (15.6% of Total)  
 100,300 Attendances (9.8% of Total)



Participant Type (Number of)	Metro	Non Metro	Total	% of Australia
Breeders	170	124	294	5.3%
Breeders Staff	116	95	211	4.3%
Owners & Syndicate Owners	1,243	787	2,030	8.4%
Trainers (All Classes)	107	65	172	7.2%
Trainer/Driver	142	84	226	9.6%
Registered Drivers	21	17	38	3.2%
Stable Staff	142	63	205	8.1%
<b>Participants in Producing Standardbreds</b>	<b>1,941</b>	<b>1,235</b>	<b>3,176</b>	<b>7.4%</b>
Full Time Club Staff	3	0	3	2.4%
Part Time Club Staff	1	0	1	0.7%
Casual/Contractor Club Staff	20	24	44	2.5%
Club Volunteer	18	48	66	3.4%
Barrier/Stable Attendants & Track Maintenance	5	30	35	6.8%
Stewards	6	2	8	14.3%
Farriers	4	2	6	3.3%
Industry Vets	15	25	40	8.4%
<b>Participants in Producing the Racing Product</b>	<b>72</b>	<b>131</b>	<b>203</b>	<b>3.9%</b>
Industry Administration Staff	15	0	15	8.8%
<b>Total Participants in the Racing Industry</b>	<b>2,027</b>	<b>1,366</b>	<b>3,394</b>	<b>7.0%</b>



## AT A GLANCE - ECONOMIC

**\$11m** Spent on the Production of Racehorses (9.7% of Total)

**\$48m** Spent on the Preparation of Racehorses (12.2% of Total)

**\$114m** Direct Expenditure<sup>1</sup> Generated (11.8% of Total)

**\$144m** Value Added<sup>2</sup> Generated (11.6% of Total)

**1,382** Full Time Equivalent Employment (11.6% of Total)

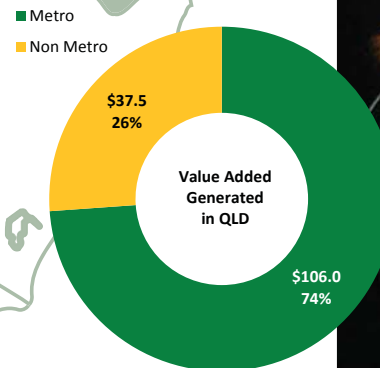
The Harness Racing Industry in Queensland contributes more than \$144 million in value added to Gross State Product. This equates to just over 11.5% of the total National impact generated by Harness Racing.

The economic output generated by the Harness Racing Industry in Queensland is responsible for sustaining 1,382 full time equivalent jobs in the State.

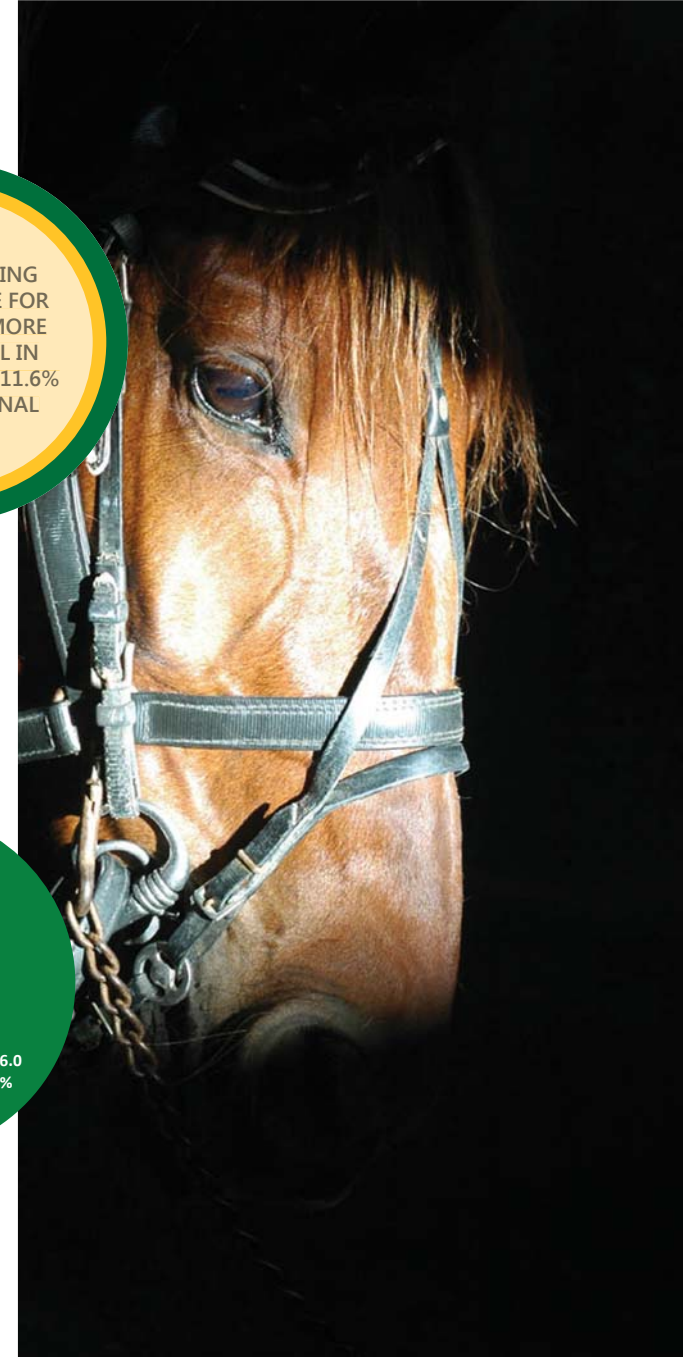
The direct value added generated by the Harness Racing Industry in QLD equates to 0.03% of the total economic output generated in the State.

Harness Racing in Queensland contributes most significantly to the following sectors:-

- Arts & Recreational Services - 0.59%
- Agriculture, Forestry & Fishing - 0.11%
- Health Care & Social Assistance - 0.08% (largely driven by veterinarian services)



QLD HARNESS RACING IS RESPONSIBLE FOR GENERATING MORE THAN \$144 MIL IN VALUE ADDED - 11.6% OF THE NATIONAL TOTAL



<sup>1</sup> Direct expenditure is defined as expenditure associated with producing standardbreds (breeding & rearing), preparing standardbreds (training), net wagering revenue, on course customer expenditure and off course customer expenditure

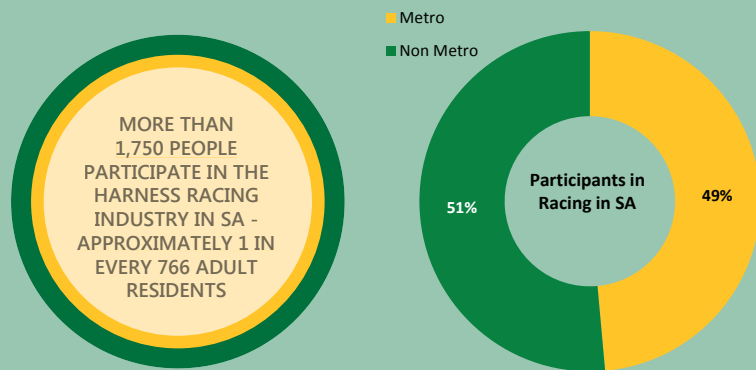
<sup>2</sup> Value added is defined as the value of sales less the value of inputs used in production, ie it is equal to the income (wages, salaries and profits) generated in production



# Regional Summary - South Australia

## AT A GLANCE - RACING

12 Racing Clubs (10.5% of Total)  
 189 Race Meetings (9.8% of Total)  
 1,465 Races (9.7% of Total)  
 845 Racing Club Members (5.8% of Total)  
 12,861 Race Starts (9.2% of Total)  
 102,800 Attendances (10.0% of Total)



Participant Type (Number of)	Metro	Non Metro	Total	% of Australia
Breeders	103	86	189	3.4%
Breeders Staff	94	69	163	3.3%
Owners & Syndicate Owners	247	328	575	2.4%
Trainers (All Classes)	108	76	184	7.7%
Trainer/Driver	78	82	160	6.8%
Registered Drivers	32	25	57	4.8%
Stable Staff	102	82	184	7.3%
<b>Participants in Producing Standardbreds</b>	<b>764</b>	<b>748</b>	<b>1,512</b>	<b>3.5%</b>
Full Time Club Staff	4	0	4	3.2%
Part Time Club Staff	0	3	3	2.1%
Casual/Contractor Club Staff	50	34	84	4.8%
Club Volunteer	0	18	18	0.9%
Barrier/Stable Attendants & Track Maintenance	5	55	60	11.7%
Stewards	6	0	6	10.7%
Farriers	3	15	18	9.9%
Industry Vets	6	31	37	7.8%
<b>Participants in Producing the Racing Product</b>	<b>74</b>	<b>156</b>	<b>230</b>	<b>4.4%</b>
Industry Administration Staff	10	0	10	5.9%
<b>Total Participants in the Racing Industry</b>	<b>847</b>	<b>904</b>	<b>1,752</b>	<b>3.6%</b>



# Regional Summary - South Australia

## AT A GLANCE - ECONOMIC

**\$4m** Spent on the Production of Racehorses (3.3% of Total)

**\$33m** Spent on the Preparation of Racehorses (8.3% of Total)

**\$58m** Direct Expenditure<sup>1</sup> Generated (6.0% of Total)

**\$70m** Value Added<sup>2</sup> Generated (5.7% of Total)

**682** Full Time Equivalent Employment (5.7% of Total)

SA HARNESS RACING IS RESPONSIBLE FOR GENERATING MORE THAN \$70 MIL IN VALUE ADDED - 5.7% OF THE NATIONAL TOTAL

The Harness Racing Industry in South Australia contributes more than \$70 million in value added to Gross State Product. This equates to just under 6% of the total National impact generated by Harness Racing.

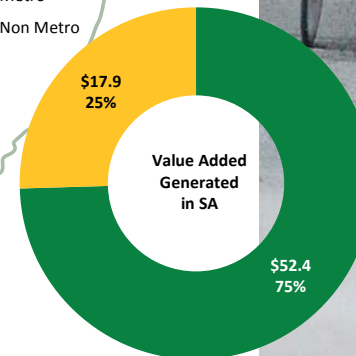
The economic output generated by the Harness Racing Industry in South Australia is responsible for sustaining 682 full time equivalent jobs in the State.

The direct value added generated by the Harness Racing Industry in SA equates to 0.04% of the total economic output generated in the State.

Harness Racing in South Australia contributes most significantly to the following sectors:-

- Arts & Recreational Services - 0.56%
- Health Care & Social Assistance - 0.13%
- Agriculture, Forestry & Fishing - 0.10%

■ Metro  
■ Non Metro



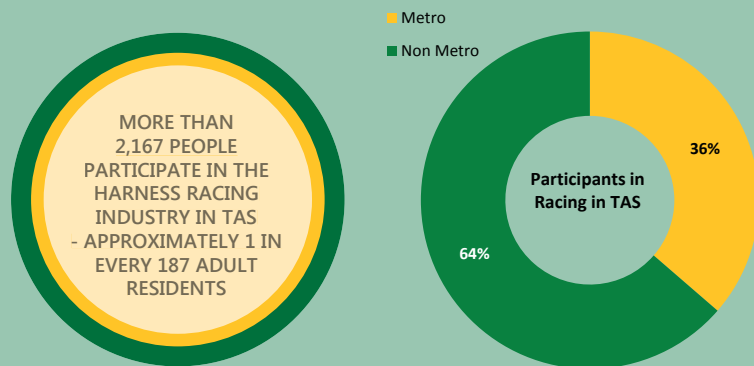
<sup>1</sup> Direct expenditure is defined as expenditure associated with producing standardbreds (breeding & rearing), preparing standardbreds (training), net wagering revenue, on course customer expenditure and off course customer expenditure

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

# Regional Summary - Tasmania

## AT A GLANCE - RACING

**9** Racing Clubs (7.9% of Total)  
**92** Race Meetings (4.8% of Total)  
**761** Races (5.0% of Total)  
**730** Racing Club Members (5.0% of Total)  
**7,090** Race Starts (5.1% of Total)  
**38,886** Attendances (3.8% of Total)



Participant Type (Number of)	Metro	Non Metro	Total	% of Australia
Breeders	50	100	150	2.7%
Breeders Staff	30	40	70	1.4%
Owners & Syndicate Owners	525	620	1,145	4.7%
Trainers (All Classes)	32	83	115	4.8%
Trainer/Driver	32	66	98	4.2%
Registered Drivers	22	33	55	4.6%
Stable Staff	41	96	137	5.4%
<b>Participants in Producing Standardbreds</b>	<b>732</b>	<b>1,038</b>	<b>1,770</b>	<b>4.1%</b>
Full Time Club Staff	1	1	2	7.6%
Part Time Club Staff	1	9	10	7.1%
Casual/Contractor Club Staff	18	95	113	6.5%
Club Volunteer	12	179	191	9.8%
Barrier/Stable Attendants & Track Maintenance	5	40	45	8.8%
Stewards	5	0	5	8.9%
Farriers	0	4	4	2.2%
Industry Vets	4	13	17	3.6%
<b>Participants in Producing the Racing Product</b>	<b>46</b>	<b>341</b>	<b>387</b>	<b>7.5%</b>
Industry Administration Staff	10	0	10	5.9%
<b>Total Participants in the Racing Industry</b>	<b>788</b>	<b>1,379</b>	<b>2,167</b>	<b>4.5%</b>





## AT A GLANCE - ECONOMIC

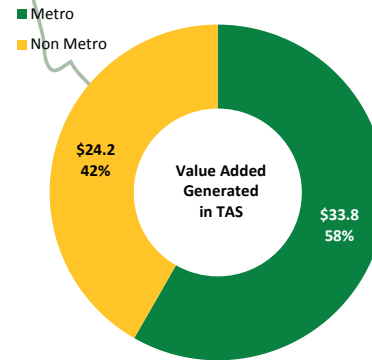
**\$4m** Spent on the Production of Racehorses (3.6% of Total)

**\$21m** Spent on the Preparation of Racehorses (5.3% of Total)

**\$50m** Direct Expenditure<sup>1</sup> Generated (5.2% of Total)

**\$58m** Value Added<sup>2</sup> Generated (4.7% of Total)

**574** Full Time Equivalent Employment (4.8% of Total)



The Harness Racing Industry in Tasmania contributes more than \$58 million in value added to Gross State Product. This equates to just under 5% of the total National impact generated by Harness Racing.

The economic output generated by the Harness Racing Industry in Tasmania is responsible for sustaining 574 full time equivalent jobs in the State.

The direct value added generated by the Harness Racing Industry in TAS equates to 0.13% of the total economic output generated in the State.

Harness Racing in Tasmania contributes most significantly to the following sectors:-

- Arts & Recreational Services - 1.15%
- Health Care & Social Assistance - 0.39%
- Agriculture, Forestry & Fishing - 0.30%

TAS HARNESS RACING IS RESPONSIBLE FOR GENERATING MORE THAN \$58 MIL IN VALUE ADDED - 4.7% OF THE NATIONAL TOTAL

<sup>1</sup> Direct expenditure is defined as expenditure associated with producing standardbreds (breeding & rearing), preparing standardbreds (training), net wagering revenue, on course customer expenditure and off course customer expenditure

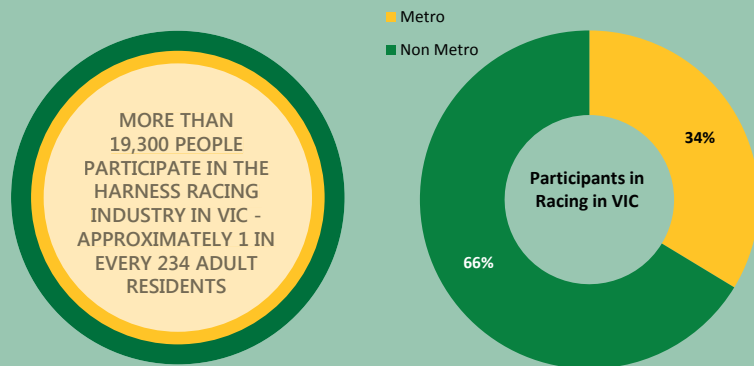
<sup>2</sup> Value added is defined as the value of sales less the value of inputs used in production, ie it is equal to the income (wages, salaries and profits) generated in production



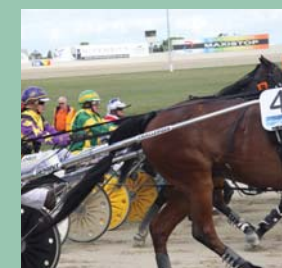
# Regional Summary - Victoria

## AT A GLANCE - RACING

38 Racing Clubs (33.3% of Total)  
 500 Race Meetings (25.9% of Total)  
 4,006 Races (26.3% of Total)  
 3,303 Racing Club Members (22.8% of Total)  
 38,528 Race Starts (27.6% of Total)  
 160,400 Attendances (15.7% of Total)

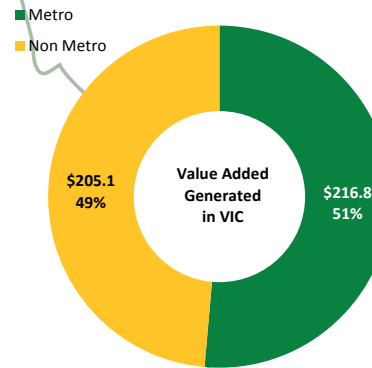


Participant Type (Number of)	Metro	Non Metro	Total	% of Australia
Breeders	975	2,074	3,048	54.9%
Breeders Staff	997	1,444	2,441	49.5%
Owners & Syndicate Owners	3,176	4,674	7,850	32.5%
Trainers (All Classes)	300	1,060	1,360	57.0%
Trainer/Driver	145	563	708	30.1%
Registered Drivers	175	669	844	71.3%
Stable Staff	331	999	1,330	52.5%
<b>Participants in Producing Standardbreds</b>	<b>6,098</b>	<b>11,483</b>	<b>17,581</b>	<b>40.8%</b>
Full Time Club Staff	8	31	39	31.5%
Part Time Club Staff	9	48	57	40.7%
Casual/Contractor Club Staff	308	353	661	38.1%
Club Volunteer	24	437	461	23.5%
Barrier/Stable Attendants & Track Maintenance	5	185	190	37.0%
Stewards	10	0	10	17.9%
Farriers	8	41	49	27.1%
Industry Vets	70	117	187	39.2%
<b>Participants in Producing the Racing Product</b>	<b>442</b>	<b>1,212</b>	<b>1,654</b>	<b>31.9%</b>
Industry Administration Staff	70	0	70	41.2%
<b>Total Participants in the Racing Industry</b>	<b>6,610</b>	<b>12,695</b>	<b>19,305</b>	<b>39.9%</b>



## AT A GLANCE - ECONOMIC

**\$54m** Spent on the Production of Racehorses (47.6% of Total)  
**\$121m** Spent on the Preparation of Racehorses (30.4% of Total)  
**\$318m** Direct Expenditure<sup>1</sup> Generated (33.0% of Total)  
**\$422m** Value Added<sup>2</sup> Generated (34.1% of Total)  
**3,990** Full Time Equivalent Employment (33.4% of Total)



VIC HARNESS RACING IS RESPONSIBLE FOR GENERATING MORE THAN \$422 MIL IN VALUE ADDED - 34.1% OF THE NATIONAL TOTAL

The Harness Racing Industry in Victoria contributes more than \$422 million in value added to Gross State Product. This equates to just over 34.0% of the total National impact generated by Harness Racing. The economic output generated by the Harness Racing Industry in Victoria is responsible for sustaining 3,990 full time equivalent jobs in the State.

The direct value added generated by the Harness Racing Industry in VIC equates to 0.06% of the total economic output generated in the State.

Harness Racing in Victoria contributes most significantly to the following sectors:-

- Arts & Recreational Services - 0.58%
- Agriculture, Forestry & Fishing - 0.39%
- Health Care & Social Assistance - 0.18%

<sup>1</sup> Direct expenditure is defined as expenditure associated with producing standardbreds (breeding & rearing), preparing standardbreds (training), net wagering revenue, on course customer expenditure and off course customer expenditure

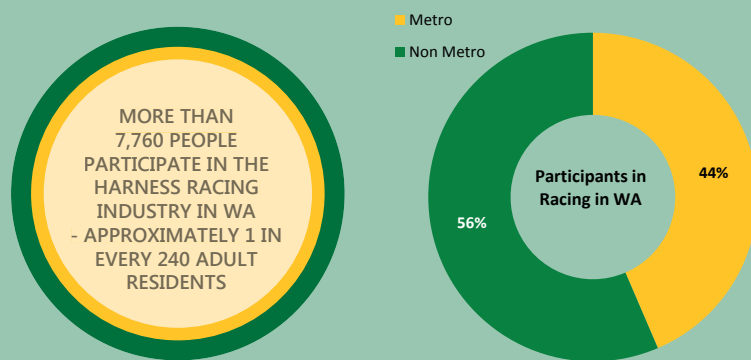
<sup>2</sup> Value added is defined as the value of sales less the value of inputs used in production, ie it is equal to the income (wages, salaries and profits) generated in production



# State Summary - Western Australia

## AT A GLANCE - RACING

19 Racing Clubs (16.7% of Total)  
 285 Race Meetings (14.8% of Total)  
 2,316 Races (15.2% of Total)  
 2,527 Racing Club Members (17.5% of Total)  
 22,981 Race Starts (16.4% of Total)  
 293,875 Attendances (28.7% of Total)



Participant Type (Number of)	Metro	Non Metro	Total	% of Australia
Breeders	160	136	296	5.3%
Breeders Staff	108	264	372	7.5%
Owners & Syndicate Owners	2,617	2,440	5,057	20.9%
Trainers (All Classes)	101	153	254	10.7%
Trainer/Driver	144	289	433	18.4%
Registered Drivers	35	27	62	5.2%
Stable Staff	116	170	286	11.3%
<b>Participants in Producing Standardbreds</b>	<b>3,281</b>	<b>3,479</b>	<b>6,760</b>	<b>15.7%</b>
Full Time Club Staff	20	9	29	23.4%
Part Time Club Staff	8	37	45	32.1%
Casual/Contractor Club Staff	196	188	384	22.2%
Club Volunteer	36	401	437	22.3%
Barrier/Stable Attendants & Track Maintenance	2	27	29	5.7%
Stewards	13	4	17	30.4%
Farriers	9	22	31	17.1%
Industry Vets	3	15	18	3.8%
<b>Participants in Producing the Racing Product</b>	<b>287</b>	<b>703</b>	<b>990</b>	<b>19.1%</b>
Industry Administration Staff	15	0	15	8.8%
<b>Total Participants in the Racing Industry</b>	<b>3,583</b>	<b>4,182</b>	<b>7,765</b>	<b>16.0%</b>



# State Summary - Western Australia

## AT A GLANCE - ECONOMIC

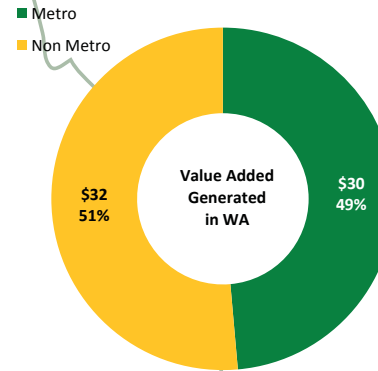
**\$11m** Spent on the Production of Racehorses (9.3% of Total)

**\$53m** Spent on the Preparation of Racehorses (13.2% of Total)

**\$125m** Direct Expenditure<sup>1</sup> Generated (12.9% of Total)

**\$134m** Value Added<sup>2</sup> Generated (10.8% of Total)

**1,505** Full Time Equivalent Employment (12.6% of Total)



The Harness Racing Industry in Western Australia contributes more than \$134 million in value added to Gross State Product. This equates to just over 10.8% of the total National impact generated by Harness Racing.

The economic output generated by the Harness Racing Industry in Western Australia is responsible for sustaining 1,505 full time equivalent jobs in the State.

The direct value added generated by the Harness Racing Industry in WA equates to 0.03% of the total economic output generated in the State.

Harness Racing in Western Australia contributes most significantly to the following sectors:-

- Arts & Recreational Services - 1.83%
- Agriculture, Forestry & Fishing - 0.17%
- Information, Media & Telecoms - 0.12%

WA HARNESS RACING IS RESPONSIBLE FOR GENERATING MORE THAN \$134 MIL IN VALUE ADDED - 10.8% OF THE NATIONAL TOTAL

<sup>1</sup> Direct expenditure is defined as expenditure associated with producing standardbreds (breeding & rearing), preparing standardbreds (training), net wagering revenue, on course customer expenditure and off course customer expenditure

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



## Basis of Evaluation

The economic contribution of an industry is the contribution in terms of the generation of gross state or regional product, the creation of household income and the employment it supports. Industries do this in two ways – by the employment and activity it supports directly, and in the industries that depend on it as a customer; and the flow on effects of that as it escalates through the economy.

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

It is also generally acknowledged that, in addition to the jobs in direct suppliers to the services that the expenditure has a multiplier effect within the community, extending the spend effect and the impact through the expenditure of wages and purchases of the direct suppliers.

The use of multipliers derived from input output tables has been a prominent process for translating direct created expenditure (a final demand stimulus) of industries or projects into jobs and incomes, and for establishing the extent of the flow-on impact.

This process is described further below:-

*The analysis has been undertaken in a consistent format and with consistent assumptions to evaluations of other projects (for consistency and comparative purposes). This analysis counts the creation of new jobs in the community, and the associated incomes as a community benefit. The methodology recognises the value of direct jobs creation, but also the value in indirect jobs through purchases and flow on effects. Such benefits are recognised consistently in studies throughout Australia, using a range of alternative models.*

*An input output model, as used herein is an economy wide model which shows the inter-linkages between industry sectors in the economy. Therefore the change in economic circumstances (specifically a change in final demand) for one sector of the economy (eg through a major project) can be traced through to its effect on other sectors, allowing a more comprehensive look at the effects of the project. It is based on assumptions that all changes in final demand can be met by the economy without constraint.*

*A computable general equilibrium (CGE) model is also an economy wide model and has a similar outcome, but differs from input output models in that it includes supply side and macro-economic constraints, thereby limiting the extent that the change in final demand will be fully captured in other sectors (because of market limitations). The labour market is in effect the most significant constraining factor. At the national level such constraints will be critical, and as such national impacts are best assessed in this framework. However at a state level, where supply constraints in the labour market are demonstrably small (responded to by immigration) and there are also limited capital market constraints - the estimates of jobs and GSP outcomes are of a similar order of magnitude at the state level. Both models would generally show a project in one region causing a positive effect in that region. A*

*CGE model would show that project causing negative impacts in other regions to heavily offset the gains. In this analysis we are clearly concerned with the impacts on the state economy.*

There is some level of academic argument about appropriate models for converting increases in external expenditure (final demand) into regional economic impacts. The critics of using input output tables often argue that multipliers are used to overstate the value of an industry – with the term multiplier taken as ratcheting up the value. This criticism used to be valid when analysts applied turnover multipliers, but is not the case with the more appropriate use of value added multipliers – which translate the expenditure estimates to national accounting framework measure with a whole of economy context. Indeed value added multipliers (the value added impact (direct and induced) relative to a dollar of created expenditure) are often less than one. Used correctly multipliers provide a more appropriate measure.

In short, use of these input-output based multipliers allow a reporting to the estimated outcomes of the industry in terms of the effect of expenditure or turnover on value added across a regional economy and in terms of job creation – which is consistent with national accounting frameworks. It should be noted that this cannot be interpreted as saying that Gross State Product or employment would fall by



this amount if the industry did not exist. In the first instance people would spend their money on other activities and the contribution of those other sectors would go up and replace that of the racing industry. What it reflects is the level of direct and induced employment that is linked to people choosing to spend their entertainment dollar on racing.

This study of the Harness Racing Industry is undertaken by firstly identify the expenditures of the industry – that is the spend on activities - and then applying this expenditure to state and national input output tables.

As explained above the estimates of expenditure, is supplied at two levels. Firstly there is the industry expenditure, by state (and broad region within the state) in which the spend occurs. Secondly, there is the allocation of the final expenditure to industry sector (using ANZIC codes as defined by the ABS). Expenditure on labour in the racing sector itself is allocated to the recreational cultural sector.

## **Acknowledgements**

IER would like to acknowledge the contribution of the following organisations and individuals:-

- Harness Racing Australia
- Harness Racing New South Wales
- Racing Queensland
- Harness Racing SA
- TasRacing
- Harness Racing Victoria
- Racing & Wagering WA
- Harness Racing Clubs throughout Australia
- Australian Bureau of Statistics
- Racing Information Services Australia
- Various Owners, Trainers and Breeders who provided valuable data for this study

