



FIVE YEAR STRATEGIC PLAN DEVELOPMENT
Racing Industry Consultation
Discussion Document

AUGUST 2021



Consultation Process Recap

This industry consultation paper provides industry stakeholders with the opportunity to shape the future of racing in Tasmania. Comments from the initial racing industry consultation and 2 Board sessions have been aggregated to develop strategic themes that are under consideration for the new Strategic Plan.

The timetable for the consultation process is:

- Release of Consultation paper: **9 March 2021**
- Board strategy session 1 : **28 July 2021**
- Board strategy session 2 : **6 August 2021**
- Racing industry consultation sessions : **September 2021**
- Tasracing management data collection and strategy summarisation : **September 2021 / October 2021**
- Initial Board Review of new Strategic Plan : **October 2021**
- Finalisation of Strategic Plan : **December 2021**
- Strategic Plan issued : **January 2022**

Tasracing's consultation process is described as:

- The sharing of relevant information about matters affecting stakeholders.
- Stakeholders being given reasonable opportunity to express their views and raise issues.
- The views of stakeholders being taken into account during the decision process.
- Stakeholder being advised of decisions in a timely manner.

Note – A Summary of the Tasmanian Racing Industry Consultation responses is included in the appendix to this document



Five Year Strategic Plan – A Range of Risks must be Mitigated in the Strategy

Risks Common to Most Racing Industries

- Infectious diseases (eg. COVID, Equine Influenza)
- Animal welfare
- Integrity risk
- Participant safety
- Post COVID wagering trends
- Declining public interest in attending race meetings
- Need for race club resources to adapt to changing consumer market

Risks Specific to the Tasmanian Racing Industry

- Over reliance on Government funding
- Lack of community support for the racing industry
- Decline in animal population and reduced investment by owners
- Inability to attract new participants to the industry (eg. Jockey shortages, Aging demographic)
- Participant revenues and business models become unviable
- Competition for key racing timeslots in the schedule
- Significant project failure (eg. North West Tracks)
- Track maintenance failures, including the inability to forecast and address the impacts of climate change

The Tasracing Board recognises the need to take calculated risks to grow and improve the Tasmanian racing industry. However Tasracing has limited resources so must be careful to ensure these are not wasted through taking excessive risk. The balance between ensuring long term sustainability and growth initiatives needs to be carefully considered.



Five Year Strategic Plan – Developing a new Vision

Old Vision

“To become a globally competitive and sustainable racing industry”

Potential Key Elements of the New Vision

- Being globally competitive is not the real aspiration
- Achieving long term sustainability for the Tasmanian racing industry is seen as the key goal
- Economic contribution to the community is seen as critical to protect the industries social license
- Enhanced community respect and engagement will underpin Government support of racing



Five Year Strategic Plan – Developing a new Mission

Old Mission

“To effectively and efficiently administer racing and improve the commercial performance and economic contribution of racing in Tasmania”

Potential Key Elements of the New Mission

- General view that the old Mission captured the key elements that are needed
- Focus on improving commercial performance should continue
- Enhancing participant business viability is not just about revenue growth (eg. training, recruitment, skill gaps, marketing and promotion)
- Ensuring prizemoney levels can be maintained, and preferably grown, is critical
- Ongoing infrastructure enhancement is needed to ensure safety, improve the quality of racing and encourage crowd attendance
- Positive animal welfare and integrity management must underpin the industry
- Enhancing the profile of, and engagement with, the broader Tasmanian community

Five Year Strategic Plan – Potential Strategic Themes

1. Grow and better communicate racing's economic contribution

- Commission and publish an independent economic report outlining the Tasmanian racing industries contribution to the economy
- Initiate a government, racing industry participant and general community education program outlining the benefits the racing industry brings to Tasmania
 - Highlight the commercial cost and community benefits of conducting meetings in regional areas (eg. King Island)
 - Refute the myth that the racing industry costs the Tasmania tax payer \$30m per annum
 - Highlight the export revenue secured by the Tasmanian racing industry
 - Distribute simple to understand KPI's that explain the importance of racing (eg. Number of jobs)
- Establish stronger links and joint growth initiatives with tourism, sporting body and general entertainment industries
- Increase the focus and regular reporting on key indicators of economic contribution (eg. Jobs, investment, tax, crowds, etc)

**The above are merely strategic themes for consideration
– specific actions have yet to be identified or approved**

Five Year Strategic Plan – Potential Strategic Themes

2. Build commercial sustainability

- Agree a long term funding deal with the Government (post 2028)
- Identify new, and optimise existing, revenue streams
 - Gain long term certainty on share of Point of Consumption tax revenue
 - Better commercialise the use of club assets
 - Implement strategies to grow on course attendance and club memberships
 - Ensure all racing assets attract sponsorship revenues
- Maximise wagering revenues from interstate and international markets
 - Lead in digital marketing through FormPlus
 - Influence Sky Racing to allow greater ability for Tasracing to maximise media exposure of Tasmanian races
 - Take advantage of race schedule opportunities that maximise the exposure of Tasmanian races (eg. Good Friday)
- Implement strategies that attract new, and retain existing, owners in Tasmania racing
 - Syndication
 - Improved owner benefits, facilities on track and communication
- Continue to grow the profile and commercial benefits from the Summer Carnival – without additional prizemoney outlays
- Continue to rationalise the racing industries cost base – procurement, synergy and productivity savings

**The above are merely strategic themes for consideration
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Five Year Strategic Plan – Potential Strategic Themes

3. Lead in Animal Welfare

- Continue to invest in track infrastructure improvements that address safety exposures
- Continue to develop the greyhound GAP program
- Enhance equine related post race programs
- Reassess animal welfare strategies annually and ensure national best practise is adopted where practical
- Establish processes to identify and mitigate the risk of over breeding
- Provide regular training and information support for trainers and owners on animal welfare matters

**The above are merely strategic themes for consideration
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Five Year Strategic Plan – Potential Strategic Themes

4. Community Recognition of Racing's Importance

- Increase the profile of racing in Tasmania through cost effective promotional activities
 - Embed the Go Racing Tasmania branding in everything
 - Enhance relationships with community media
 - Expand the customer reach in Tasmania of Tasracing digital media
 - Create new and innovative race formats or meetings that lead to positive news and public interest
- Successfully upgrade North West tracks and gain appropriate community and government recognition for the investment
- Implement initiatives that increase the club connection to sport, charities and the broader community

The above are merely strategic themes for consideration
– specific actions have yet to be identified or approved

Five Year Strategic Plan – Potential Strategic Themes

5. Develop a More Professional and Vibrant Racing Industry

- Assist trainers to modernise and better promote their businesses by providing assistance with technology, marketing and promotion strategies, communication, employment practises and other business disciplines
- Develop programs to assist clubs grow membership and on course attendance
- Enhance the on track customer experience through infrastructure upgrades, improved food and beverage offers and other customer engagement attractions
- Expand participation in early entry programs (eg. Mini trot, pony club)
- Assist clubs to implement best practise governance practises
- Establish regular reporting practises that highlight industry KPI's and increase transparency
- Recruit and develop high calibre Tasracing employees

**The above are merely strategic themes for consideration
– specific actions have yet to be identified or approved**

Five Year Strategic Plan – Potential Strategic Themes

6. Effectively Manage Risk

- Continue to address track safety issues with infrastructure upgrades and process improvement
- Ensure the regulatory function and performance supports Tasracing 's strategic plan
- Identify and implement more cost effective workers compensation insurance arrangements
- Adopt best practise risk management governance practises

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Appendix

Summary of Tasmanian Racing Industry Consultation Responses

Strategic Objectives and Vision

<p>Vision - The direction we take in order to achieve our long term goals for the Industry.</p>	
<p>Issues:</p>	<ul style="list-style-type: none"> • What do you see as the top 4 key strategic issues that need to be addressed? • Why do you see these as the top 4 strategic issues? • How should we define success for the Industry? • How do we measure success for the industry? • What do you see as Tasracing and the Industry's top three long term goals?

Response Summary:

Focus on stakes increases, infrastructure and skills shortage / participants, breeding, invest in youth, transparency, is the current governance structure appropriate? Animal Welfare to become a high priority. From breeding to racing then retirement. **68% response**

Rebuild confidence, improve integrity, deliver growth, sustainable breeding, welfare is perception of how we are seen, visibility, community involvement, education of public. **64% response**

By achieving key strategies put into place and observing growth of racing industry in a range of areas. These range from equality for all, respect by community, improved integrity outcomes, sustainable income for participants (with a key focus on increasing stakes across all 3 codes) and returning positive animal welfare outcomes. 50% response. **50% response**

By monitoring growth in defined areas. Participation on all levels, sustainable stakes increases, improved infrastructure and positive animal welfare outcomes. **43% response**

Some common themes as the long term goals. Increases in stakes, participation, wagering turnover, animal welfare outcomes and confidence in Tasracing & ORI. **57% response**

Strategic Objectives and Vision - Stakes

With the recent stakes increases, Tasmanian stakes now compare reasonably with Interstate benchmarks.

Issues:

- What is the appropriate base stakes level for Tasmania to be competitive and sustainable?
- What level should we be comparing ourselves to on the mainland. (Country, Provincial or Metro or a combination in which states)?
- Should prizemoney be reallocated to allow payment of all runners?
- Should base stakes be reallocated to develop a feature race program that has prizemoney sufficient to attract high quality runners from the mainland?
- Should we cap stakes and subsidise participant operational costs instead (e.g. insurance, free nominations, reduced license fees etc)?

Response Summary:

The responses gathered gauge well for current base stakes levels. The most common theme taken from responses wanting increases is a 20-25% increase into the future. **68% response**

The responses vary pending on the code. Thoroughbred participant responses suggest that Provincial comparison is suited. Harness participant responses suggest a variation between Provincial and Metro stakes levels and Greyhounds being a little more inconclusive suggesting there was no real pattern in relation to a suitable stakes comparison for Tasmanian Greyhound racing. **64% response**

A vast majority of responses do not feel that any change in prizemoney allocation is required. Perhaps the only theme in contrary to this would be for thoroughbreds to be paying to 8th place. **75% response**

Again a vast majority of responses feel no increase to feature races is required. Those responses which do agree with feature race increase suggest that key marquee races only be increased to ensure their status nationally. **71% response**

A vast majority of responses do not want stakes capped in order to subsidise participant operational costs. Whilst operational costs are a concern most responses felt they should remain as separate funding items. **75% response**

Strategic Objectives and Vision - Stakes

With the recent stakes increases, Tasmanian stakes now compare reasonably with Interstate benchmarks.

Issues:

- How do we use stakes to incentivise ownership?
- How effective do you think this would be in attracting new owners?
- Should Tasracing now focus less on stakes growth and more on improving infrastructure?

Response Summary:

General consensus on increasing stakes and or breeding bonuses available to owners will stimulate ownership numbers. **68% response**

Less than 40% of surveys returned chose to respond to this question. Seems a majority agree that prizemoney increasing has a direct correlation into ownership increasing. It was also evident that syndication is something those who responded consider important. **39% response**

Vast majority of responses do not feel Tasracing need to focus less on stakes and more on infrastructure. The general consensus was the two need to be prioritised separately. **68% response**

Strategic Objectives and Vision – Code Funding

Currently each code receives the same percentage increase when code funding is increased.

Issues:

- Should the current Code funding model be significantly changed and why should it be changed?
- If so, what should the change be based upon?
- Should funding for any one code be increased at the cost of reducing funding for other codes?
- What should be included in determining a Code's Funding? (For example travel subsidies, insurance amounts, maintenance costs)

Response Summary:

Varied opinions which seem to be based on the code the responder is aligned too. The most obvious point being greyhound participants seek an increase on the model. There is a theme across these greyhound participant responses seeking the model include a performance measure based on wagering and/or revenue. Most Harness and Thoroughbred responses are ok with existing model. **61% response**

Whilst only a small number of persons responded to this query it seems that those who did feel a KPI is required to assist with determining code split. **25% response**

The consensus to this question was no. The majority felt that the current model should not be reduced for a particular code. Some of the responses felt that only future increases should be varied and not existing base funding. **54% response**

Most responses focused on operational costs for participating in the particular code and this being reflected in the code funding model. **39% response**

Strategic Objectives and Vision - Marketing

Marketing resources are used to promote Tasmanian wagering product to wagering customers across Australia for race field fee revenue and to promote local racing events to potential patrons.

Issues:

- Should Tasracing allocate potential stakes money to increase Club support (this is over and above the current funding of \$1.3m)?
- Do you think there should be more marketing for Club events? What form should this take? (At present \$490k is spent annually on marketing Club events.)
- Should all three codes be marketed together or are the codes aimed at different audiences and target demographics?
- What type and level of services should be provided by Tasracing to the Clubs?

Response Summary:

Overwhelming no. Stakes should not be used for Marketing purposes. **57% response**

Mixed opinions. Some felt that the total spend on Marketing is excessive. Others felt it was acceptable but needs to either be given directly to clubs and or spread more evenly across codes. **54% response**

A genuine split of opinions on this one. Part feel Marketing spend should be managed separately and the other part feel a tri code marketing strategy works. There was some comment around a review into the tangible returns from the Marketing spend entirely. **57% response**

A number of responses suggest Tasracing offer direct funding to clubs and allow them more control on how the Marketing dollars are utilised. **54% response**

Strategic Objectives and Vision - Marketing

Marketing resources are used to promote Tasmanian wagering product to wagering customers across Australia for race field fee revenue and to promote local racing events to potential patrons

Issues:

- Race field fees of over \$16m pa are supported by the digital assets including form, commentary and Tasracing TV. What level of digital asset marketing would you think reasonable to promote growth in Race Field Fees? (At present \$200k is expended directly on digital asset marketing.)
- Digital assets are currently provided free to encourage Race Field Fee growth. A 10% increase in Race Field Fees is worth around \$1.5-2.0m per annum. Should some of those assets be charged for?
- What marketing could we do to increase ownership?

Response Summary:

Majority feel that there is no need for any additional spend on digital marketing and query if it is actually working and hard to quantify. **43% response**

Mixed opinions. Charging for it would determine how valuable it actually is. Similar information is available for free elsewhere. **43% response**

Syndication. More advertising on popular platforms. Open days at studs. Showcasing the thrill of ownership. **50% response**

Strategic Objectives and Vision – Animal Welfare

Racing only exists with the support of the general public. Without this “social license” racing could be banned or lose all government support. Animal welfare issues are critical to this social license.

Issues:

- What responsibility should be held by GAP? Should it be the primary rehoming resource? Should there be many organisations doing rehoming but GAP sets the rehoming standard?
- What responsibility should be held by the Off The Track program? Should it set the equine welfare standard?
- Should Tasracing financially support other rehoming operations (non GAP or OTT entities)?
- What level of responsibility should Tasracing take on for equine rehoming? Should it take ownership of animals, retrain and rehome or fund and support these operations?

Response Summary:

Majority think GAP should be the primary rehoming resource but needs big improvements and to function better. Some responses said GAP wasn't working. **61% response**

Mixed responses. OTT should be a last resort. National policies and programs should be adhered to. **32% response**

Mixed responses. Any additional rehoming operations need to not be against racing and work to Tasracing's standards. **50% response**

Tasracing shouldn't take full responsibility but should be involved. Owner primarily responsible. **36% response**

Strategic Objectives and Vision – Animal Welfare

Racing only exists with the support of the general public. Without this “social license” racing could be banned or lose all government support. Animal welfare issues are critical to this social license.

Issues:

- Should rehoming responsibility continue after adoption? Should there be a follow up for greyhound and equine to keep track of animals 6 to 12 months after rehoming? Should it continue for the life of the animal?
- Should Tasracing allocate funding to develop a retraining program?
- Should Tasracing allocate funding to develop retirement facilities for equines?
- What level of responsibility, if any, rests with breeders for equine and greyhound welfare?

Response Summary:

Majority leaning to rehoming responsibilities continuing after adoption. This shouldn't have to continue for the life of the animal but at least the next 6-12 months. **61% response**

Mixed responses. Needs to be done correctly with the right people employed. **61% response**

Overwhelming response was No. **39% response**

Overwhelming response was the responsibility rests with the owners. **57% response**

Strategic Objectives and Vision - Breeding

The Tasmanian breeding industry provides an important source of racing animals to support the local industry as well as generating economic contributions to the state.

Issues:

- What do you think is meant by “responsible breeding”?
- Recognising that locally bred animals are an important source of stock for local racing while at the same time oversupply creates significant welfare issues, do you have a view on how many animals should be bred locally for each code? Are current levels acceptable? Would more or less be preferred?
- Do you have any views on the appropriateness or not of the current breeding incentives? What changes, if any, would you recommend and why? Should more or less stakes money be allocated to Breeding incentives?

Response Summary:

Breeding from quality stock. Breed stock that selling or racing is realistic for. Not over breeding. Measure by the requirement of new stock. **57% response**

Increase in bonus but not reducing stakes. Incentive added for breeding greyhounds. Improve GAP. Build on Tasbred raceday. **61% response**

Increase in bonus but not reducing stakes. Incentive added for breeding greyhounds. Improve GAP. Build on Tasbred raceday. **68% response**

Strategic Objectives and Vision - Breeding

The Tasmanian breeding industry provides an important source of racing animals to support the local industry as well as generating economic contributions to the state.

Issues:

- Most existing incentive schemes are focused on rewarding locally bred winners. Should incentives be aimed at breeding participating animals rather than just winners?
- If we do incentivize breeding should we target owners or breeders?

Response Summary:

Responses query the cost of doing that. Quality over quantity is important. **57% response**

Both. Breeders rewarded by increased sale prices. **54% response**