Size and Scope of the

TASMANIAN RACING INDUSTRY

PREPARED BY IER | JUNE 2021

Contents

KEY FINDINGS

In 2018/19 the Tasmanian racing industry was responsible for **generating close to $185 million in value added contribution** to the Tasmanian economy – **38% of which directly benefits regional economies**

DIRECT SPENDING IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Total Direct Expenditure[1]	$81.2m	$38.5m	$45.1m	$164.8m

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Total Value Added[2]	$89.9m	$41.8m	$53.2m	$184.9m
% of Industry Value Added	48.6%	22.6%	28.8%	
Total Household Income[3]	$43.7m	$20.1m	$26.7m	$90.4m
Total FTE Employment	743	339	433	1,515

In 2018/19, the Tasmanian racing industry generated total direct spending of $164.8 million. This expenditure was responsible for creating a direct value added impact (in terms of wages, salaries and profits) of $101.9 million. However, the flow-on effects linked to this expenditure increase the size of the industry's value added contribution to $184.9 million.

Around 38.4% of the total value added impact occurred in regional areas of Tasmania, whilst 39.4% occured in Hobart and 22.2% in Launceston.

The economic output generated by the Tasmanian racing industry was directly responsible for sustaining 962 full time equivalent (FTE) jobs across the state. When flow-on employment impacts are considered, the total FTE impact generated by the Tasmanian racing industry rose to 1,515 jobs. This total represents the employment sustained within the industry, as well as the employment that is sustained in supply industries who meet the demand created by racing industry activity.

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

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

[3] Household Income is defined as being wages and salaries (before tax) earned from employment generated by the racing industry

Of the **1,515 FTE jobs sustained** by the Tasmania racing industry around **64% are the direct result of the racing industry activity** whilst the remainder support down-the-line industries that **produce and supply goods and services** for racing in Tasmania

AT A GLANCE

RACING ACTIVITY

14 Racing Clubs

THOROUGHBRED	4
HARNESS	7
GREYHOUND	3

310 TAB Race Meetings

THOROUGHBRED	65
HARNESS	88
GREYHOUND	157

9 Non-TAB Race Meetings

THOROUGHBRED	7
HARNESS	2

2,859 Total Races

THOROUGHBRED	553
HARNESS	721
GREYHOUND	1,585

There are close to **6 race meetings held in Tasmania** every week providing live entertainment to **close to 100,000 attendees**

99,020 Attendances

THOROUGHBRED	39,900
HARNESS	38,600
GREYHOUND	20,520

647 Live Foals/ Pups Bred

THOROUGHBRED	257
HARNESS	113
GREYHOUND	277

2,552# Horses and Greyhounds in Training

THOROUGHBRED	1,060
HARNESS	649
GREYHOUND	843

In 2018/19, more than 99,000 attendances were recorded at thoroughbred, harness and greyhound race meetings in Tasmania. More than 72% of these attendances were made at metro racecourses in Hobart (35.8%) and Launceston (36.6%), with the remaining 27.6% occuring in regional Tasmania.

Participants are the lifeblood of the racing industry. They provide the investment, time, skills and passion that underpins horse and greyhound racing in the state. In total, there are over 5,800 individuals who participate in the Tasmanian racing industry. Many of these people enjoy gainful employment of their specific skillset where they may find limited opportunities otherwise - particularly in the breeding, training and racing related disciplines. Furthermore, many participants hold more than one role within the industry.

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

Horses in training represents where the trainer was domiciled in Tasmania

AT A GLANCE

THE PEOPLE

262 Breeders

THOROUGHBRED	143
HARNESS	84
GREYHOUND	35

2,521 Owners

THOROUGHBRED	1,921
HARNESS	534
GREYHOUND	66

There are **more than 5,800 individuals** who are involved in the Tasmania racing industry as an **employee, participant or volunteer.** Almost **63% of these participants** in racing are in **regional communities**

389 Trainers

THOROUGHBRED	127
HARNESS	146
GREYHOUND	116

677 Racing Club & Industry Staff

THOROUGHBRED	413
HARNESS	175
GREYHOUND	89

757 Staff employed by participants

THOROUGHBRED	456
HARNESS	216
GREYHOUND	84

137 Jockeys & Drivers

THOROUGHBRED	44
HARNESS	93

1,063 Volunteers

THOROUGHBRED	372
HARNESS	486
GREYHOUND	205

INTRODUCTION

In March 2021, Tasracing commissioned a study into the size and scope of the three codes of racing in Tasmania for 2018/19. The last size and scope study was undertaken in 2013/14.

Due to the impact of the COVID-19 shutdown of the Tasmanian racing industry from 2 April 2020 until the resumption of racing on 14 June 2020, a decision was made to base this report on 2018/19 information. This is aimed at avoiding the influence of skewed data on the information and analysis contained within the study.

PURPOSE OF THE STUDY

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

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

STUDY METHODOLOGY

In assessing the size and scope of the racing industry, the study will take into account a number of the traditional measures adopted by the racing industry (such as breeding and training activities, attendance and wagering) as well as calculating a number of economic measures. For the purpose of this study, the racing industry is defined as covering the full spectrum of activities associated with the conduct of thoroughbred, harness and greyhound racing in Tasmania. This includes racing activity at both TAB and Non-TAB racing clubs and the impacts that flow to Tasmania as a result of betting activity.

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

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

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

ECONOMIC METHODOLOGY

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

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

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

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

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

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

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

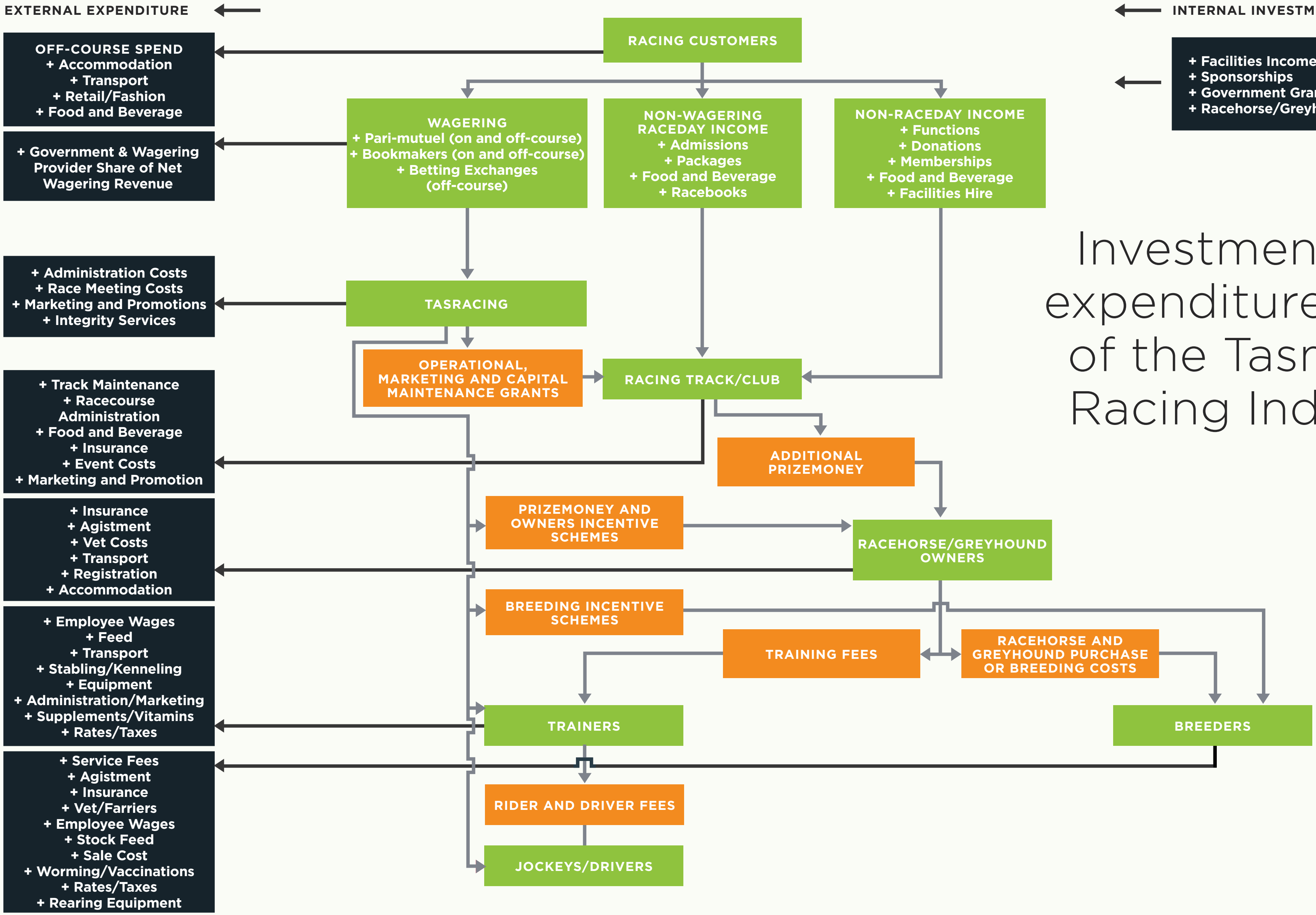
3 Economic modelling IER has utilised an input output methodology for the calculation of economic impacts associated with the racing industry in Tasmania. The input output model provides direct and indirect impacts in relation to value added, income and employment.

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

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

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

Investment and expenditure flow of the Tasmania Racing Industry



The Tasmanian racing industry is responsible for **generating almost $165 million in expenditure** in Tasmania. More than 45% of this expenditure was **generated in regional parts of the state.**

Direct Spending by the Tasmanian racing industry

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

In 2018/19, the Tasmanian racing industry generated almost $165 million in direct expenditure. The calculation of direct expenditure is based on the final expenditures of the racing industry – or put another way – the point at which the expenditure leaves the internal racing industry and hits the broader economy. For instance, a raceday attendee who spends money at the bar at a racing event is generating expenditure within the racing industry. However, this expenditure is used by the racing club to fund its operations and it is at this level where final expenditures are captured (i.e. the customer funds the racing club's expenditure on wages, marketing and operations).

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

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

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

+ Wagering related customer expenditure – includes product fee payments, taxes generated from wagering and wagering service provider operating expenditure in Tasmania

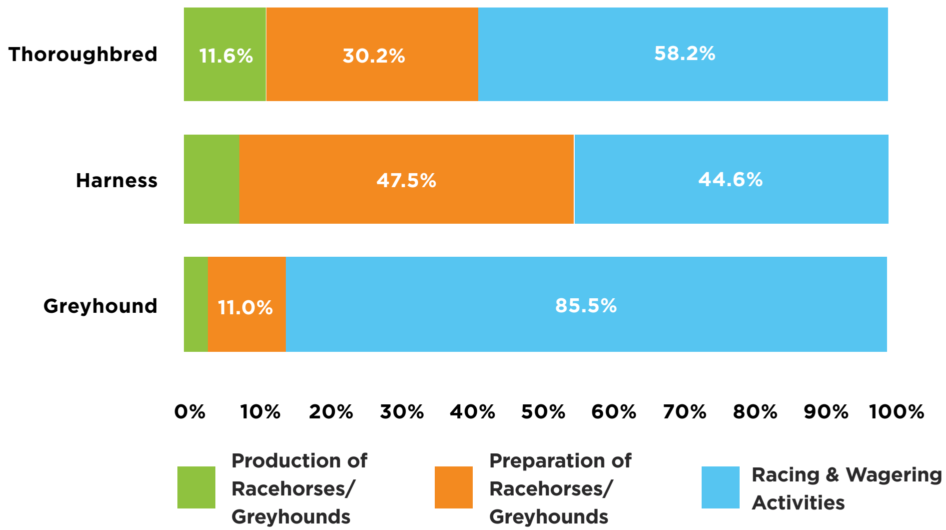
+ Raceday customer expenditure - includes all expenditure generated from on-course activities (raceday) such as sponsorship, catering, admission and raceday functions. It also includes all expenditure generated outside the racecourse as part of attending the races (such as transport, accommodation, retail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

The thoroughbred racing industry is responsible for more than $81.1 million (49.2%) of this recurrent expenditure. Racing and wagering related expenditure makes up the largest proportion of the industry's expenditure profile (58.2%), whilst more than 30% is generated by the training sector.

The harness racing industry is responsible for more than $38.5 million (23.4%) of this recurrent expenditure. The training sector makes up the largest proportion of spending (47.5%) ahead of the racing & wagering component (44.6%).

The greyhound racing industry is responsible for $45.1 million (27.4%) of this recurrent expenditure. More than 85% of the industry's expenditure impact is generated from racing and wagering related expenditure. This is largely a reflection of the greyhound racing industry's positioning as a strong wagering product.

PROPORTION OF DIRECT SPENDING BY CODE



Economic Contribution of the Industry

The Tasmanian racing industry is responsible for generating a real gross value added contribution of $184.9 million for the Tasmanian economy. Real gross value added is the generally accepted measure of the value of production from economic activity. It is the sum of value added by all industries in a region (in this case, all regions of Tasmania). In any period of time, the value added contribution in an industry equates to the value of sales less the value of inputs used in production. This means value added is equal to the income (wages, salaries and profits) generated in the course of production.

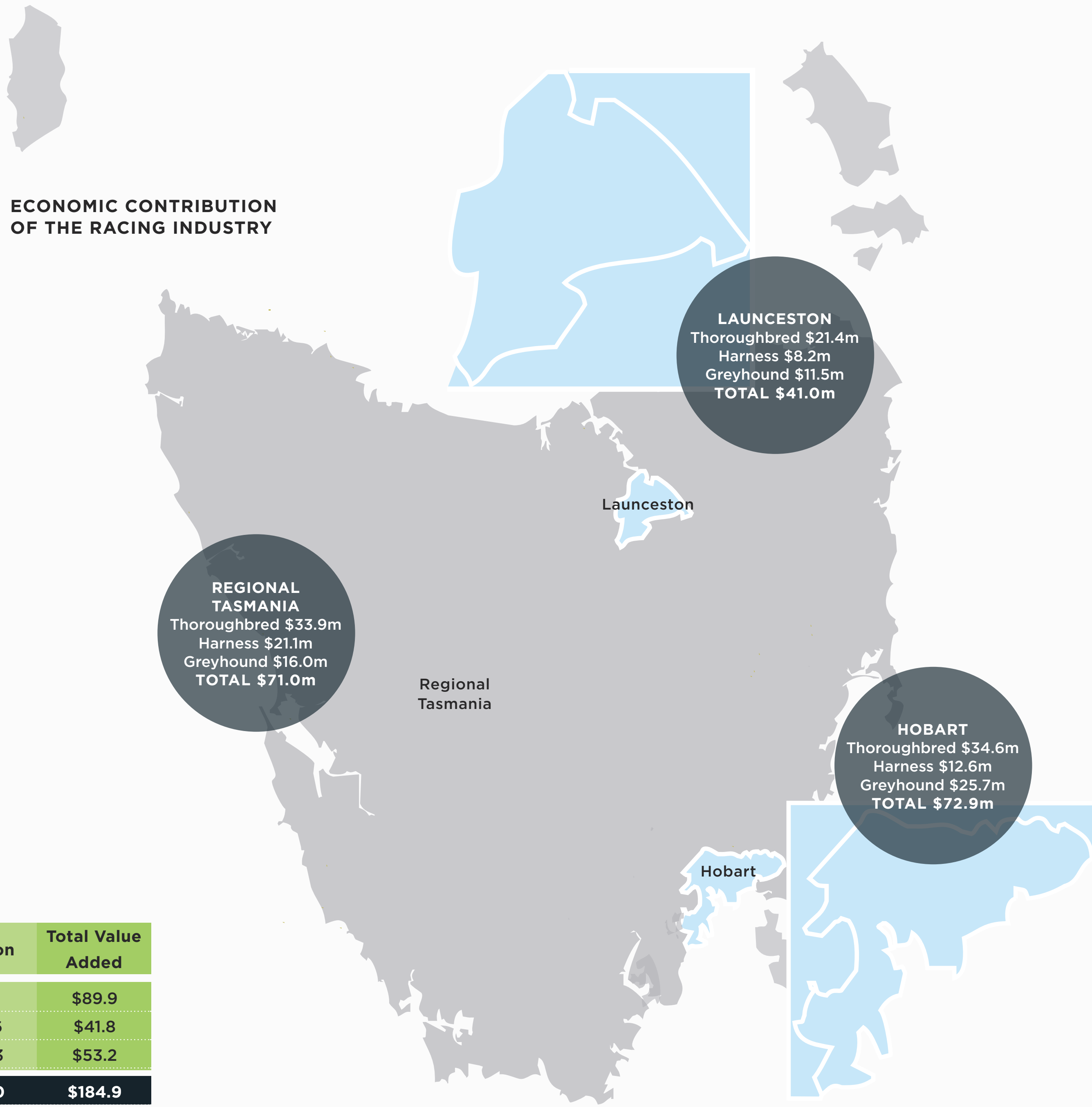
The real gross value added calculation uses constant prices (prices in a selected year), hence it does not allow for general price level changes (inflation). Also, the calculation makes no allowance for capital used in production (depreciation).

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

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

Racing Code ($mil)	Direct Value Added	Flow-on	Total Value Added
Thoroughbred	$48.8	$41.1	$89.9
Harness	$22.2	$19.6	$41.8
Greyhound	$30.9	$22.3	$53.2
Total	**$101.9**	**$83.0**	**$184.9**

ECONOMIC CONTRIBUTION OF THE RACING INDUSTRY

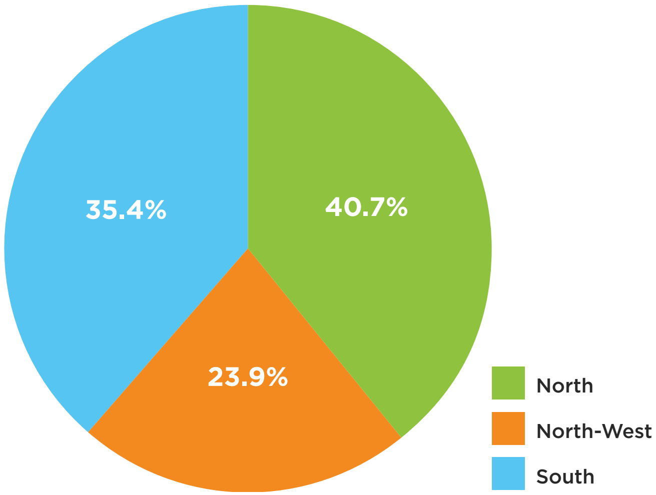


When considering the value added contribution of $184.9 million generated by the Tasmanian racing industry, it is important to note that it is made up of:

- Direct value added ($101.9 million) - this represents the amount of income included in the direct in scope expenditure. It is the amount of gross wages and salaries in the racing industry and the direct provision of services to racing activity, plus the gross operating surplus (profits, interest payment and direct taxes) directly created in supplying these services and product. This is also equal to the direct in scope expenditure less the purchases that the provider of the goods and services makes in providing the goods and services (both supplied from within the region, as well as externally (i.e. imported).
- Indirect (Induced) value added ($83.0 million) – represents the value added activity (wages, salaries and gross operating surplus) generated to support the purchases made in providing the inputs to the providers of the direct services, along with the value added impact in providing households with goods and services as they spend their wages, and the trickle on effect of this.

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

TASMANIAN RACING INDUSTRY ECONOMIC IMPACT BY REGION



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

+ **Arts & Recreational Services** - 7.7% of sector GSP
+ **Information, Media & Telecommunications** - 0.9%
+ **Accommodation & Food Services** - 0.8%

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

($mil)	Racing Industry Direct VA	% Racing Industry Direct VA	TAS Sector GSP	% Contribution to Sector GSP
Agriculture, Forestry and Fishing	$20.2	19.8%	$2,792	0.7%
Mining	$0.0	0.0%	$1,125	-
Manufacturing	$0.8	0.8%	$2,132	< 0.1%
Electricity, Gas, Water & Waste	$2.7	2.6%	$992	0.3%
Construction	$1.0	1.0%	$2,223	< 0.1%
Wholesale Trade	$2.4	2.3%	$1,037	0.2%
Retail Trade	$1.2	1.2%	$1,537	< 0.1%
Accommodation & Food Services	$5.5	5.4%	$703	0.8%
Transport, Postal & Warehousing	$4.4	4.4%	$1,313	0.3%
Information Media & Telecommunications	$8.5	8.3%	$992	0.9%
Finance & Insurance Services	$4.5	4.4%	$1,794	0.3%
Ownership of Dwellings	$2.3	2.3%	$2,996	< 0.1%
Property Services	$2.3	2.2%	$2,153	0.1%
Professional, Scientific & Technical Services	$6.1	6.0%	$1,038	0.6%
Administrative Services	$3.7	3.6%	$563	0.7%
Public Administration & Safety	$0.8	0.8%	$561	0.1%
Education & Training	$4.1	4.0%	$1,910	0.2%
Health Care & Social Assistance	$4.1	4.0%	$4,107	0.1%
Arts & Recreation Services	$23.7	23.2%	$309	7.7%
Other Services	$3.8	3.7%	$525	0.7%
Total	$101.9		$30,801	


HOTTEST
SUMMER
OF TASSIE
RACING
EVER!

Participants in the Tasmanian racing industry

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

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

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

More than 3,100 breeders, owners and trainers provide the capital and the skills to produce and prepare horses and greyhounds for racing. These participants drive a chain of activity which leads to the production of a racing product that is consumed by audiences on almost every day of the year.

There are 1,063 individuals who volunteer their time and skills in a variety of roles within the industry. In the participant space, this often includes family members - for many of whom, this family connection goes back many generations.

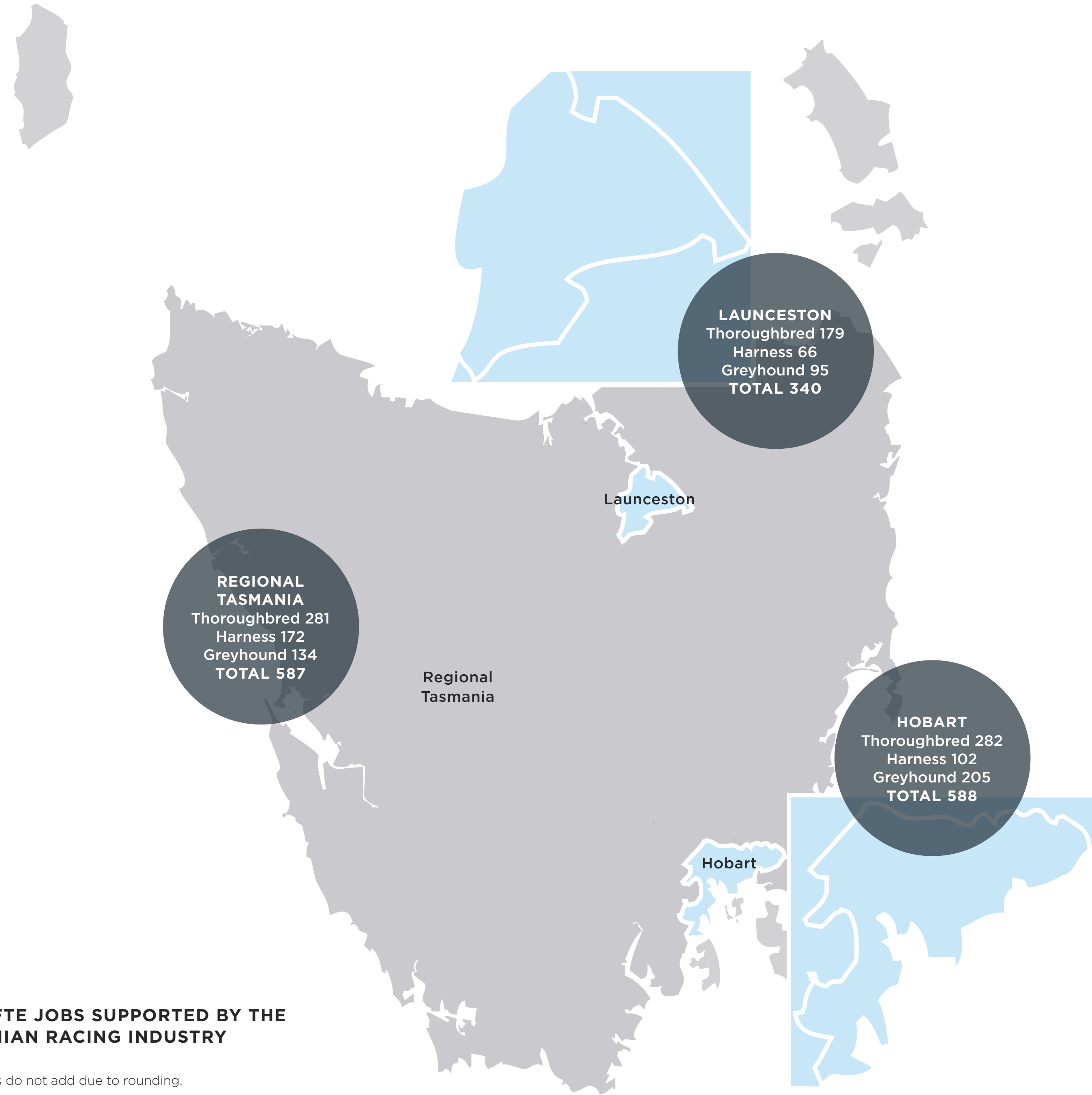
In total, there are 5,806 individuals who participate in the Tasmanian racing industry as a participant, employee or volunteer. Almost 63% of these participants are in regional parts of the state.

TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	Total
Breeders	143	84	35	262
Owners	1,921	534	66	2,521
Trainers	127	146	116	389
Racing Club & Industry Staff (FT, PT, Casual)	413	175	89	677
Breeders Staff	85	87	28	201
Stable/Kennel Employees	371	129	56	556
Jockeys & Drivers	44	93	0	137
Racing club volunteers	82	189	36	307
Volunteers assisting participants	290	297	169	756
Total	3,476	1,734	595	5,806

Note: Volunteer numbers sourced from club and participant surveys. Not all clubs provided data.

TOTAL PARTICIPANTS IN RACING



TOTAL FTE JOBS SUPPORTED BY THE TASMANIAN RACING INDUSTRY

*Some totals do not add due to rounding.

Employment Generated by Racing in Tasmania

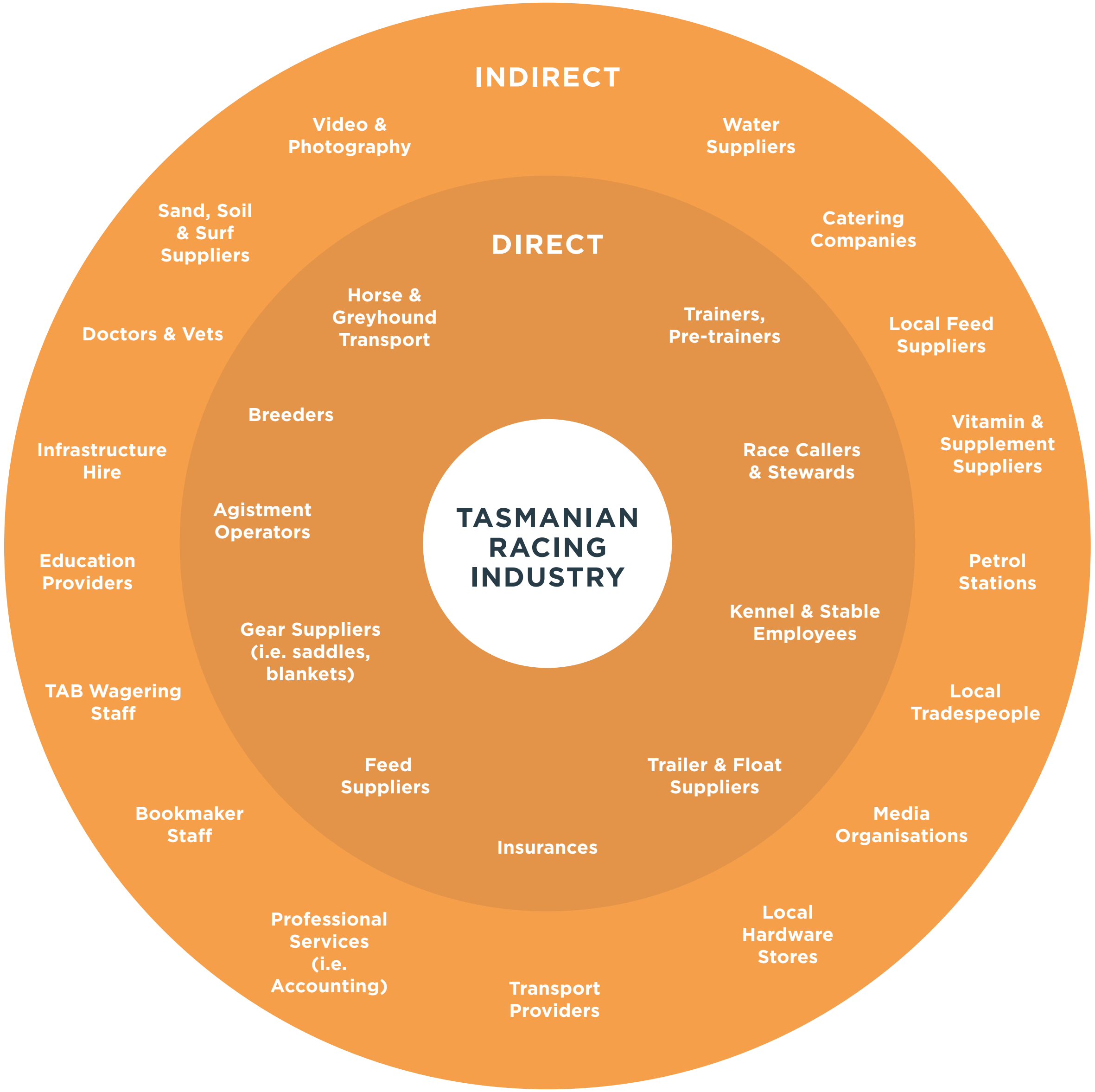
There are 5,806 people directly involved in the Tasmanian racing industry. As outlined earlier, this represents the headcount of full-time, part-time and casual employees of the industry, racing clubs and participants. The Tasmanian racing industry, like racing industries all over Australia, relies on a large number of part-time and casual roles. As such, the level of FTE employment is significantly lower than any headcount.

In 2018/19, the economic activity generated by the Tasmanian racing industry directly sustained 962 full-time equivalent positions in Tasmania. In addition to the direct employment impact, the activities of the racing industry also help to sustain a further 553 FTE jobs in support industries. Therefore, the total direct and indirect employment impact generated by the Tasmanian racing industry was 1,515 FTE jobs.

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

The Supplier Network

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



Case study
YOUNG RACING TASMANIA

Young Racing Tasmania, established in 2015, is Tasracing's Next Generation initiative. Facilitated for three thoroughbred clubs located in – Hobart, Launceston & Devonport - their focus is to introduce young people to the excitement and glamour of racing through their events and parties by offering an experience that appeals to everyone, not just race goers. They have developed a multi-layered approach that includes high-profile live entertainment, canapes, cocktails, fashion, premium product discounts, exclusive behind-the-scenes access, racing and horse ownership tips.

Additional benefits are provided through VIP memberships which provide free parking, free race day entry and VIP race day experiences. The Young Racing Tasmania marquees on Hobart, Launceston and Devonport Cup Days are a drawcard for many new and repeat attendees each year. In 2019 their net promoter score of +72, combined with 99% of attendees indicating they were very likely/likely to attend a future event, illustrates how well they are catering to the youth market. They have played an integral part in arresting the long-term declining trend in gate takings for the above-mentioned cup days.

For attendees who have not previously had an interest in racing, Young Racing Tasmania has been the catalyst for forming a bond with the sport. Furthermore, they have contributed to the growth of the economy by creating local partnerships. With such an informed and motivated team, Young Racing Tasmania will certainly continue to bolster youth engagement in the racing industry for many years ahead.


BLOSSOM
ROSE CIDER

The Breeding Industry

The breeding sector provides and replenishes the racing horses and greyhounds for the Tasmanian racing industry. There are 262 registered breeders in Tasmania across the three codes of racing. At the top end of the breeding sector, large stud farms employ many staff and produce large numbers of foals each year. At the other end of the scale, there are a large number of hobby breeders also breeding foals and pups.

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

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

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

	Thoroughbred	Harness	Greyhound	Total
North	52	33	11	101
North-West	27	29	6	62
South	59	22	18	99
Total	143	84	35	262

NUMBER OF STAFF EMPLOYED BY BREEDERS

	Thoroughbred	Harness	Greyhound	Total
North	34	35	9	77
North-West	16	30	5	51
South	35	22	15	72
Total	85	87	28	200

*Some totals do not add due to rounding.

NUMBER OF VOLUNTEERS ASSISTING BREEDERS

	Thoroughbred	Harness	Greyhound	Total
North	74	43	7	125
North-West	35	38	4	77
South	77	28	12	117
Total	186	109	24	319

*Some totals do not add due to rounding.

There are **262 individuals** who either breed, or have an ownership interest in a broodmare, broodmatron, stallion or sire. They are supported by **200 employees and 319 volunteers** – meaning that the industry is supported by **over 500 people directly involved in breeding activities** across the three codes

NUMBER OF BREEDERS (incl. part owners of broodmares and stallions)

Economic Contribution of the Breeding Industry

In 2018/19, breeders in the Tasmanian racing industry spent more than $14 million on the production of racing stock. In calculating the expenditure incurred by breeders, a number of factors must be considered. Essentially, breeders incur costs on the maintenance of broodmares, broodmatrons, stallions and sires as well as in the process of breeding and care for foals and pups. In addition to this, breeders also incur costs for:

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

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

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

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

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

Over 44.8% of all breeding related expenditure occurs in the North region of Tasmania whilst 35.9% occurs in the South region and 19.3% in the North-West region.

NUMBER OF STALLIONS & SIRES

	Thoroughbred	Harness	Greyhound	Total
North	10	1	2	13
North-West	1	1	2	4
South	7	4	3	14
Total	18	6	7	31

NUMBER OF FOALS/PUPS PRODUCED

	Thoroughbred	Harness	Greyhound	Total
North	127	45	78	249
North-West	37	39	43	120
South	93	29	156	278
Total	257	113	277	647

NUMBER OF BROODMARES/MATRONS COVERED

	Thoroughbred	Harness	Greyhound	Total
North	178	67	12	257
North-West	53	58	11	122
South	131	43	28	202
Total	362	168	51	581

COST OF BREEDING RACEHORSES AND GREYHOUNDS

	Thoroughbred	Harness	Greyhound	Total
North	$4.7m	$1.2m	$0.4m	$6.3m
North-West	$1.4m	$1.1m	$0.3m	$2.7m
South	$3.4m	$0.8m	$0.9m	$5.0m
Total	$9.4m	$3.0m	$1.6m	$14.0m

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

THOROUGHBRED RACING

In 2018/19, there were 362 broodmares covered in Tasmania, breeding 257 foals. This thoroughbred breeding activity is responsible for generating over $9.4 million in the production and care of racing stock.

North	$4.7m (49.3%)
South	$3.4m (36.1%)
North-West	$1.4m (14.6%)

HARNESS RACING

In 2018/19 there were 168 broodmares covered in Tasmania, breeding 113 foals. This standardbred breeding activity is responsible for generating almost $3.1 million in the production and care of racing stock.

North	$1.2m (40.0%)
North-West	$1.1m (35.2%)
South	$0.8m (24.8%)

GREYHOUND RACING

In 2018/19, there were 51 broodmatrons covered in Tasmania, breeding 277 pups. This greyhound breeding activity is responsible for generating almost $1.6 million in the production and care of greyhound racing stock.

South	$0.9m (56.2%)
North	$0.4m (27.4%)
North-West	$0.3m (16.4%)

COST OF BREEDING RACEHORSES & GREYHOUNDS ($MIL)

Case study

GREYHOUND ADOPTION PROGRAM (GAP)

The Greyhound Adoption Program (GAP) was established by Tasracing in 2009 to promote, encourage and facilitate greyhound pet ownership to the wider community.

While at GAP, the greyhounds undergo socialisation and enrichment training to assist them make the transition from a racing environment to 'pet life'. This transition training includes how to get in and out of a vehicle, how to navigate stairs and spending time in the GAP lounge room, becoming accustomed to household items such as lounges and household appliances.

All greyhounds rehomed by GAP have passed temperament testing and enter their new homes desexed, with up-to-date flea and worming treatment, nails clipped, teeth cleaned and the microchip transferred to the new owner.

The GAP interacts with community organisations including visits to nursing homes and a disability support service visiting weekly to spend time with the GAP dogs – walking, grooming, socialising. The GAP is also seen at community events such as Hobart Night Markets and Agfest, where a visit by National GAP ambassador and theatre actor Todd McKenney has been a huge hit.

March 2020 saw Tasracing open its first owned and operated greyhound rehoming facility at Mangalore, 30 minutes from Hobart, with capacity for 27 greyhounds and emergency shelter accommodation.

In FY20, 138 greyhounds were adopted, up from 89 in FY19.

Case study

OFF THE TRACK (OTT) – A NEW APPROACH

The primary focus of Tasracing's Off the Track (OTT) program is to support the transition of retired Thoroughbreds and Standardbreds from the racing environment to the community. The program underwent a full review in 2019/20 emerging with a strong focus on the underlying pillars of support, education and promotion. The review saw the launch of two new initiatives to strengthen the OTT program into the future.

Firstly, the Subsidised Lessons Program commencing in November 2020 was the first of its kind in Australia. The program enables new owners of retired racehorses to receive tailored support across a range of areas from horse care and husbandry to nutrition, behaviour, groundwork and riding modules. The program operates through a voucher system, with approved applicants receiving up to 10 individual lessons from a Tasracing Approved Coach. As at the end of May 2021, 72 horses were approved for support through the program (720 vouchers issued).

Secondly, the Hygain Nutritional Support initiative launched in June 2021 enables new owners to understand and manage their horse's transition from a race feeding program to a new diet. The partnership with Hygain provides eligible new owners with three bags of Hygain or Mitavite feed following consultation with a Hygain equine nutritionist.

In 2020/21 Tasracing sponsored 20 events throughout Tasmania, actively promoting the OTT program and strengthening its relationship with the equestrian community. Sponsorship opportunities include events and classes restricted to OTT horses, highest placed OTT in an open field and Fashions off the Field classes.

Tasracing will build on the current OTT program to increase awareness of the attributes of retired racehorses and improving their desirability in equestrian markets.

The Training Industry

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

During the 2018/19 racing season, there were close to 390 horse and greyhound trainers providing services to owners in Tasmania. These trainers were also supported by more than 430 volunteers. The majority of these trainers operate in regional parts of the state.

Overall, there were more than 2,500 racing horses and greyhounds in training in Tasmania in 2018/19. The North region of Tasmania made up 38.0% of the training activity in Tasmania, whilst 37.7% occured in the South region and 24.3% in the North-West region.

NUMBER OF TRAINERS

	Thoroughbred	Harness	Greyhound	Total
North	40	71	43	154
North-West	39	24	17	80
South	48	51	56	155
Total	127	146	116	389

NUMBER OF VOLUNTEERS ASSISTING TRAINERS

	Thoroughbred	Harness	Greyhound	Total
North	33	92	54	178
North-West	32	31	21	84
South	39	66	70	175
Total	104	189	145	437

NUMBER OF STABLE/KENNEL EMPLOYEES

	Thoroughbred	Harness	Greyhound	Total
North	115	46	28	189
North-West	136	33	7	176
South	120	50	21	191
Total	371	129	56	556

NUMBER OF RACEHORSES & GREYHOUNDS IN TRAINING

	Thoroughbred	Harness	Greyhound	Total
North	289	363	317	969
North-West	350	92	178	620
South	421	194	348	963
Total	1,060	649	843	2,552

There are **389 individuals** who provide the racehorse and greyhound training services to owners in Tasmania. Together, they trained **more than 2,550 racehorses and greyhounds** in 2018/19

NUMBER OF HORSES AND GREYHOUNDS IN TRAINING

Economic Contribution of the Training Industry

In 2018/19, owners of racehorses and greyhounds trained in Tasmania spent almost $48 million on the preparation of their racehorses/greyhounds for racing. The calculation of expenditure on the preparation of racehorses and greyhounds takes into account the various training and non-training related expenditures incurred by owners and trainers.

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

Tasmanian owners and trainers spent **almost $48 million** in 2018/19 preparing **racing horses and greyhounds for racing.** Regional Tasmania accounts for **almost three-quarters of this economic activity.**

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

Overall, almost 75% of the expenditure on training activities occurs in regional areas of the state, whilst Hobart accounts for 22% and Launceston 4%.

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

THOROUGHBRED RACING

Thoroughbred training activity is responsible for generating more than $24.5 million in expenditure impacts in Tasmania.

Regional Tasmania	$15.8m (64.4%)
Hobart	$8.5m (34.5%)
Launceston	$0.3m (1.1%)

HARNESS RACING

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

Regional Tasmania	$16.0m (87.2%)
Launceston	$1.3m (6.9%)
Hobart	$1.1m (5.9%)

GREYHOUND RACING

Greyhound training activity is responsible for generating almost $5.0 million in expenditure impacts in Tasmania.

Regional Tasmania	$3.9m (78.3%)
Hobart	$0.8m (15.3%)
Launceston	$0.3m (6.4%)

*Some totals do not add due to rounding.

COST OF PREPARING RACEHORSES & GREYHOUNDS ($MIL)

*Some totals do not add due to rounding.

Owners race for **close to $21 million in prizemoney and bonuses** that are on offer across the three codes

Owners play a significant role in the funding model of the racing industry. They provide much of the capital outlay and day-to-day funding for the purchase and preparation of racing horses and greyhounds. In 2018/19 there were over 2,500 individuals with an ownership interest in thoroughbred, harness and/or greyhound racing in Tasmania. Over 38% of owners reside in the South region of Tasmania, whilst the North-West region contains 25.0% and the North 37.0%.

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

OWNERS OF RACING HORSES & GREYHOUNDS

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

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

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

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

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

EXPENDITURE ITEM:

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

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

EXPENDITURE ITEM:

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

OWNERS OF RACEHORSES AND GREYHOUNDS

	Thoroughbred	Harness	Greyhound	Total
North	688	226	18	932
North-West	504	109	16	629
South	729	199	32	960
Total	1,921	534	66	2,521

*Some totals do not add due to rounding.

NUMBER OF RACE STARTS

	Thoroughbred	Harness	Greyhound	Total
North	2,222	2,817	4,171	9,210
North-West	1,831	1,340	3,991	7,162
South	923	2,893	4,177	7,993
Total	4,976	7,050	12,339	24,365

RACING CLUBS, ASSOCIATIONS AND AUTHORITIES

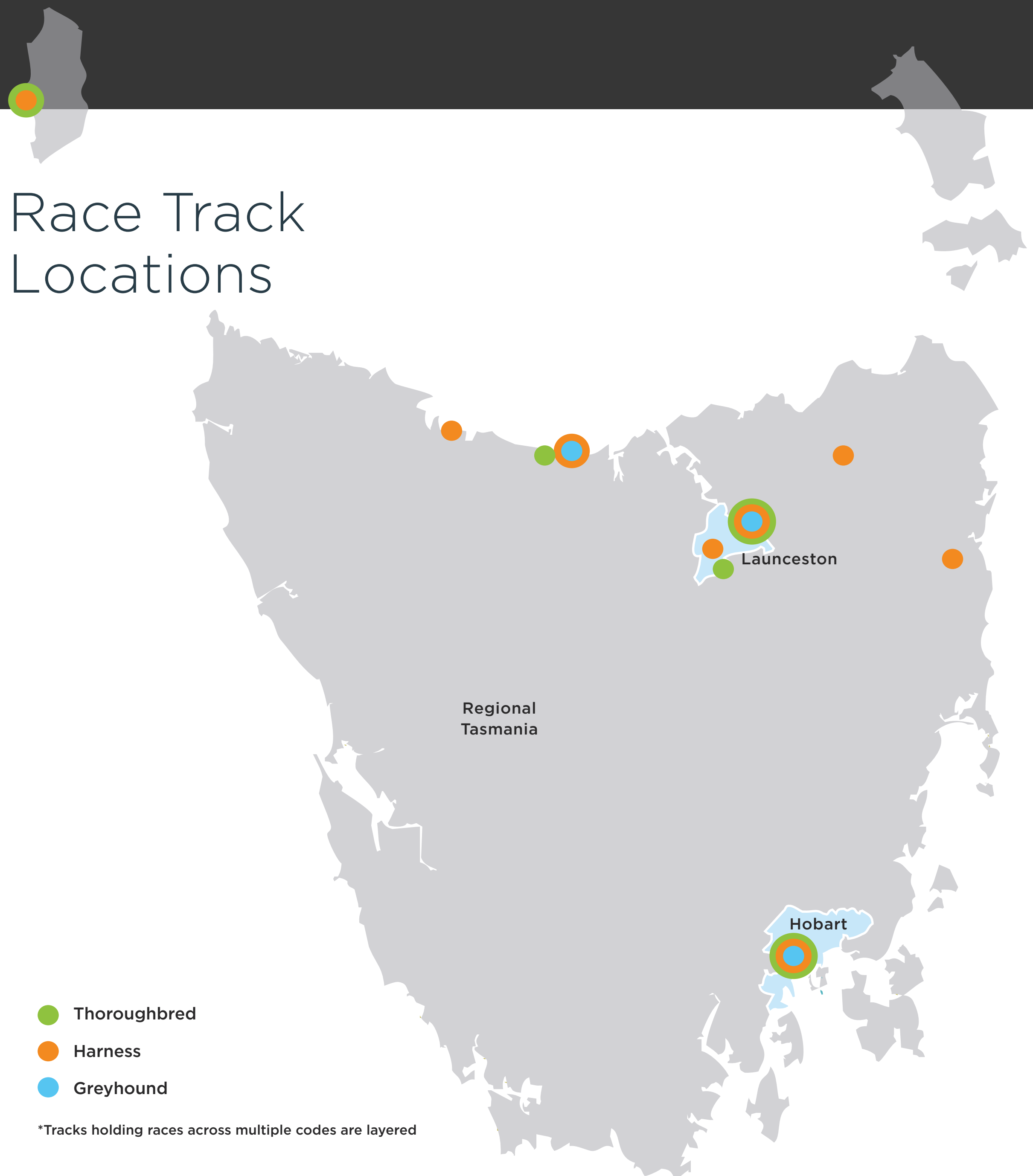
NUMBER OF RACING CLUBS

	Thoroughbred	Harness	Greyhound	Total
Hobart	1	1	1	3
Launceston	1	2	1	4
Regional Tasmania	2	4	1	7
Total	4	7	3	14

NUMBER OF RACING TRACKS

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

Race Track Locations



Racing Clubs

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

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

In 2018/19, there were 310 TAB race meetings and a further 9 non-TAB race meetings. These race meetings attracted attendances in excess of 99,000 – almost 40% of which were in the North region.

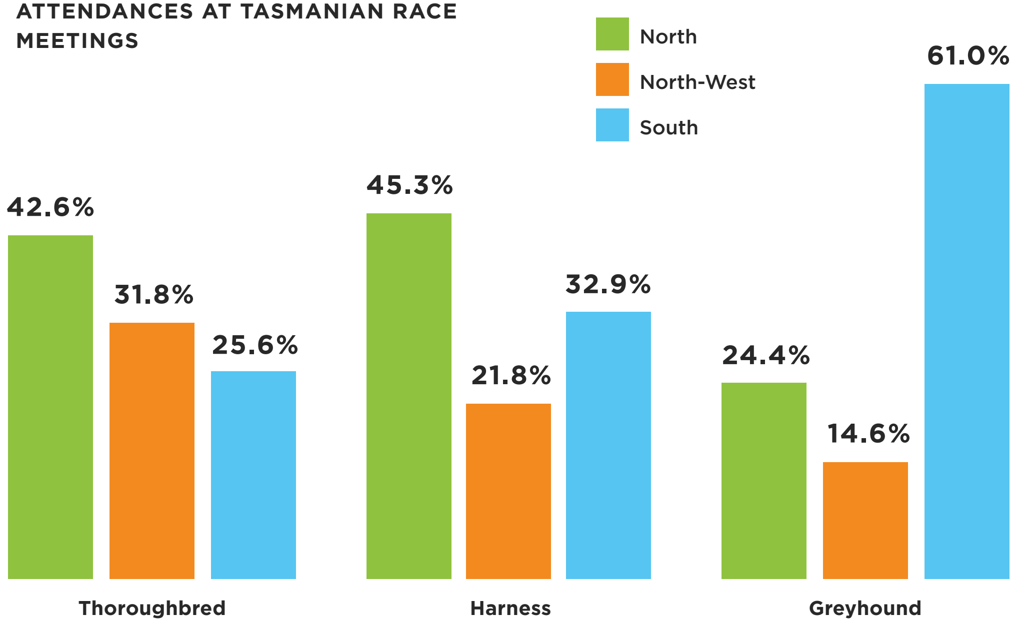
Thoroughbred race meetings, in Tasmania, attracted a total of 39,900 attendances. Race meetings in the North region (17,000) were responsible for the largest attendance.

Harness race meetings attracted 38,600 attendances with race meetings in the North region (17,500) contributing greatest to this amount.

Greyhound racing attracted attendance of 20,520 with race meetings in the South region (12,520) making up more than 60% of attendances.

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

ATTENDANCES AT TASMANIAN RACE MEETINGS



NUMBER OF RACING CLUB MEMBERS

	Thoroughbred	Harness	Greyhound	Total
North	400	304	134	838
North-West	350	140	42	532
South	341	60	75	476
Total	1,091	504	251	1,846

TOTAL RACE MEETINGS

	Thoroughbred	Harness	Greyhound	Total
North	29	35	53	117
North-West	30	18	52	100
South	13	37	52	102
Total	72	90	157	319

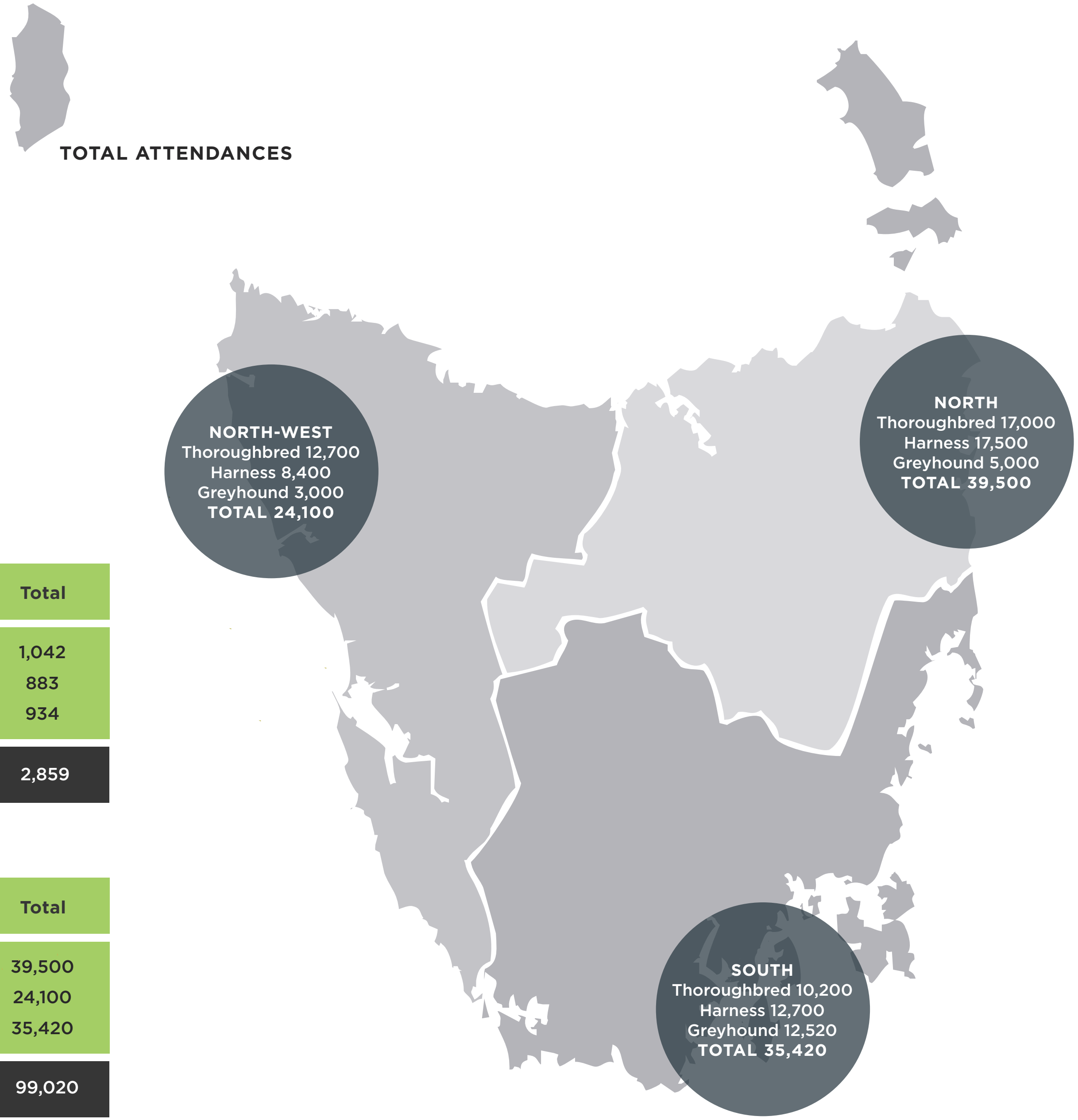
TOTAL RACES

	Thoroughbred	Harness	Greyhound	Total
North	229	276	537	1,042
North-West	216	151	516	883
South	108	294	532	934
Total	553	721	1,585	2,859

TOTAL ATTENDANCES

	Thoroughbred	Harness	Greyhound	Total
North	17,000	17,500	5,000	39,500
North-West	12,700	8,400	3,000	24,100
South	10,200	12,700	12,520	35,420
Total	39,900	38,600	20,520	99,020

TOTAL ATTENDANCES



Customer Expenditure Generated by Racing Clubs and Events

In 2018/19 it is estimated that the total expenditure generated by racing customers was $12.7 million, (excluding wagering on the races). Racing's customers include attendees, sponsors, members, broadcast providers, community groups and participants.

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

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

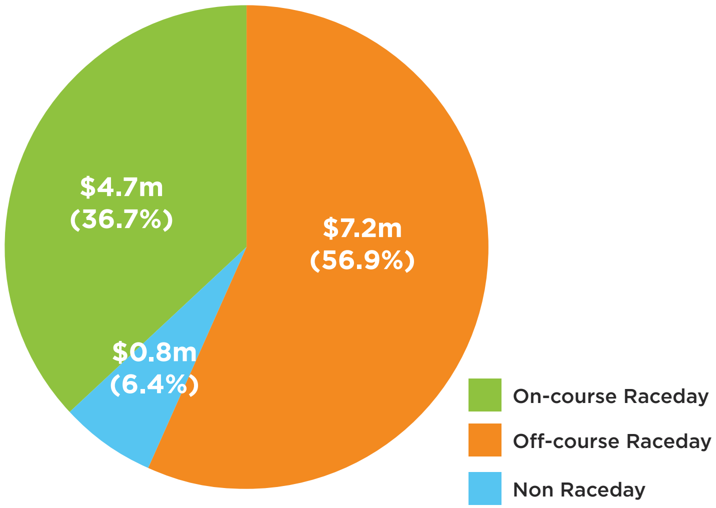
On-course customer expenditure funds the administration, operation and other costs that racing clubs incur.

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

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

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

BREAKDOWN OF RACING CUSTOMER SPENDING




TOTAL CUSTOMER SPEND ($MIL)
NORTH-WEST
Thoroughbred $1.3
Harness $0.5
Greyhound $0.1
TOTAL $1.9
NORTH
Thoroughbred $1.7
Harness $1.1
Greyhound $0.2
TOTAL $3.0
SOUTH
Thoroughbred $1.0
Harness $0.8
Greyhound $0.6
TOTAL $2.3

Expenditure by the Principal Racing Authority and Clubs

In 2018/19, Tasracing and the 14 thoroughbred, harness and greyhound clubs combined to generate an expenditure impact of over $56.2 million in Tasmania. This represents the expenditure incurred by these organisations in maintaining tracks, running race meetings, administration, marketing, cost of goods and prizemoney.

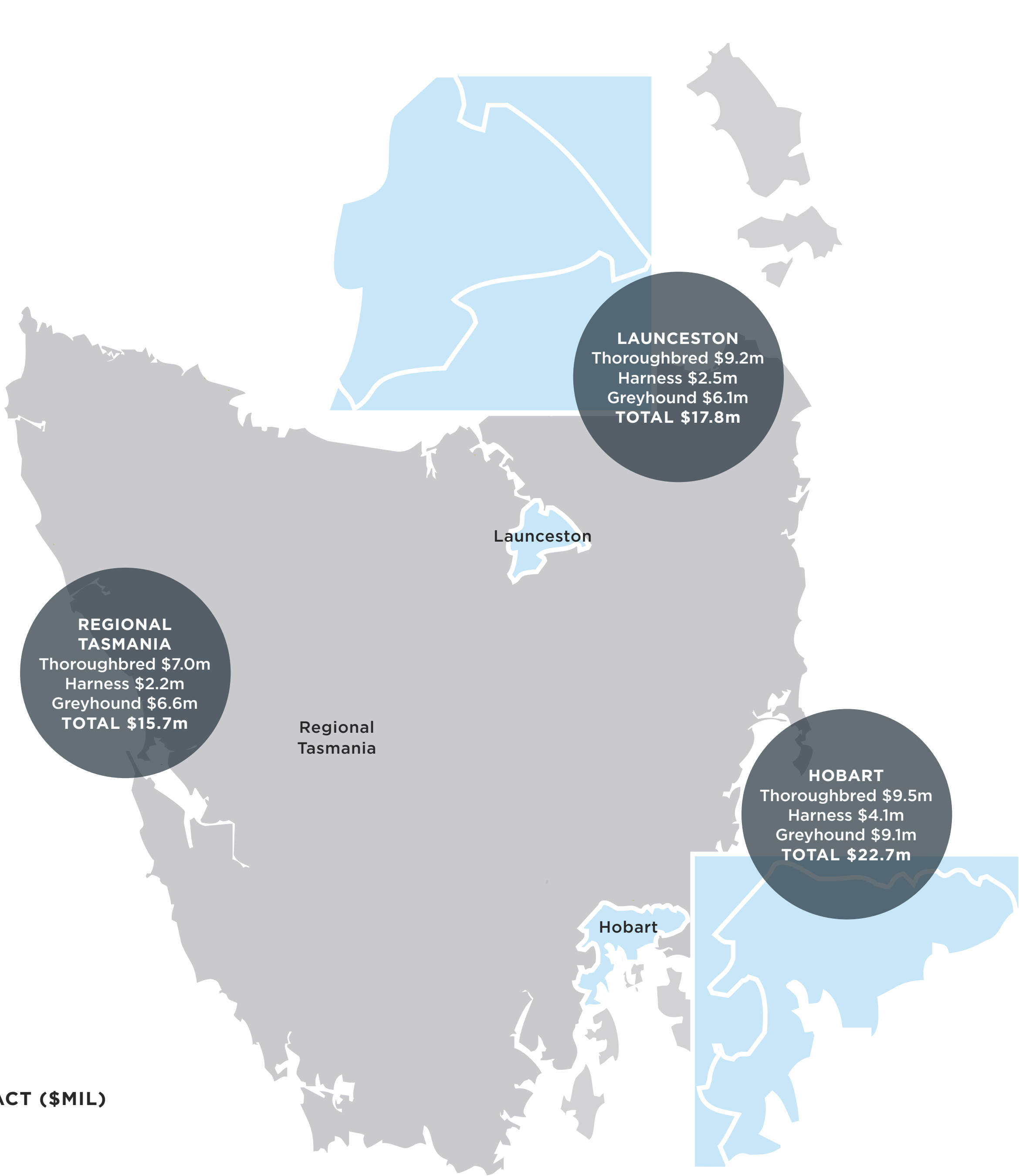
The majority of expenditure generated by the PRA and racing clubs is funded by racing customers. This includes:

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

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

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

Almost 44% ($22.7 million) of this expenditure impact occurred in Hobart – a result largely driven by the presence of the largest racing clubs (in terms of size and financial impact) as well as the principal racing authority. Launceston (34.4%) generates the next most significant impact with the remainder spread around the state.



FINAL CLUB & PRA EXPENDITURE IMPACT ($MIL)

Community and Social Benefits

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

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

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

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

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

The sport of racing also demonstrates a rich cultural significance in terms of its history and heritage throughout Tasmania. The Tasmanian Turf Club was formed in 1826, with the first running of the Launceston Cup close to 40 years later in 1865. The first organised harness race meeting was held in 1884 in Moonah and the first greyhound track to open in Tasmania was a straight track in Launceston, White City, on February 8 1933.

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

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

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

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

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

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

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

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

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

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

CAPACITY BUILDING

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

CHARITABLE SUPPORT

More than 40 charitable organisations are supported by the racing industry. These charities receive direct funds, in addition to in-kind support

HISTORY

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

VOLUNTEERISM

Over 1,060 individuals provide their skills, time and support to the racing industry as a volunteer

FACILITY SHARING

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

COMMUNITY

Racing clubs provide an important community for more than 2,000 members who are actively engaged in their club. Close to 100,000 attendances are recorded at Tasmanian race meetings.

COMMUNITY BUILDING

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

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

- Over 40 community organisations or charities are assisted and supported by racing clubs
- Close to 40 community organisations share racing club facilities and resources
- Racing in Tasmania currently engage almost 310 volunteers who assist in various club roles (excluding participant volunteers)
- Close to 2,000 people hold racing club memberships

Racing plays an important role in fostering a sense of worth and belonging to 1,068 people who provide volunteer time and services to racing clubs and participants. Socially, volunteering is recognised as a means of enhancing the quality of life, particularly among the aged, whilst making an important contribution to the community.

Volunteers in racing assume roles in areas such as:

- Promotions (e.g. Fashions on the Field)
- Timekeepers, judges etc.
- Maintaining the track and grounds (e.g. working bees and track workers)
- Administration (e.g. committee, board members, raceday secretary)
- Hospitality for attendees and officials (food and beverages)
- Racing operations (gate attendants etc.)
- Cleaning duties
- Conducting horse and greyhound trials
- Fundraising
- Major event workers setting up temporary marquees, fencing, signage and decorating

IER found that racing clubs assist and support 41 organisations and charities.

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

Just some of the charitable organisations supported by racing include:

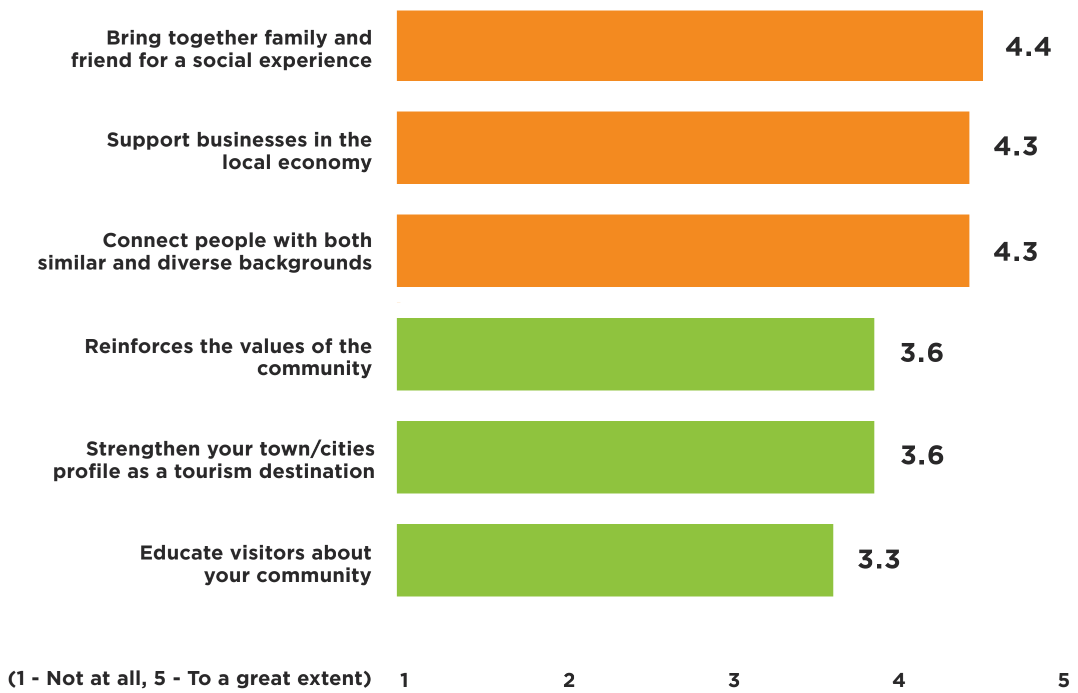
- Health Charities (e.g. Clifford Craig Medical Research, Cancer Council, WomenCan)
- Children's Charities (e.g. Variety - Tent 78 Tasmania)
- Sporting Clubs (e.g. Football, basketball, Netball, cricket, walking)
- Lions Club and Rotary
- Mental Health Charities (e.g. New Horizons, Speak Up - Stay Chatty)
- Disability Support Services
- Agricultural Societies

Racing plays an important role in fostering a sense **of worth and belonging to over 1,060 volunteers** across club and industry related roles.

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

The social impact survey asked clubs how much they believed racing in their town or city has the ability to engage with the community from a social cohesion, education and business perspective. As the chart illustrates, all indicators were positive. This is particularly significant in the areas of racing's ability to 'bring together family and friends for a social experience' (4.4), to 'support businesses in the local economy' (4.3) and to 'connect people with both similar and diverse backgrounds' (4.3). These indicators illustrate the position that racing clubs see themselves as holding within the fabric of the local community.

COMMUNITY ENGAGEMENT WITHIN TASMANIAN RACING



SUPPORTING FAMILY RELATIONSHIPS

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

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

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

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

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

+ Mechanical bull rides
+ Jumping castles
+ Free Family Fun Days
+ Petting zoos
+ Santa and give-aways
+ Christmas Function
+ Kids Fashions on the Field
+ Face painting and live music
+ Pony trot exhibition races
+ Greyhound Adoption Program
+ Mini trots
+ Playgrounds and kid's zones
+ Dogs attend special events at the track
+ Colouring competitions
+ Free entry

SHARING FACILITIES WITHIN THE COMMUNITY

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

This is particularly evident in regional areas where facilities have been used extensively for community and public use. Some of the 39 organisations which share facilities and resources with clubs include:

- Lions Clubs
- Show Societies (regional agricultural societies)
- Schools
- Sporting Clubs
  - Basketball
  - Cricket
  - Football
  - Hockey
  - Netball
  - Skating
  - Walking etc.
- Memorial services
- Other codes of racing

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

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

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

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

EDUCATION AND TRAINING

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

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

Participants in the racing industry have a variety of education and training courses to assist and support those within the industry to further their professional or tertiary development, and to engage those looking for opportunities to enter the industry. There are a number of courses to meet the needs of industry participants. Courses at the forefront of this offering include track riding, stablehand, horse training and apprentice jockey courses for thoroughbred racing, while harness participants can access trainer/driver and stablehand/strapper education and training. These opportunities provide practical access and theoretical knowledge to many aspects of professional racing.

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

CLUB HISTORY AND HERITAGE

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

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

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

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

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

The first greyhound track to open in Tasmania was a straight track in Launceston, White City, on February 8 1933. The opening night saw seven races, including one feature over hurdles, with the track having been funded by Jack Nelson who would later become a Tasmanian Greyhound Racing Hall of Fame Inductee. Nelson worked with Arthur Morgan, another Hall of Fame inductee, as well as five other greyhound racing enthusiasts who wanted to see the sport operating in the Apple Isle. In 1935, 27 people combined to form the Launceston Greyhound Racing Club.

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

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

A number of examples include:

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

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

Hobart

The racing industry in the **Hobart region is responsible for generating $72.9 million in value added** contribution to Gross State Product. This represents **39.4% of the industry total.**

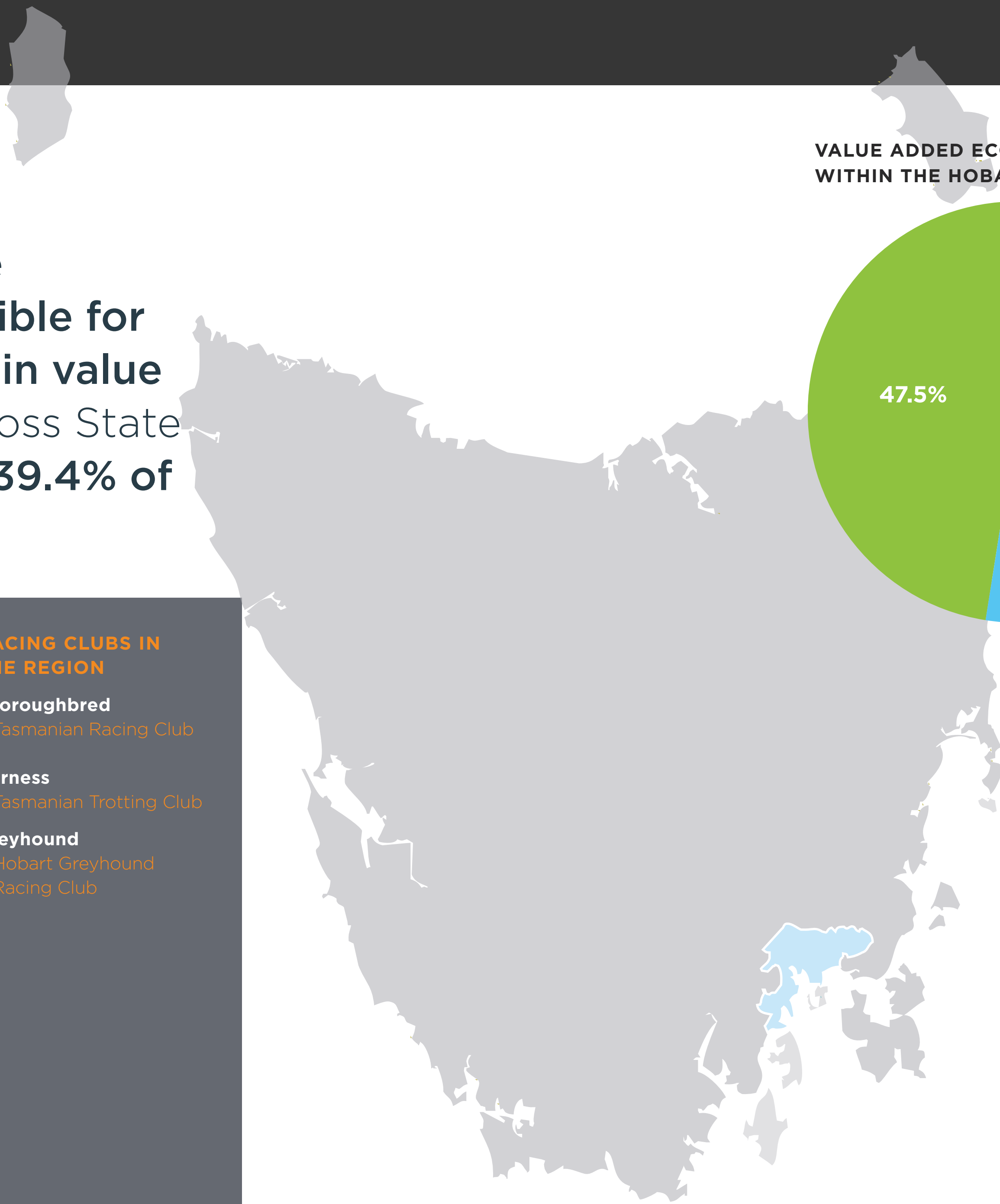
- The population of the Hobart region is 199,924 (Census 2016).
- There are a total of three racing clubs operating in the region, one of which is a thoroughbred club, one of which is a harness club, and one of which is a greyhound club.
- The racing industry in the Hobart region is responsible for generating over $72.9 million in value added contribution to Gross State Product. This equates to 39.4% of the total impact generated by the Tasmania Racing Industry.
- The economic impact generated by the racing industry in this region is responsible for sustaining a total of 588 full-time equivalent (FTE) jobs in the region.
- There are over 1,100 participants in the racing industry in Hobart.

RACING CLUBS IN THE REGION

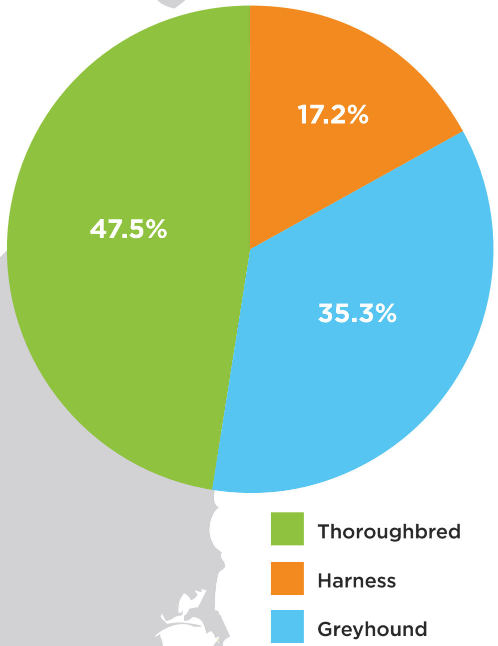
Thoroughbred
- Tasmanian Racing Club

Harness
- Tasmanian Trotting Club

Greyhound
- Hobart Greyhound Racing Club



VALUE ADDED ECONOMIC CONTRIBUTION WITHIN THE HOBART REGION (%)



ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Total direct expenditure	$28.9m	$9.6m	$18.7m	$57.2m
Total value added	$34.6m	$12.6m	$25.7m	$72.9m
Full-time equivalent employment	282	102	205	558

BREEDING AND TRAINING

	Thoroughbred	Harness	Greyhound	Total
Pups/Foals produced	44	23	24	91
Horses and greyhounds in training	151	30	129	310

TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	Total
Breeders	30	17	3	51
Owners	502	70	19	590
Trainers	16	11	24	52
Breeders staff	18	18	3	38
Stable/Kennel employees	52	11	13	76
Racing Club & industry staff (FT, PT, casual)	88	34	27	149
Jockeys, drivers & apprentices	9	5	0	13
Racing club volunteers	15	15	6	36
Volunteers assisting participants	62	30	33	125
Total participants in the Hobart region	**792**	**210**	**129**	**1,131**

Race meetings in the Hobart region attracted attendances of **35,420 or 35.8% of total attendances** at race meetings in Tasmania.

VALUE ADDED GENERATED BY EACH CODE WITHIN THE HOBART REGION

AT A GLANCE

3 Racing Clubs

THOROUGHBRED	1
HARNESS	1
GREYHOUND	1

102 Race Meetings

THOROUGHBRED	13
HARNESS	37
GREYHOUND	52

934 Races

THOROUGHBRED	108
HARNESS	294
GREYHOUND	532

476 Racing Club Members

THOROUGHBRED	341
HARNESS	60
GREYHOUND	75

35,420 Attendances

THOROUGHBRED	10,200
HARNESS	12,700
GREYHOUND	12,520

*Some totals do not add due to rounding

Launceston

The racing industry in the **Launceston region is responsible for generating $41.0 million in value added** contribution to Gross State Product. This represents **22.2% of the industry total.**

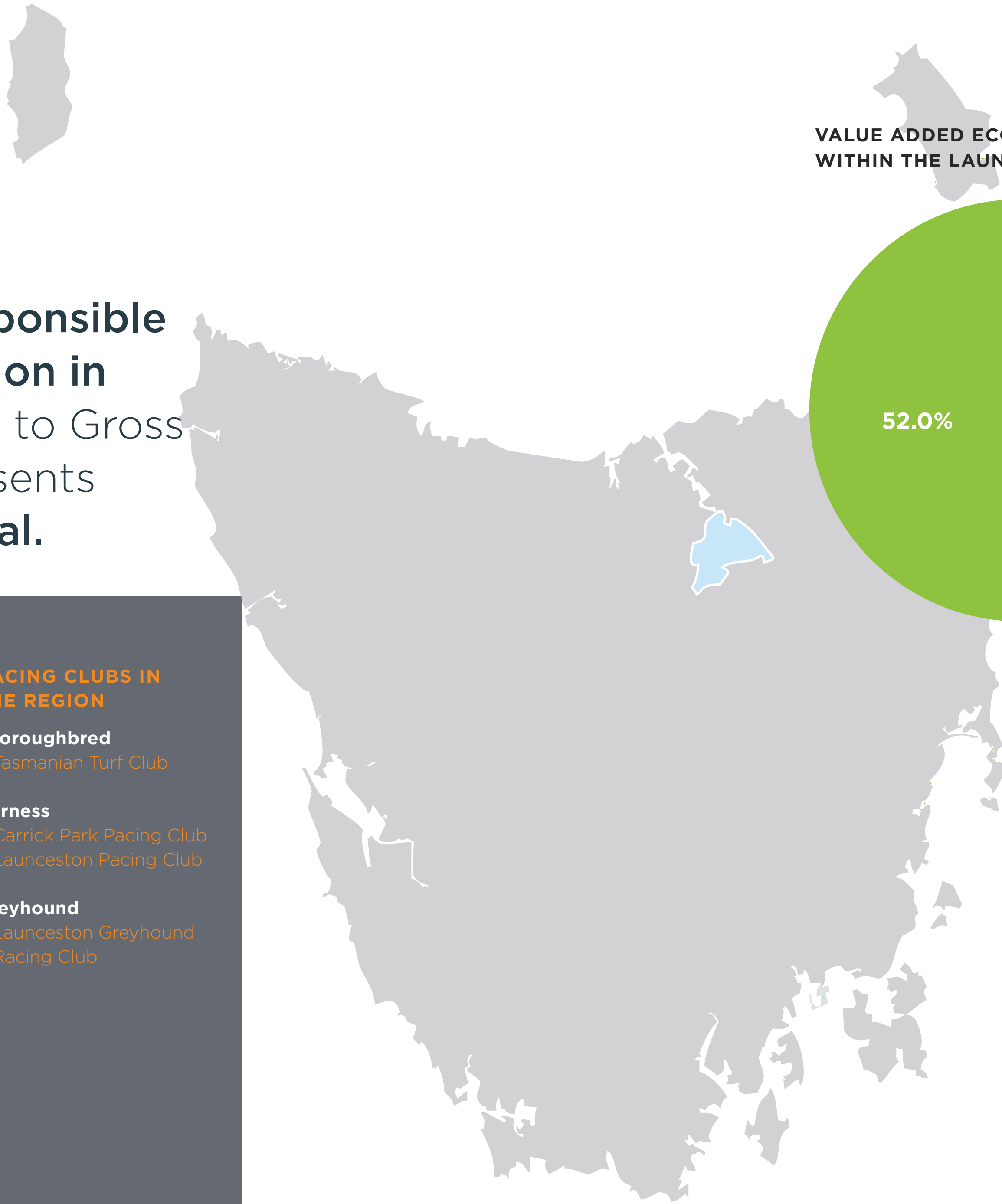
- The population of the Launceston region is 84,153 (Census 2016).
- There are a total of four racing clubs operating in the region of which one is a thoroughbred club, two of which are harness clubs, and one of which is a greyhound club.
- The racing industry in the Launceston region is responsible for generating more than $34.2 million in value added contribution to Gross State Product. This equates to 22.2% of the total impact generated by the Tasmanian racing industry.
- The economic impact generated by the racing industry in this region is responsible for sustaining a total of 340 full-time equivalent (FTE) jobs in the region.
- There are over 1,000 participants in the racing industry in Launceston.

RACING CLUBS IN THE REGION

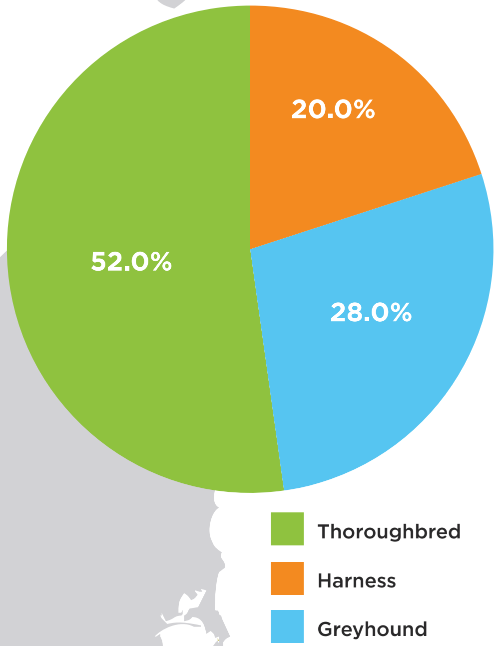
Thoroughbred
- Tasmanian Turf Club

Harness
- Carrick Park Pacing Club
- Launceston Pacing Club

Greyhound
- Launceston Greyhound Racing Club



VALUE ADDED ECONOMIC CONTRIBUTION WITHIN THE LAUNCESTON REGION (%)



ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Total direct expenditure	$17.1m	$6.2m	$9.7m	$32.9m
Total value added	$21.4m	$8.2m	$11.5m	$41.0m
Full-time equivalent employment	179	66	95	340

BREEDING AND TRAINING

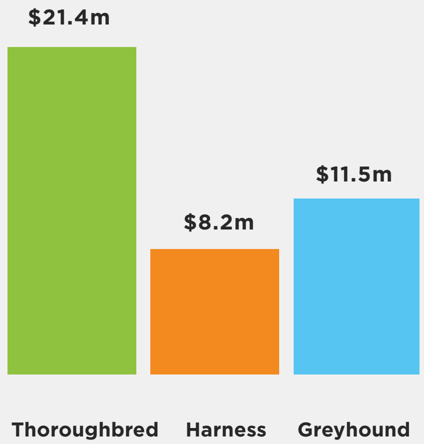
	Thoroughbred	Harness	Greyhound	Total
Pups/Foals produced	51	13	8	71
Horses and greyhounds in training	4	35	54	93

TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	Total
Breeders	18	9	2	29
Owners	352	69	11	432
Trainers	5	12	11	27
Breeders staff	11	10	2	22
Stable/Kennel employees	37	15	15	67
Racing Club & industry staff (FT, PT, casual)	236	80	24	340
Jockeys, drivers & apprentices	0	6	0	6
Racing club volunteers	15	28	8	51
Volunteers assisting participants	30	21	15	65
Total participants in the Launceston region	704	251	87	1,041

Race meetings in the Launceston region attracted attendances of **36,200 or 36.6% of total attendances** at race meetings in Tasmania.

VALUE ADDED GENERATED BY EACH CODE WITHIN THE LAUNCESTON REGION



AT A GLANCE

4 Racing Clubs

THOROUGHBRED	1
HARNESS	2
GREYHOUND	1

114 Race Meetings

THOROUGHBRED	28
HARNESS	33
GREYHOUND	53

1,022 Races

THOROUGHBRED	222
HARNESS	263
GREYHOUND	537

709 Racing Club Members

THOROUGHBRED	400
HARNESS	175
GREYHOUND	134

36,200 Attendances

THOROUGHBRED	17,000
HARNESS	14,200
GREYHOUND	5,000

*Some totals do not add due to rounding

Regional Tasmania

The racing industry in **Regional Tasmania is responsible for generating $71.0 million in value added** contribution to Gross State Product. This represents **38.4% of the industry total.**

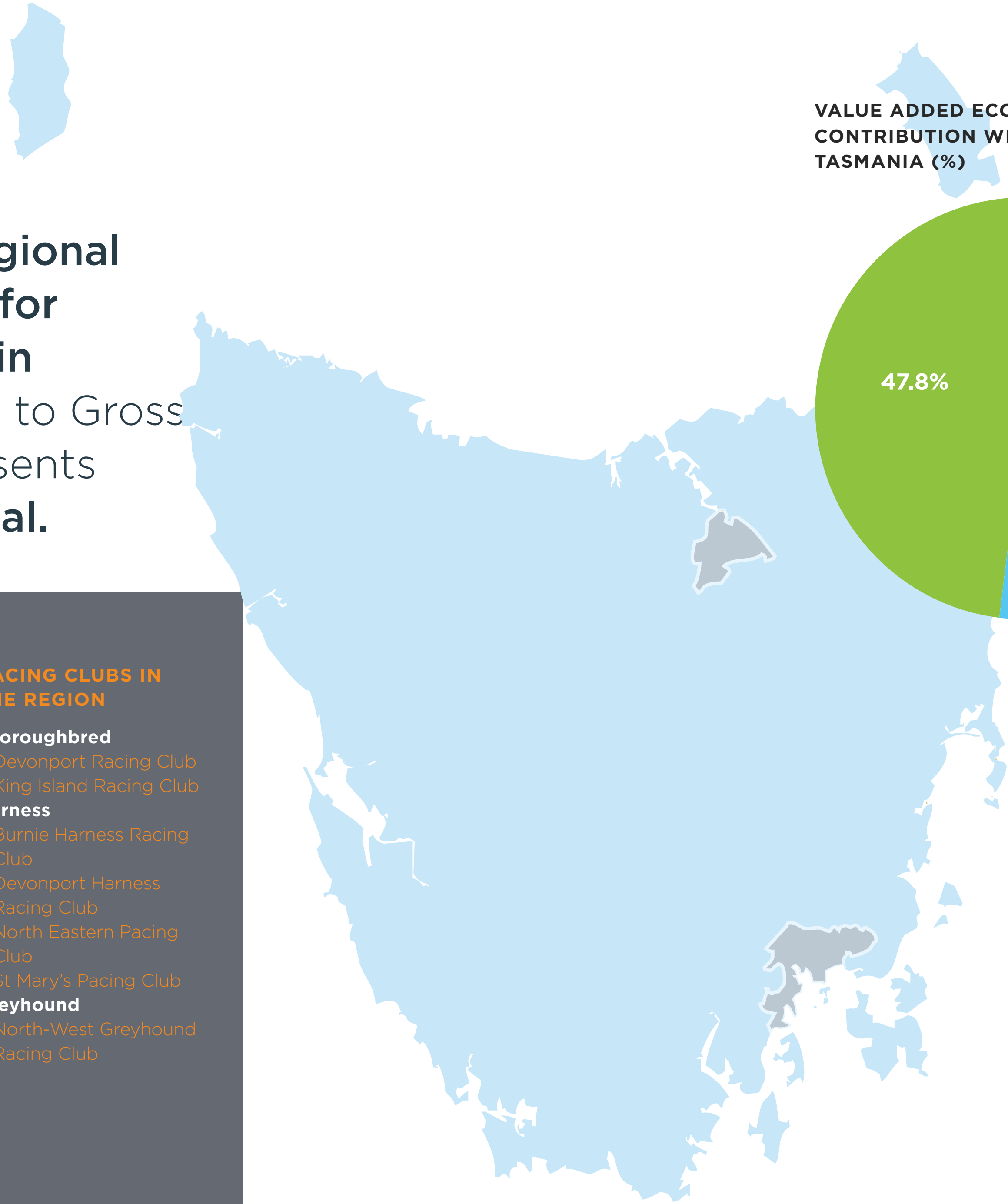
- The population of the Regional Tasmania is 225,888 (Census 2016).
- There are a total of seven racing clubs operating in the region, two of which are thoroughbred clubs, four of which are harness clubs and one which is a greyhound club.
- The racing industry in the Regional Tasmania is responsible for generating over $71.0 million in value added contribution to Gross State Product. This equates to 38.4% of the total impact generated by the Tasmanian racing industry.
- The economic impact generated by the racing industry in this region is responsible for sustaining a total of 587 full-time equivalent (FTE) jobs in the region.
- There are over 3,600 participants in the racing industry in Regional Tasmania.

RACING CLUBS IN THE REGION

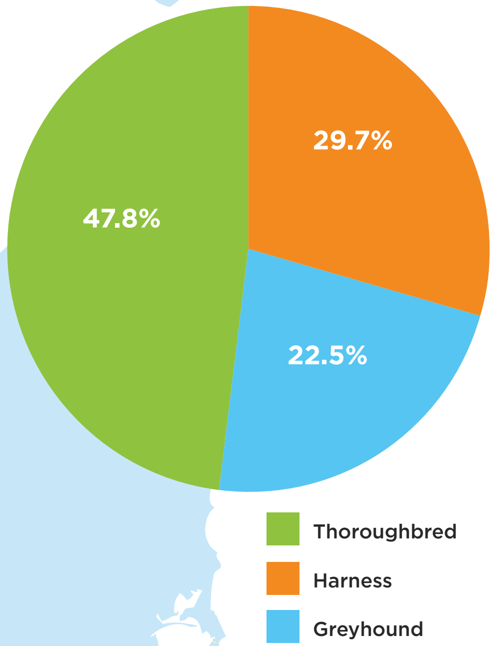
Thoroughbred
- Devonport Racing Club
- King Island Racing Club

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

Greyhound
- North-West Greyhound Racing Club



VALUE ADDED ECONOMIC CONTRIBUTION WITHIN REGIONAL TASMANIA (%)



ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Total direct expenditure	$35.2m	$22.8m	$16.7m	$74.7m
Total value added	$33.9m	$21.1m	$16.0m	$71.0m
Full-time equivalent employment	281	172	134	587

BREEDING AND TRAINING

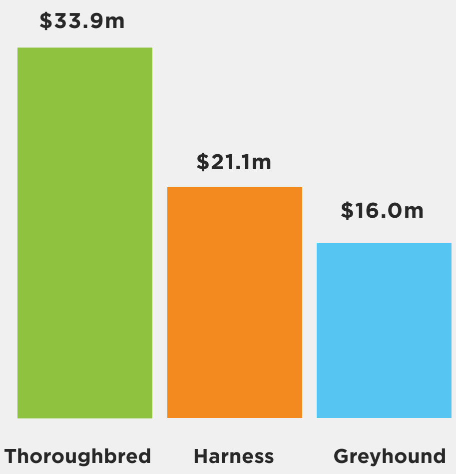
	Thoroughbred	Harness	Greyhound	Total
Pups/Foals produced	161	77	245	484
Horses and greyhounds in training	906	584	659	2,149

TOTAL PARTICIPANTS IN RACING

	Thoroughbred	Harness	Greyhound	Total
Breeders	95	57	30	182
Owners	1,067	395	36	1,498
Trainers	106	123	81	310
Breeders staff	57	60	24	140
Stable/Kennel employees	282	102	28	412
Racing Club & industry staff (FT, PT, casual)	89	61	38	188
Jockeys, drivers & apprentices	35	82	0	118
Racing club volunteers	52	145	22	220
Volunteers assisting participants	197	247	122	566
Total participants in Regional Tasmania	**1,981**	**1,273**	**380**	**3,634**

Race meetings in Regional Tasmania attracted attendances of **27,400 or 27.7% of total attendances** at race meetings in Tasmania.

VALUE ADDED GENERATED BY EACH CODE WITHIN REGIONAL TASMANIA



AT A GLANCE

7 Racing Clubs

THOROUGHBRED	2
HARNESS	4
GREYHOUND	1

103 Race Meetings

THOROUGHBRED	31
HARNESS	20
GREYHOUND	52

903 Races

THOROUGHBRED	223
HARNESS	164
GREYHOUND	516

661 Racing Club Members

THOROUGHBRED	350
HARNESS	269
GREYHOUND	42

27,400 Attendances

THOROUGHBRED	12,700
HARNESS	11,700
GREYHOUND	3,000

*Some totals do not add due to rounding

About IER

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

This study constitutes an economic and social impact evaluation of the Tasmanian racing industry (including the thoroughbred, harness and greyhound racing codes). An understanding of the intricate and sometimes complex flow of money in the racing industry underpins this assessment. IER has recently prepared similar studies for:

+ Australian Greyhound Racing Industry
+ Australian Thoroughbred Racing Industry
+ New Zealand Racing Industry (3 Codes)
+ Northern Territory Thoroughbred Racing Industry
+ Tasmanian racing industry (3 Codes)
+ South Australian Racing Industry (3 Codes)
+ Thoroughbred Racing Industry in Country Victoria
+ Victorian Racing Industry (3 Codes)
+ Western Australian Racing Industry (3 Codes)

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

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

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

+ Size and Scope of the South Australian Racing Industry (2019)
+ Economic and Social Impact Study of Harness Racing in Australia (2012)
+ The Economic Impact of the Melbourne Fringe Festival (2010 & 2011)
+ 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
+ Size and Scope study of the Victorian Racing Industry (2018)
+ Economic Impact assessment of the InterDominion (Sydney) 2013 - 2016
+ Annual assessment of the Adelaide Fringe, WomAdelaide and Clipsal 500 (over the last 5-10 years)
+ Size and Scope Study of Thoroughbred Racing Industry in NT
+ Size and Scope of the Western Australian Racing Industry (2021)
+ Size and Scope of the Australian Football League (2021)

Barry provides the economic modelling and advisory services to IER.

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

Economic Methodology

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

BASIS OF EVALUATION

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

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

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

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

In addition to the jobs created with direct suppliers of services to the racing industry, economic activity produces a multiplier effect within the community, extending the spend effect and the impact through various layers of the economy. This is known as the flow on impact.

The use of multipliers, derived from input output tables, is a prominent process for translating direct created expenditure (a final demand stimulus) of industries or projects into jobs and incomes, and for establishing the extent of the flow on impact. There is some level of academic argument about appropriate models for converting increases in external expenditure (final demand) into regional economic impacts. The critics of using input output tables often argue that multipliers are used to overstate the value of an industry – with the term multiplier taken as method of ratcheting up the stated 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 1x.

Used correctly, multipliers provide a more appropriate measure of economic impact than expenditure. In short, use of these input output based multipliers allow for reporting with respect to the estimated outcomes of the industry in terms of:

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

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

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

What this study calculates is the level of direct and induced employment and income that is linked to people choosing to spend their entertainment dollar on racing (after allowing for imports which are used in the production process). This could be considered the gross economic impact of the sector, and is therefore a measure of its significance generally. If a similar gross impact was calculated for every other sector of the economy, then the sum of the impacts would be considerably greater than the size of the economy in total. An alternative methodology would be to measure the net economic impact. Such a study would represent the extent to which this industry expenditure is supported by revenues that can be considered new to the state or region. This would include the supply of services by the local industry to racing activities interstate.

It would also include the spending made by tourists or visitors to the state whose main reason for visiting is to attend/participate in the races. Finally, it would include industry revenues that locals spend where they would not spend it in the state but for their involvement in the activities of racing. It would also reasonably be expected that some race attendees would attend events interstate if they were not available in Tasmania, and that some operators would base their operations interstate if this was the case. The information required for this assessment is not available, and as such is out of the scope of this analysis.

ESTIMATES OF EXPENDITURE BY THE INDUSTRY

This study of the Tasmanian racing industry is undertaken by firstly identifying the expenditures generated by the industry andthen applying this expenditure to state input output tables. The approach identifies the structural context of expenditure and then applies this to industry sectors from which point it is assumed that the general industry production function can be applied.

The estimated racing industry expenditure is determined at two levels. Firstly, the industry expenditure generated within each code of racing is identified, as well as the region in which this spend occurs. Secondly final expenditures are collocated to industry sector (using ANZSIC codes as defined by the ABS). Expenditure on labour in the racing sector itself is allocated to the recreational cultural sector. By allocating these expenditures in this way, the imports required to support racing industry activity can be estimated for the respective industry sectors, and excluded as they represent a leakage from the state economy.

From an industry classification perspective, whilst "recreation services" is the dominant sector, there are significant purchases made from other sectors such as agriculture, business services, property services etc.

ADJUSTMENT OF EXPENDITURES

The expenditure data is converted from purchasers' prices to basic prices, as the final expenditure data includes margins, taxes and subsidies and all monetary values in the input output model are expressed as basic values. The prime differences between purchaser prices and basic prices 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. In the modelling herein this is then considered to support Government expenditure (an implied revenue neutral situation).

The Tasmanian input output model adopted in this study has been developed specifically for this study using a location quotient approach to derive a state table for 2016,based on the national 2018/19 table (ABS) and employment data from the ABS labour force survey for 2016.

The core assumptions to make the adjustments 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. It is assumed that the value added coefficient for the arts and recreation sector understates that of the spend for the racing industry as the cultural industry will be dominated by public sector institutions and not for profits – whereas the recreation sector is more commercial.

- The purchaser price is adjusted for the average margin for wholesale, retail and transport sectors, as identified in the 2014/15 national input output tables.

DISTRIBUTION TO REGIONS

The final expenditures outlined within this study has been allocated to regions across Tasmania. The level of economic activity will not proportionally follow the expenditure, as regional areas generally have higher import penetrations than metropolitan areas (i.e. regional areas have a higher likelihood of needing to import products and services from the metropolitan area).

This study employs a tops-down distribution approach that recognises that where regional input output tables exist, direct industry ratios of value added and employment are generally similar between the state and sub-regional table, but regional induced impacts are on average of the order of 50%-70% of the state induced impacts (dependent on the region and the sector – as observed from regional input output tables constructed for other purposes for various regions). The balance of these impacts is allocated to the Brisbane metropolitan area. The assumption applied is that the actual ratio is inversely proportional to the distance of the region from Brisbane (the greater the distance the greater the prospect that transport costs will increase local supply). The actual difference 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 regions. Therefore, the direct impacts have been distributed proportionally, while the induced impacts have been distributed with a 50-70% discount. The balance is distributed to the metropolitan area.

ACKNOWLEDGEMENTS

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

- Harness Racing Australia
- Oz Chase
- Participants who provided detailed financial data on training and breeding racehorses/ greyhounds
- Tasmanian Racing Clubs
- Racing Australia
- Tasracing
- Tasmanian Greyhound Hall of Fame

Definitions

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

- **Direct Expenditure** - is defined as expenditure associated with breeding and rearing racehorses/greyhounds, preparing racehorses/greyhounds (training), racing customer expenditure and expenditure by Tasracing and racing clubs on operating the industry. Direct expenditure is counted at the point at which it leaves the racing industry and hits the broader economy.
- **Direct Economic Impact (value added)** - represents the amount of income included in the direct in-scope expenditure, and therefore is the amount of wages and salaries plus gross operating surplus directly created in supply these services and product, which is also equal to the direct in scope expenditure less the purchases the provider of the goods and services makes in providing the goods and services
- **Indirect Economic Impact (flow-on)** – represents the value added activity generated to support the purchases made in providingthe inputs to the providers of the direct services, along with the value added impact in providing households with goods and services as they spend their wages, and the trickle on effect of this
- **Total Value Added** – is the sum of the direct value added plus the flow on impact. It therefore represents the contribution to Gross State Product resulting from the events and activities of the Tasmanian racing industry
- **Full-time Equivalent Employment** - is a unit that indicates the workload of an employed person in a way that makes workloads or class loads comparable across various contexts. An FTE of 1.0 is equivalent to a full- time worker (i.e. 38 hours), while an FTE of 0.5 signals half of a full work load (i.e. 19 hours)
- **Household Income** - is defined as being wages and salaries (before tax) earned from employment generated by the racing industry
- **Participants in Racing** - is defined as being the number of employees (full-time, part-time and casual), participants and volunteers directly involved in the racing industry. It does not include down-the-line suppliers of goods and services
- **Input Output Modelling** – is the economic modelling used to determine the economic outputs within this study. It is an economy wide model, which shows the inter-linkages between industry sectors in the economy. Therefore, the change in economic circumstances (specifically a change in final demand), for one sector of the economy can be traced though to its effect on other sectors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