

Size & Scope of the Western Australian Racing Industry

Economic, Social & Environmental Benefits



RACING AND WAGERING WESTERN AUSTRALIA



The Allen Consulting Group

SECTION 1 - INTRODUCTION

1.1	<i>Acknowledgements & Validations</i>	3
-----	---	---

SECTION 2 - OVERVIEW

2.1	<i>Key Impacts Generated by the Western Australian Racing Industry</i>	4
2.2	<i>Western Australian Demographics</i>	6
2.3	<i>Key Concepts & Definitions</i>	8

SECTION 3 - ECONOMIC IMPACTS

3.1	<i>Contribution to Gross State Product</i>	10
3.1.1	Introduction	10
3.1.2	Methodology	10
3.1.3	Value of Production	10
3.1.4	Cost of Production	11
3.1.5	Taxation	11
3.1.6	Total Value Added Generated by Industry	12
3.1.7	Limitations of the Analysis	13
3.2	<i>Gross Value of Production & Income Generated</i>	14
3.2.1	Introduction	14
3.2.2	Methodology	14
3.2.3	Racing & Wagering Western Australia	15
3.2.4	Bookmakers	16
3.2.5	Thoroughbred Racing Clubs	17
3.2.6	Harness Racing Clubs	18
3.2.7	Greyhound Racing Clubs	19
3.2.8	Trainers of Thoroughbreds	20
3.2.9	Trainers of Harness Horses	21
3.2.10	Trainers of Greyhounds	22
3.2.11	Breeders of Thoroughbreds	23
3.2.12	Breeders of Harness Horses	24
3.2.13	Breeders of Greyhounds	25
3.2.14	Jockeys	26
3.2.15	Reinspersons	27
3.2.16	Summary of Gross Value of Production & Income	28

3.3	<i>Employment Generated by Racing & Wagering</i>	30
3.3.1	Introduction	30
3.3.2	Methodology	30
3.3.3	RWWA	30
3.3.4	Bookmakers & Staff	30
3.3.5	Racing Clubs	31
3.3.6	Trainers & Staff	31
3.3.7	Breeders	32
3.3.8	Jockeys & Reinspersons	32
3.3.9	Summary of FTE Employment Generated	33

SECTION 4 - COMMUNITY SOCIAL BENEFIT

4.1	<i>Summary of Findings</i>	34
4.2	<i>Building Communities, Families & Providing Leisure</i>	35
4.3	<i>Supporting Education, Training & Employment</i>	36
4.4	<i>Protecting the Environment & Promoting Health</i>	37

APPENDIX A - SUPPORTING DATA FOR REGIONAL ALLOCATION OF INDUSTRY ECONOMIC DATA

A1	<i>TAB Agencies by Region</i>	38
A2	<i>Weekly Agency Commission by Region</i>	38
A3	<i>Location of Thoroughbred Racing Clubs</i>	38
A4	<i>Location of Harness Racing Clubs</i>	39
A5	<i>Location of Greyhound Racing Clubs</i>	39
A6	<i>Number of Bookmakers by Region</i>	40
A7	<i>Bookmaker Turnover by Region</i>	40
A8	<i>Number of Trainers by Region</i>	40
A9	<i>Number of Breeders by Region</i>	41
A10	<i>Number of Jockeys by Region</i>	41
A11	<i>Number of Jockey Starts by Region</i>	41
A12	<i>Thoroughbred Stakemoney by Region</i>	41
A13	<i>Number of Reinspersons by Region</i>	42
A14	<i>Number of Driver Starts by Region</i>	42
A15	<i>Harness Stakemoney by Region</i>	42
A16	<i>Western Australian Gross Regional Product</i>	43

Acknowledgements

The economic analysis of the Western Australian racing industry was completed by The Allen Consulting Group. Data and information underpinning this analysis was sourced from Racing and Wagering Western Australia and from industry participants through surveys conducted by IER. More than 18,000 surveys were sent to all categories of participants in the industry. The analysis of social and environmental benefits generated by the Western Australian racing industry was also conducted by IER.

The Allen Consulting Group and IER wish to acknowledge and thank the following organisations and individuals for their support and assistance in this study:

Racing & Wagering Western Australia (RWWA)
Each of the 40 Thoroughbred Racing Clubs
Each of the 19 Harness Racing Clubs
Each of the 3 Greyhound Racing Clubs
Australian Bureau of Statistics

Mr. Robert Gardiner & Associates, Essential Elements of
Environmental Communications and Risk Management
The Marketing Centre Pty. Ltd.
Department of Racing, Gaming & Liquor
Department of Local Government & Regional Development

Validations & Assumptions

This report relies heavily on the estimates and data provided by many stakeholders and representatives of the industry. In many cases, data did not previously exist, and had to be sourced for the first time. Some data was difficult to gather due to confidentiality reasons, and in these cases reasonable estimates have been formulated in consultation with industry experts. Where reasonable data was unable to be sourced, The Allen Consulting Group, and IER has erred on the side of conservatism and omitted it from this report.

The Allen Consulting Group in conjunction with IER has made every effort to ensure the integrity of the data within this report. By its very nature, forecasting and analysis of economic patterns is uncertain and subject to many interpretations and methodologies. This report is a macro study of the racing industry in Western Australia and further research may need to be undertaken to further validate data on a micro level. The Allen Consulting Group, IER Pty. Ltd., its employees and agents do not accept any liability for any loss or damage which may arise as a consequence of any person or organisation relying on the information contained in this report.

For the purposes of this report, Western Australia has been split into 10 statistical regions in accordance with the Department of Local Government & Regional Development, and the Australian Bureau of Statistics.

Throughout the report, some totals will not be exact due to the rounding process involved in the calculation of these totals.

Overview - 2.1 Key Impacts Generated by the Western Australian Racing Industry

Introduction

The Allen Consulting Group was engaged by RWWA to conduct an evaluation of the economic size of the racing industry.

For the purpose of this study, the racing industry was defined as being comprised of the following participants:

- RWWA;
- bookmakers;
- racing clubs;
- reinspersons;
- trainers;
- breeders; and
- jockeys.

Other service providers, such as providers of stock feed and farriers were considered to provide inputs to the industry, while wagering customers and owners of racing animals were considered to be consumers of the racing industry.

The study evaluated the size of the racing industry by examining:

- industry output;
- industry value added and income; and
- employment.

The racing industry also contributes to the generation of government taxation revenues: the goods and services tax (GST) and the state betting tax. As taxes are not an output of the racing industry (but rather are transfer payments without an exchange of services), taxation revenues were treated separately in consideration of the economic value of the racing and wagering industry.

Contribution to Gross State Product (Value Added)

The total value of production of goods and services by the racing industry was estimated to be \$255.8 million during 2002/03, exclusive of GST and betting tax. The key products of the racing industry are off-course wagering (50.6 per cent of the value of production) and the sale of animals and services for owners of racing animals (33 per cent of the value of production).

The total cost of production was estimated at \$131 million. The largest cost items are in the industry sectors of agriculture (such as stock feed, imports of animals), property and business services (such as land rental, agistment, equipment hire and professional services); health and community services (such as farriers, ambulances, dental and veterinary services); and construction (such as track and property maintenance).

The industry value added created by the racing and wagering industry was estimated for 2002/03 at \$124 million, representing approximately 0.15 per cent of Western Australia's Gross State Product (GSP). Total industry value added for 2002/03 including indirect taxes (\$43.5 million and GST revenues of \$7.6 million) was estimated to be \$175.0 million, comprising 0.21 per cent of GSP.

The value of income generated by the industry (which is equivalent to industry value added) was thus also estimated at \$124 million, and found to accrue primarily to RWWA employees (wagering and controlling authority activities) and RWWA's TAB agents (36.5 per cent), animal trainers and the staff of trainers (31.3 per cent), employees of racing clubs (12.8 per cent) and breeders (7.5 per cent).

Gross Value of Production by Sector and Region

Total gross final output generated by RWWA, bookmakers, racing clubs, trainers, breeders, jockeys and reinspersons was estimated at \$275 million. This is a measure of the value of the total consumption of racing and wagering products in the industry. Including indirect taxes, the value of total output is \$326 million. This figure does not include stake money transferred back to owners (that is, the net expenditure by owners), and/or the inputs used to generate this output.

The greatest single component in the gross value of industry output comprises the output of RWWA (approximately 47 per cent of total industry output), followed by trainers (26 per cent) and racing clubs (11 per cent). The greatest value of output occurred in the Metropolitan region (66.2 per cent), followed by the South West region (7.8 per cent) and the Goldfields Esperance region (5.2 per cent).

Income by Sector and Employment

As mentioned previously, total income generated by the racing industry is \$124 million, which was primarily distributed to RWWA employees and its TAB agents (36.5 per cent), trainers and the staff of trainers (31.3 per cent), employees of racing clubs (12.8 per cent) and breeders (7.5 per cent)

The total income generated by the racing and wagering industry, 69 per cent was estimated to accrue to participants in the Metropolitan region and 31 percent to participants in non-metropolitan regions. The non-metropolitan regions receiving the greatest value of income from the racing and wagering industry are the South West (6.8 per cent), Goldfields- Esperance (4.8 per cent), Peel (4.7 per cent) and the Mid West regions (4.6 per cent).

As a proportion of gross regional product (GRP), incomes generated by the racing industry are relatively large in the Gascoyne (0.32 per cent of GRP), Mid West (0.25 per cent of GRP), and Great Southern regions (0.25 per cent of GRP).

Employment

Employment in the racing and wagering industry was estimated to be 2,324 full time equivalent positions. The greatest number of positions occurs in the wagering and controlling authority business of RWWA sector, followed by the training, racing club and breeding sectors.

The majority of employment is located in the Metropolitan region (64.9 per cent), followed by the South West region (8.1 per cent) and the Peel region (8.1 per cent).

Community & Social Benefit

The Western Australian Racing Industry makes a significant contribution to Community Social Benefit, enhancing individual and community well being throughout the State, and delivering a triple bottom line result, producing economic, social and environmental benefits for Western Australia.

Race Club Community Social Benefit survey results and analysis of racing industry participation data, highlight the racing industry's significant role in the critical areas of community building, family, education and training, health, leisure, employment and environment.

Some of the key indicators of the racing industry's role in building inclusive and welcoming communities and powerful collaborative community partnerships are Racing Club partnerships with:

- 125 community organizations who share racing club facilities or resources
- 2,030 corporate suppliers, sponsors and commercial partners
- 80 community events supported by racing clubs
- 145 community organizations or charities assisted financially by racing clubs
- 1,301 volunteers who participate in racing clubs

Participation in the racing industry as a hobby owner, trainer or breeder, or as a customer attending the races or other racing club events, provides a significant leisure opportunity for many Western Australians. Some of the key indicators of this leisure contribution are:

- More than 792 race meetings are held each year with an annual attendance in excess of 600,000 customers
- Over 40% of racing clubs hold pre or post race day events
- More than 80% of racing clubs hold racedays with a community leisure theme
- Many leisure events are held at racing club facilities on non-race days including:
 - Pony club
 - BBQ's & Dinners
 - Concerts & Festivals
 - Food Markets
 - Boat Shows
 - Stamp Shows
 - Charity Fundraisers
 - Industry Functions

Western Australian racing clubs have adopted many environmentally friendly practices that support Government and community expectations relating to the protection of the State's environment.

Key initiatives are evident in the areas of water saving, reduction of air pollution, efficient resource use and waste recycling, energy efficient buildings and development of native flora and fauna. These initiatives protect the Western Australian environment and are also delivering operational cost savings for racing clubs.

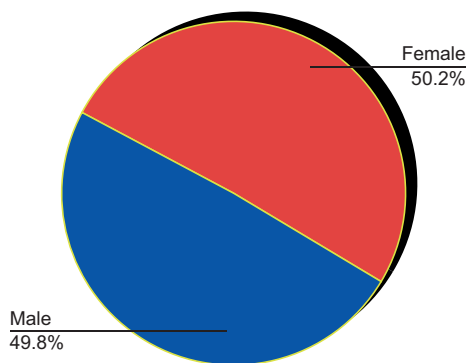
Population, Age & Employment

The 2001 national census revealed that there were 1,851,252 people residing in Western Australia. More than 1.3 Million of these people reside in the metropolitan areas of the State. The median age of residents in Western Australia is 34 years. This has increased by just under 10% since 1991, providing proof of an ageing population.

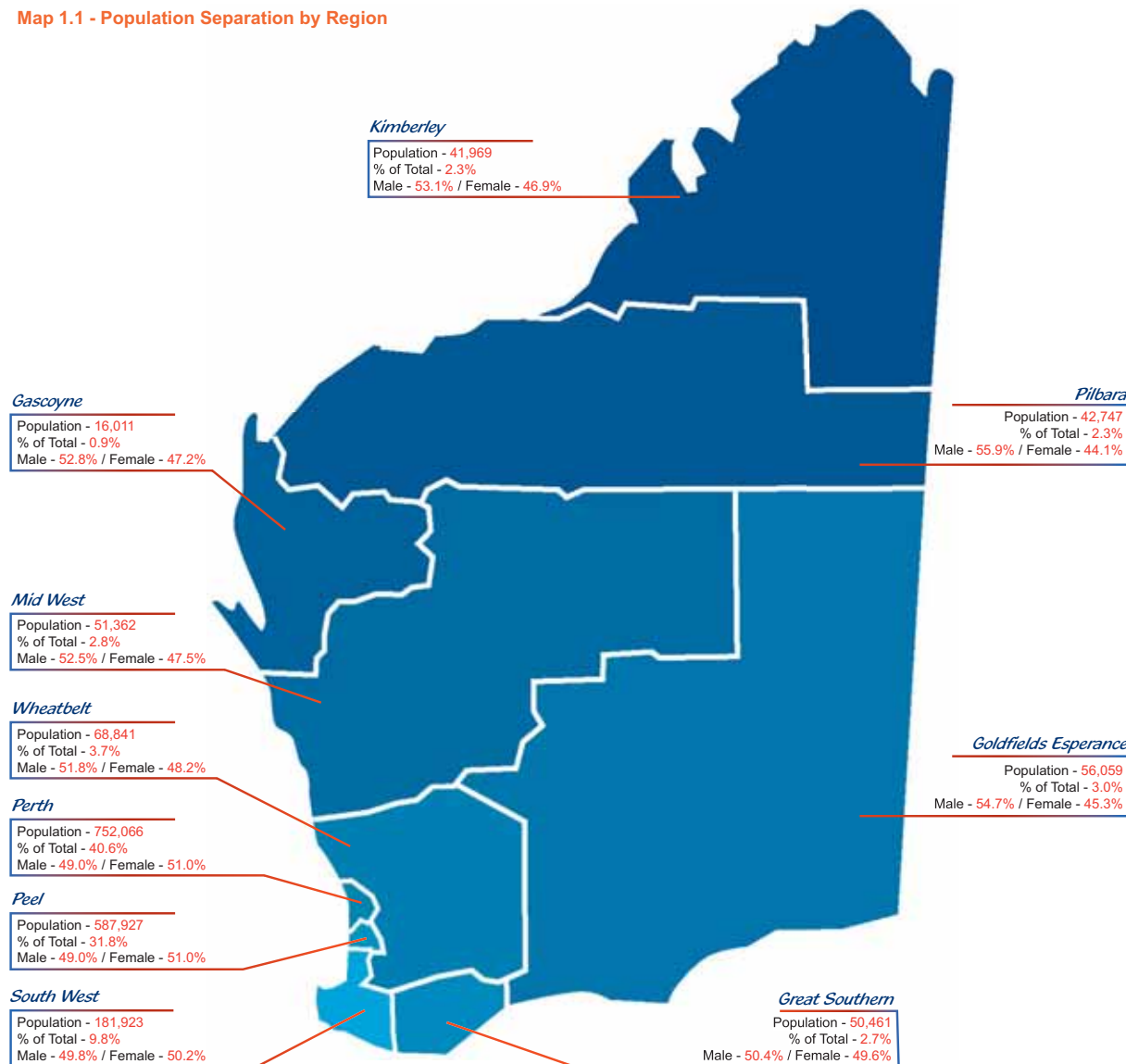
The total employment in Western Australia on census night 2001 was reported at more than 828,000, with males making up more than 55% of this amount. It is estimated that the total labour forces was just under 900,000.

Nationally, the median household income was reported at around \$700-\$799 per week. The Pilbara region reported the highest average household income in the range of \$1,200 - \$1,499 per week, most likely reflecting the large scale mining operations in this region.

Chart 1.1 - Population Split by Gender



Map 1.1 - Population Separation by Region



Employment Impacts

The 2001 Census of Western Australian residents reported that the total labour force consisted of more than 890,000 people. Section 3.3 reveals that the racing industry in Western Australia is responsible for the creation or maintenance of more than 2,320 Full Time Equivalent jobs (FTE). The following table illustrates the regional contribution of the racing industry in terms of FTE employment created.

Table 1 - Labour Force Statistics

Region	Median Household Income	Total Labour Force	Total Persons Employed	Total FTE Generated by Racing	Racing FTE Jobs as a % of Total Persons Employed
Kimberley	\$800-\$999	17772	16899	18	0.11%
Pilbara	\$1,200-\$1,499	22108	21062	30	0.14%
Gascoyne	\$700-\$799	6508	6115	27	0.44%
Mid West	\$600-\$699	24102	21855	122	0.56%
Wheatbelt	\$600-\$699	33136	31174	93	0.30%
Perth	\$800-\$999	374534	347407	1508	0.43%
Peel	\$700-\$799	282174	258994	130	0.05%
South West	\$600-\$699	82591	75425	188	0.25%
Goldfields Esperance	\$800-\$999	29055	27389	113	0.41%
Great Southern	\$600-\$699	23272	21475	97	0.45%
Other	\$1,000-\$1,499	1014	986		0.00%
Total		896266	828781	2326	0.28%

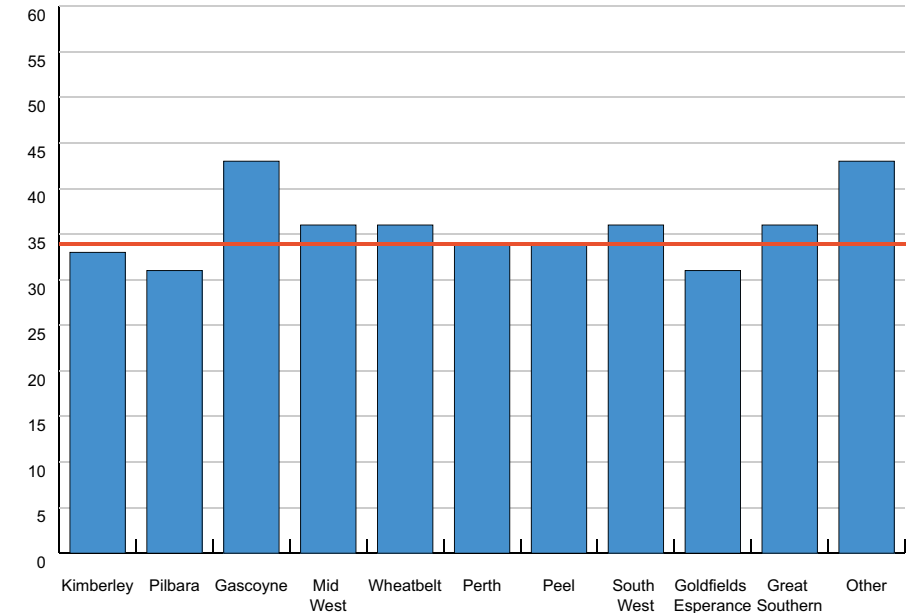
More than 64% of all full time equivalent jobs created by racing are in the Perth Region. The location of the Racing and Wagering Western Australia (RWWA) headquarters in Perth certainly contributes strongly to the large number of FTE jobs in this region.

When FTE generation is compared to the size of the employed labour market in each region, it is clear that the Mid West (0.56% of the employed labour force) receives the largest relative benefit in terms of employment of any region. The Great Southern (0.45%), Gascoyne (0.44%) and Perth (0.43%) regions receive the largest relative employment benefits as a result of the operations of the racing industry.

Age & Gender Distribution

The following chart illustrates the median age in each of the regions of assessment. The red line indicates the national average median age.

Chart 1.2 - Median Age of Residents by Region



The Gascoyne region has the highest median age at around 43 years. The Mid West, Wheatbelt, South West and Great Southern regions are also higher than the national average at 36 years.

Australian Bureau of Statistics data shows that the average age of the Western Australian population has risen just under 10% in the last 10 years.

Introduction

Any reference to the “economic size” (or “economic benefit”) of an industry would be meaningless unless “economic size” is defined. Economic size can relate to many things. The most commonly used measures of economic size or economic benefit are:

- output or expenditure (either in units or value of sales);
- value added; and/or
- employment.

All of the three measures of economic contribution are indicators of the economic size of an industry, although each conveys different information. Sales or output is an indicator of an industries contribution to final consumption expenditure; value added is an indicator of wealth generation, and employment is an indicator of the distribution of income.

The three indicators are generally related, although not perfectly correlated. Increases in one indicator may not necessarily lead to increases in other indicators. For example, an increase in output (which arguably increases consumer welfare) does not necessarily imply an increase in income or employment, as increases in expenditure may occur through increased purchases of imports (which are leakages from the economy).

This section details some key concepts and definitions for the purposes of measuring and describing the economic size of the Western Australian racing and wagering industry.

Gross domestic product (GDP) and industry value added

The measure most commonly cited from national accounts as an indicator of the size of an economy is gross domestic product (GDP). The Australian Bureau of Statistics (ABS) defines GDP as the total market value of all goods and services produced in Australia after deducting the cost of goods and services used. Gross state product (GSP) is the equivalent of GDP but refers to production within a state or territory rather than to the nation as a whole. A measure of an industry’s contribution to GDP is ‘industry value added’, which is defined as the net contribution of an industry to GDP after deducting the cost of inputs such as raw materials, fuel, power and other purchases from the industry’s revenues. The sum of value added for all industries, plus taxes and less subsidies, would be equivalent to GDP.

Industry value added has advantages as a measure of the contribution of that industry to the state or national economy, described as follows.

- Industry value added is a uniform measure which enables comparisons of two or more industries by valuing production (less the value of raw inputs) at market prices. For example, if total sales of apples were \$10 million and the total sales of oranges are \$10 million, which industry provides more economic benefit? This would depend on the value of raw inputs used to produce the output.

- In practice, industry value added is largely comprised of the wages and salaries and the operating surplus of that industry. Arguably, the level of income generated in the economy is a good indicator of the nation’s welfare as value added tends to benefit households and local businesses.
- Industry value added avoids “double counting” – and hence overestimation – of the value of industry output as it does not include the value of production generated by other industries. For example, it would be erroneous to value the economic size of the car manufacturing industry as the total spending on cars produced in the economy. This would lead to the double counting of the value of component production in the economy — once in an unfinished form (by the component industry), and once in a finished form (by the car manufacturing industry) — see example following.

EXAMPLE: INDUSTRY VALUE ADDED

To avoid double counting, the GDP measure counts only the value added contributed by each industry in the economy. Consider a hypothetical economy with two industries: the component industry and the car manufacturing industry. The car component industry requires steel inputs while the car manufacturing industry requires components.

If total purchases of steel in the economy were \$100 million, the total sales of components were \$200 million, and the total sales of cars were \$300 million, then what is the value of GDP or the size of the nation’s income?

Assuming that all steel was imported, and all components were used for domestic car production, then the production chain of the economy would resemble as follows:



From above, the economy transformed \$100 million of inputs (imported steel) to \$300 million worth of final output, thus the income generated by the economy, or the size of the economy is \$200 million. The car component industry contributed \$100 million to GDP, while the car industry contributed \$100 million to GDP.

It would therefore be erroneous to measure the contribution of each industry by the size of output alone. By only taking into account expenditure on output, the economic contribution of the component industry would be estimated as \$200 million and the car industry \$300 million. By summing the output of both industries, this would lead to an overestimation of production in the economy of \$500 million.

Moreover, this method would lead to incorrect comparisons between industries. The above method implies that the car manufacturing industry (\$300 million) is much larger than the car component industry (\$200 million), where in fact, the sizes of both industries (in terms of income generation) are identical. Thus, the correct measure of industry contribution is its industry value added – which is the value of output, less the cost of inputs.

Defining the racing and wagering industry

Before an industry's contribution to GSP can be evaluated, a definition of the industry is required to determine what is "inside" the industry and what is "outside" the industry. This definition is crucial as all expenditure paid to entities outside of the industry would be a cost of production to the industry, while wages and value generated inside the industry would be part of "value added" or its contribution to GSP.

As part of the Industry Economic Review, the racing and wagering industry in Western Australia has been defined as comprising RWWA, bookmakers, trainers, breeders, jockeys, and reinspersons.

Other participants such as farriers, veterinarians and providers of transport services are inputs to the industry and a cost of production. Direct expenditures to these providers do not represent industry contribution to GSP, although there may be a flow-on benefit from the racing industry to these sectors.

Owners of racing animals were considered to be consumers of the racing industry, similar to consumers of wagering products, these entities make (on average) net payments to the industry though investment in animals less stake money received.

BOUNDARIES OF THE RACING AND WAGERING INDUSTRY

Provides Inputs to Industry...	Industry Creates Value...	Consumers of the Final Outputs of the Industry...
<ul style="list-style-type: none"> • Farriers • Providers of stock feed • Veterinarians • Providers of transport services • Retail industries. • Electricity, gas and water providers 	<ul style="list-style-type: none"> • RWWA (TAB) • Bookmakers • Racing clubs • Trainers • Breeders • Jockeys • Reinspersons 	<ul style="list-style-type: none"> • Wagering and race event customers • Owners of animals • Sponsors • State Government

Treatment of taxes

The only types of taxation that are included in the GDP measure are indirect taxes. Indirect taxes are taxes levied on goods or services (such as the sales tax and betting tax) rather than on individuals and/or organisations (such as personal and corporate income tax, which are direct taxes). GDP is measured before the payment of direct income taxes.

Indirect taxation is not considered to be part of industry value-added as these taxes are *transfer payments*. Transfer payments are payments that are made without exchange for goods and services. As taxes do not directly contribute to output, they do not contribute to industry value added. GDP is the sum of all industry value added, plus indirect taxes less subsidies.

Arguably, the industry can be said to have contributed to the generation of indirect taxes to the government (i.e. income to the community), which forms part of GDP.

Two key types of indirect taxes are generated by the racing and wagering industry include:

- the State betting tax; and
- the Goods and Services Tax (GST).

The State betting tax is a direct transfer payment to the State Government that is generated by the industry from the sale of its final off-course wagering products. The treatment of the GST is more complex. There are two issues to consider in the treatment of GST.

The GST is a value added tax, and effectively, would only be collected on final goods and services that do not require further processing. Producers can obtain input credits (effectively a subsidy) for goods and services used as inputs into production to negate the cost of the GST on inputs. The industry's contribution to GST generation should only be its "value added" component, which are GST receipts paid less input credits received. A summation of all GST revenues generated by an industry in each stage of production would grossly double-count total GST taxation revenues to the Commonwealth Government if tax input credits are not taken into account.

For the wagering industry, RWWA, bookmakers and racing clubs are compensated for GST paid on wagering products though input credits and rebates. Therefore, these entities do not, in effect, pay GST on final goods and services.

3.1.1 Introduction

This section provides estimates of the Western Australian racing industry's contribution to gross state product (GSP). The methodology employed in the analysis is also presented.

3.1.2 Methodology

The racing industry's direct contribution to GSP has been determined using the production approach, which takes the final value of goods and services produced by the industry, and deducting the cost of goods and services used by the industry in the production process. By definition, the production approach is equivalent to the income approach, which measures the industry's contribution of GSP by summing the incomes of employees, and operating surpluses in the industry accruing from production of goods and services.

A cash flow model of the racing industry (based on 2002/03 figures) was used to estimate the value of production in the industry. The model describes and quantifies financial transactions between the entities within the racing industry.

These entities include

- RWWA (TAB);
- Western Australian bookmakers;
- racing clubs;
- reinspersons.
- trainers;
- breeders;
- jockeys; and

The cash flow model records transactions at prices that are *exclusive* of GST payments.

Each entity may transact with other entities within the defined industry as well as entities outside of the defined industry. Revenues sourced from outside entities of the industry were treated as a payment of products generated by the industry (such as wagering, animal investment from owners etc.), while expenditures leaving the racing industry were treated as a payment for raw inputs (for example, farrier and veterinary services, electricity bills, and retail expenditure).

Transactions between entities within the industry, such as a payment of TAB distributions to racing clubs, are transfers inside the industry and are considered as part of the "value-added production process" within the industry. Consequently, these internal financial transfers are not included as final demand for goods and services produced by the industry.

A schematic representation of the conceptual framework is presented in [Figure 3.1](#).

Figure 3.1

CONCEPTUAL FRAMEWORK



3.1.3 Value of production

The industry's final products are wagering products, racing events to customers, advertising and "ownership" of racing animals. Payments for these products are revenues to the racing industry.

The industry's revenues are defined as follows:

- revenues from consumers of off-course wagering products — this is the wagering margin obtained by RWWA's off course totalisator business (plus unclaimed dividends);
- revenues from consumers of bookmaker products — this is the wagering margin obtained by bookmakers;
- revenues from consumers of the sale of controlling authority products — this includes sponsorships, sale of industry publications etc;
- revenues from consumers of on-course wagering products — this is the wagering margin obtained by racing clubs for operating on-course totalisators;
- revenues from consumers of on-course racing event products — this is the revenues obtained by racing clubs for the sale of food and beverage, gate receipts and sponsorships; and
- revenues from animal owners to the industry — these are the payments made by owners of animals to breeders, trainers, jockey and reinspersons after the payment of stake money.

With the exception of revenues from owners, data on revenues were sourced from RWWA, the Department of Racing, Gaming and Liquor and annual report data provided by racing clubs.

Revenues contributed by animal owners were estimated based on the number of animals in the industry and the estimates on the costs of purchasing and maintaining racing animals. A description of the methodology used to calculate net investments from owners is contained in a separate report. (reference) econ modfel

3.1.4 Cost of production

The costs of production include any payments for goods and services by entities within the racing industry to entities outside of the industry.

These include, *inter alia*;

- the costs to RWWA of betting tickets, terminals and equipment,
- the costs to racing clubs of maintenance of racing venues,
- the costs to trainers and breeders of transport, veterinary and farrier services;
- the costs to jockeys and reinspersons of driving and riding equipment.

Expenses incurred in production for RWWA and racing clubs were obtained from annual reports. Expenditure by racing industry participants were estimated from survey data and secondary literature. A description of the methodology used to calculate expenditure is presented in a separate report. Due to the numerous categories of expenditures, items were re-classified into the Australian Bureau of Statistics industry groupings.

Allowances for depreciation and contributions to capital reserves (applicable to RWWA and racing clubs) were treated as retained earnings by the industry.

3.1.5 Taxation

Two types of taxes were considered in the determination of value of production:

- State betting tax; and
- the goods and services tax.

The value of the State betting tax paid by RWWA during 2002/03 was \$43.8 million, sourced directly from RWWA's Annual Report. The value of GST revenues generated by the industry was determined as a the value of GST payments made by industry participants, less GST input tax credits. GST collected on wagering revenues was not included in an estimate of GST revenues as a rebate equal to the value of these revenues is provided to RWWA, bookmakers and on-course totalisator providers.

GST revenues were considered for:

- expenditure on final racing event products such as gate receipts, food and beverage, and sponsorships; and
- expenditures by owners of racing animals on the purchase, upkeep and training of the animals.

The value of GST revenues from racing clubs was estimated as 10 per cent of nonwagering expenditures with racing clubs net of of costs for which a GST rebate could be claimed.

For the ownership of racing animals, the value of purchases of animals and animal services in the Western Australian industry was estimated to be \$111.9 million, while total tax deductible expenses to owners were estimated to be in the order of \$60.4 million for the payment of training fees, riding fees, etc. However, most owners cannot claim tax deductions as they operate as hobby owners. PKF Chartered accounts estimated that in 2001, about 87 per cent of harness horse owners were not registered for the GST while about 75 per cent of thoroughbred owners were not registered for the GST. For the purposes of the current analysis it was assumed that 20 per cent of owners (including greyhound owners) receive input tax credits on their expenses, including the purchases of animals, and 80 per cent of trainers and breeders do not receive tax deductions on expenses.

In total, GST revenues from the industry in 2002/03 are estimated to be approximately \$7.5 million, which is generated by purchases of animals and animal services (payments for the services of trainers, breeders, jockeys and reinspersons).

Racing clubs do not generate net GST revenues on race day products as deductible expenses exceed taxable revenues (before distributions and stake money). Consequently, racing clubs receive a GST rebate of around \$176,000 (Table 3.1).

Table 3.1
CALCULATION OF INDUSTRY GST CONTRIBUTION

	Value (\$)
Racing Clubs	
Racing club GST taxable revenues	\$21,878,651
Racing club GST deductible costs	\$23,640,308
Net taxable amount	-\$1,761,658
Implied GST contribution @ 10%	-\$176,166
Animal services to owners	
Taxable purchases of animals and industry services by owners	\$89,898,921
GST deductible costs to trainers breeders, jockeys and reinspersons	\$12,085,521
Net taxable amount	\$77,813,400
Implied GST contribution @ 10%	\$7,781,340
Industry Contribution to GST	\$7,605,174

Source: The Allen Consulting Group

3.1.6 Total value added and income generated by industry

The total value of production of goods and services by the racing industry is valued at \$255.8 million during 2002/03, exclusive of GST and betting tax. The key products of the racing industry are off-course wagering (50.6 per cent of the value of production) and the sale of animals and services for owners of racing animals (33 per cent of the value of production).

The total cost of production is valued at \$131 million. The largest cost items are in the industry sectors of agriculture (such as stock feed, imports of animals), property and business services (such as land rental, agistment, equipment hire and professional services); health and community services (such as farriers, ambulances, dental and veterinary services); and construction (such as track and property maintenance).

In total, the industry value added created by the racing and wagering industry is estimated for 2002/03 at \$124 million (Table 3.2), representing approximately 0.15 per cent of Western Australia's GSP.¹² Total value added was 48.4 per cent of the total value of production. Total industry value added for 2002/03 including indirect taxes is estimated to be \$175.0 million, comprising 0.21 per cent of GSP.

The value of income generated by the industry (which is equivalent to industry value added) is presented in Table 3.3. The total value of income generated (excluding taxation) of \$124 million was primarily distributed to RWWA employees (wagering and controlling authority activities) and its TAB agents (36.5 per cent), trainers and the staff of trainers (31.3 per cent), employees of racing clubs (12.8 per cent) and breeders (7.5 per cent).

The industry generated betting taxes of \$43.5 million and GST revenues of \$7.6 million.

Table 3.2
CONTRIBUTION TO GROSS STATE PRODUCT BY PRODUCTION

	Value (\$)
Goods and Services Produced (excluding tax)	
RWWA off-course wagering products	\$129,280,914
Controlling Authority products	\$787,225
Bookmaker wagering products	\$8,005,100
Racing club on-course wagering products	\$11,118,298
Racing club on-course racing event products	\$21,878,651
Net investment of animals and animals services by owners	\$85,278,938
Final value of goods and services	\$256,349,126
Cost of Production (excluding tax)	
Agriculture	\$36,116,883
Accommodation and entertainment	\$4,729,747
Communication services	\$1,953,346
Construction	\$8,211,180
Cultural and recreational services	\$5,708,357
Electricity gas and water supply	\$1,393,988
Finance and Insurance	\$3,374,042
Government administration	\$356,658
Health and community services	\$15,774,862
Manufacturing	\$3,539,550
Property and business services	\$31,863,957
Retail trade	\$9,508,042
Transport and storage	\$7,022,135
Wholesale trade	\$2,409,467
Final cost of production	\$131,962,214
Total industry value added production	\$124,386,912
Betting tax to State Government	\$43,568,296
GST contribution to Commonwealth	\$7,605,174
Total Economic Contribution (value added + indirect taxes)	\$175,560,382

Table 3.3
CONTRIBUTION TO GROSS STATE PRODUCT BY INCOME

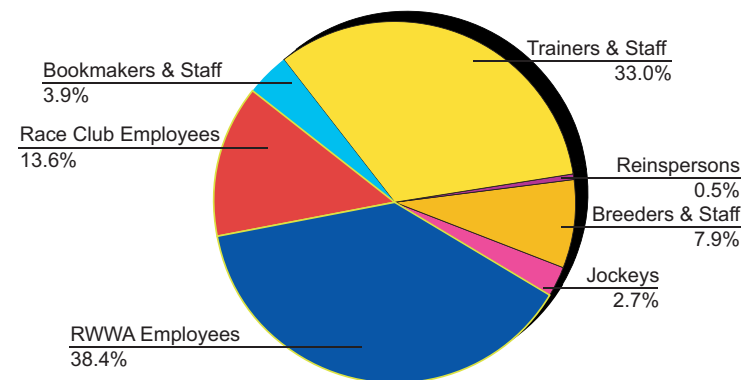
	Value (\$)
Wages to industry participants	
RWWA employees and agents	\$45,097,902
Racing club employees	\$15,979,942
Bookmakers and staff	\$4,523,230
Trainers and staff	\$38,808,647
Breeders and staff	\$9,315,270
Jockeys	\$3,146,887
Reinspersons	\$602,960
Total	\$117,421,912
Retained earnings	
RWWA	\$3,032,000
Racing clubs	\$3,933,000
Total	\$6,965,000
Total industry income(before income tax)	\$124,386,912
Betting tax to State Government	\$43,568,296
GST contribution to Commonwealth	\$7,605,174
Total economic contribution (industry income plus indirect taxes)	\$175,560,382
NOTE:	
RWWA and racing clubs are not-for-profit entities and therefore do not generate profits. Retained earnings for RWWA and racing clubs comprise items such as allowances for depreciation and transfers to capital reserves.	

3.1.7 Limitations of the analysis

This analysis is based on “typical” outputs and expenditures of racing clubs and other participants. Although reliable data could be gathered for RWWA and some major racing clubs, data could not be collected for all participants in the industry and estimates were made of the incomes and costs of jockeys, breeders, trainers and reinspersons.

For country racing clubs, the main source of data used for estimation of costs and revenues was annual reports. Due to the differences in financial reporting between racing clubs, some judgement was exercised in allocating costs to particular financial categories, and whether items were race-day or non-race-day items. Moreover, due to the lack of detail in some annual reports, not all information collected was able to be used.

Chart 3.1 - Contribution to Gross State Product By Income by Industry Participant



Gross Value of Production & Income Generated by Sector and Region

3.2.1 Introduction

This section provides estimates of the value of production in the Western Australian racing and wagering industry by industry sector and region. It also provides of the income generated within the racing and wagering industry for each sector of the industry and each region within the state.

3.2.2 Methodology

The gross value of industry output was allocated across ten statistical regions in Western Australia.

Consideration was given to the value of output of:

- RWWA (off-course turnover at TAB outlets);
- racing clubs (sales of on-course wagering, sponsorships, gate receipts etc);
- bookmakers (bookmaker turnover);
- trainers (training fees and commissions paid by owners);
- breeders (purchases of animals by owners);
- jockeys (jockey fees and commissions); and
- reinspersons (reinsperson fees and commissions)

Outputs were allocated to the regions based on:

- location of TAB betting outlets in Western Australia;
- location of racing clubs and the number and type of meetings held;
- the location of training and breeding activities;
- the location of starts by jockeys and reinspersons.

Estimates of income generated by industry sector and region were calculated by allocation of the industry GSP (estimated as described in Section 3.1) between the ten statistical regions in Western Australia according to the business or residential locations of the participants.

The key participants addressed in this analysis comprised:

- RWWA employees and agents, with income assigned to regions by the turnover and location of TAB betting outlets in each region;
- bookmakers and staff, with income assigned to regions on the basis of the residential addresses of the bookmakers;
- racing clubs and staff, with income assigned to regions on the basis of the club location;
- trainers and staff, with income assigned to regions on the basis of location of the trainers' principal properties;
- breeders and staff, with income assigned to regions on the basis of location of the breeders' principal properties;
- jockeys, with income assigned to regions on the basis of residential location; and
- reinspersons, with income assigned to regions on the basis of residential location.

Income to government (such as the betting tax and GST) was not distributed to any particular region.

Reliable location data from formal records was used in respect of TAB outlets, racing club locations, training locations and from the Department of Racing Gaming and Liquor. Information on the location of breeders was obtained from survey data generated by IER Pty Ltd during the Industry Economic Review.

3.2.3 Racing & Wagering Western Australia

Gross Value of Production

Total final consumer spending on RWWA was:

- \$129 million in revenues from off-course wagering (before tax); and
- \$0.7 million in revenues from the sale of controlling authority products.

The consumer spending on RWWA off-course wagering was allocated to the regions based on the location of turnover generated by TAB agencies in the State (Table A.2 of the Appendix).

Expenditure on controlling-authority products, which are products sold by the peak body (subscriptions, magazines etc) was assumed to occur in the metropolitan region.

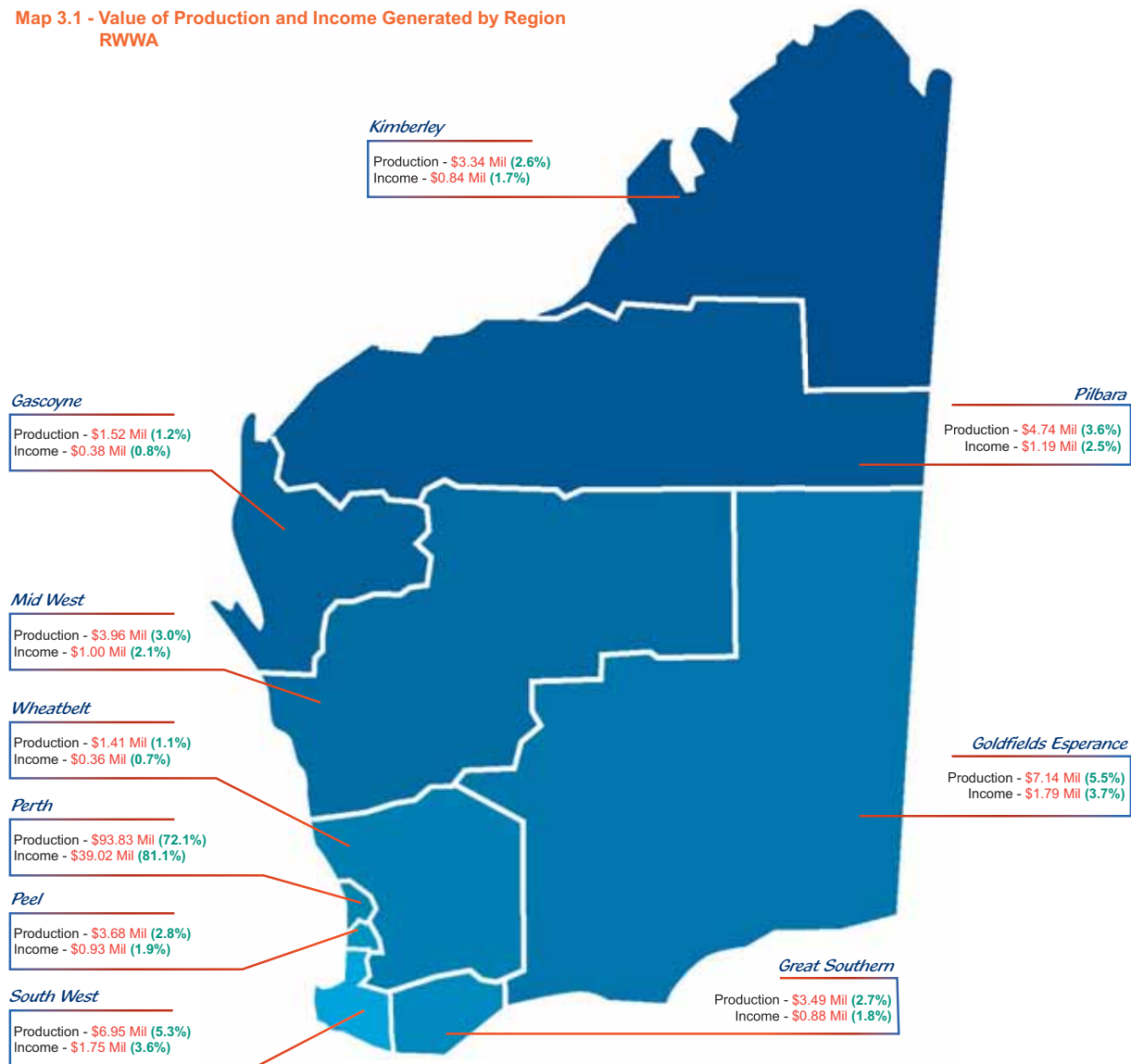
Income Generated

Income generated by RWWA was apportioned to regions as follows.

- RWWA agency commissions (amounting to \$32.5 million) were allocated in proportion to the amount of commission received by agencies from each region (Table A.2 of the Appendix).
- RWWA corporate wages and salaries and retained earnings (\$15 million) were allocated to the metropolitan region.

On this basis, it was estimated that approximately 81% of income generated by RWWA accrues to the Perth Metropolitan region. The largest regional allocations of industry value occur in the Goldfields-Esperance region (3.7%) and South West region (3.6%)

Map 3.1 - Value of Production and Income Generated by Region RWWA



3.2.4 Bookmakers

Gross Value of Production

The final products produced by bookmakers are off-course and on-course fixed odds wagering products. In 2002/03, bookmakers generated total gross revenues of \$8 Million

Bookmaker revenues were allocated to the regions on the basis of the location of racing venues at which the bookmaker turnover was generated (Table A.7 of the Appendix).

Approximately 85 per cent of expenditure with bookmakers occurred in the metropolitan region, while for non-metropolitan regions, the greatest values of bookmaker expenditure occurred in the Peel (4.1%), South West (3.6%) and Goldfields Esperance (3.0%) regions.

Income Generated

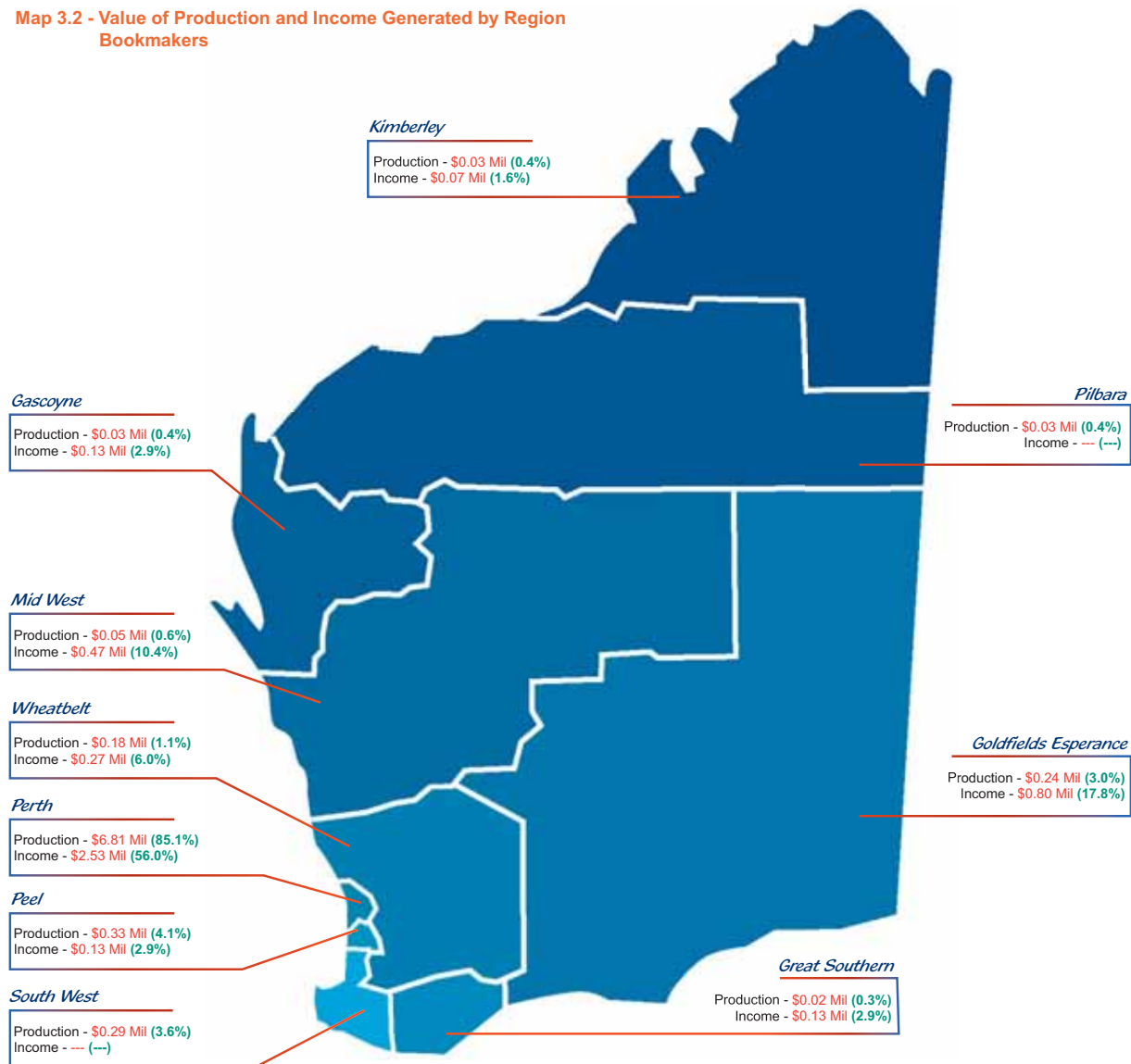
The income generated by bookmakers is measured as the value of net income plus the value of wages paid to employees (bookmaker clerks). As indicated in the preceding chapter, this is estimated to be in the order of \$4.5 million.

Income generated by bookmakers was apportioned to regions on the basis of the residential locations of the bookmakers, as indicated on bookmaker licences (Table A.6 of the Appendix).

It was assumed that all bookmakers earned the same incomes and paid similar wages to bookmaker staff. While it is likely that metropolitan bookmakers would have higher turnovers and incomes than bookmakers residing in the country regions, the extent of this difference could not be determined within the scope of the current study.

Approximately 55% of the income generated by bookmakers was generated in the metropolitan region. The greatest regional incomes occur in the Goldfields-Esperance region (17.4%) and Mid West region (10.2%).

Map 3.2 - Value of Production and Income Generated by Region Bookmakers



3.2.5 Thoroughbred Racing Clubs

Gross Value of Production

Expenditure on racing club products include:

- on-course totalisator wagering expenditure;
- sponsorships;
- gate receipts and racebook sales;
- food and beverage;
- membership fees; and
- facility hire.

Total expenditure on thoroughbred racing clubs in 2002/03 amounted to \$23.4 million. Expenditure was allocated to the regions on the basis of the locations and categories of racing clubs.

The location and various categories of racing clubs are indicated in Table A.3 of the Appendix, together with the assumed outputs (on-course revenues and other revenues) of the various categories of racing clubs. The output of racing clubs by region was calculated multiplying the final revenues per club by the number of clubs in each region.

73% of expenditure on thoroughbred racing club products occurred in the metropolitan region. The greatest expenditures in non-metropolitan regions occurred in the Goldfields/Esperance (5.2%) and Wheatbelt (5.1%) regions.

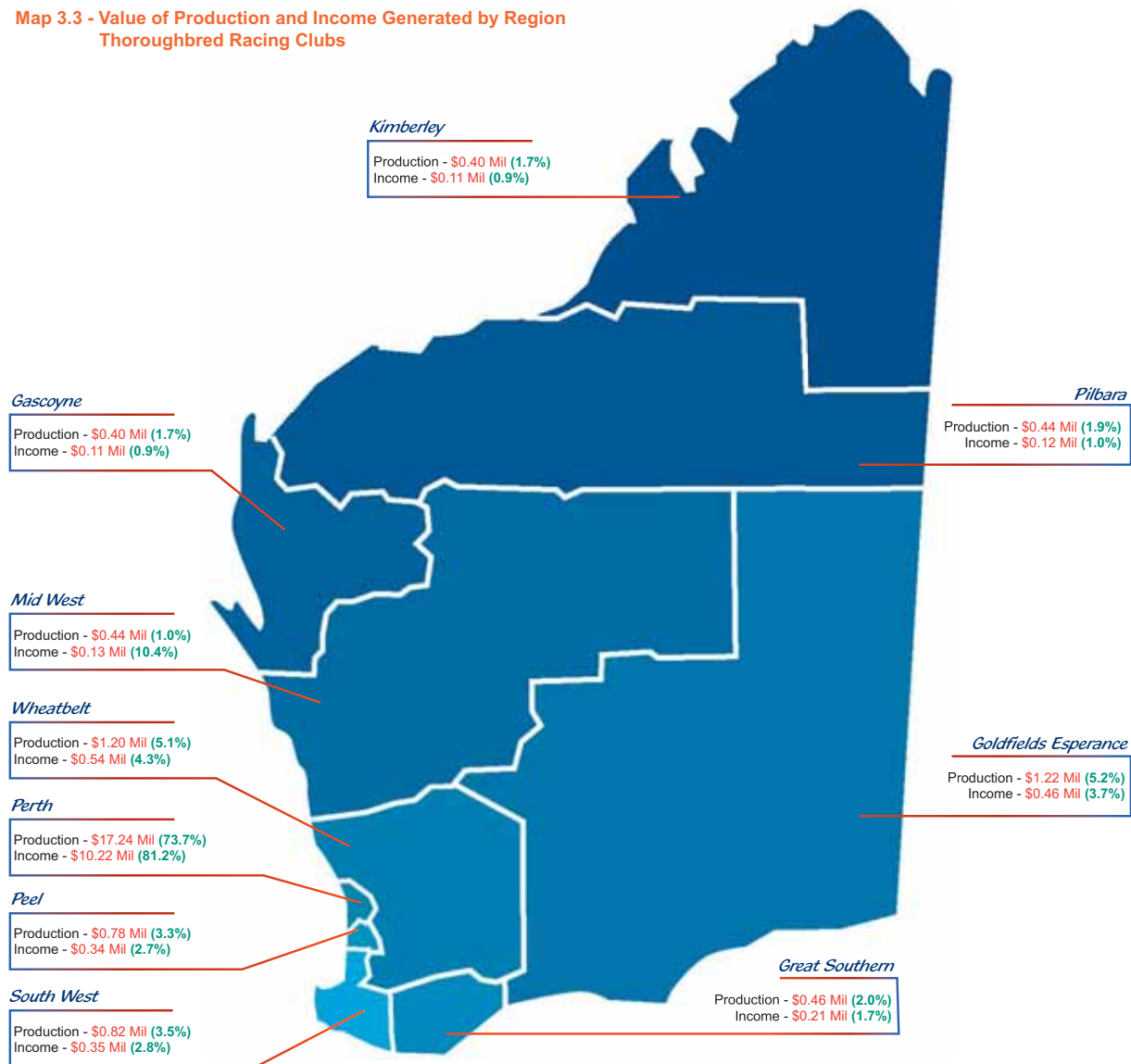
Income Generated

Incomes generated by thoroughbred racing clubs were allocated to regions on the basis of the number and categories of clubs in each region, recognising that metropolitan and larger country clubs hold more meetings than country clubs, have greater attendances, produce a higher value of goods and services, and employ more staff.

The assumptions as to the value of wages paid and retained earnings of the various categories of thoroughbred racing clubs are indicated in Table A.3 of the Appendix. The regional income of these clubs was calculated by multiplying the wages and salaries per club by the number of clubs in each region.

Approximately 81% of the income generated by thoroughbred racing clubs accrues to the Metropolitan region. The greatest regional incomes occur in the Wheatbelt region (4.3%) and the Goldfields-Esperance region (3.6%).

Map 3.3 - Value of Production and Income Generated by Region Thoroughbred Racing Clubs



3.2.6 Harness Racing Clubs

Gross Value of Production

Expenditure on racing club products include:

- on-course totalisator wagering expenditure;
- sponsorships;
- gate receipts and racebook sales;
- food and beverage;
- membership fees; and
- facility hire.

Total expenditure on harness racing clubs in 2002/03 amounted to \$5.3 million. Expenditure was allocated to the regions on the basis of the locations and categories of racing clubs.

The location and various categories of racing clubs are indicated in Table A.4 of the Appendix, together with the assumed outputs (on-course revenues and other revenues) of the various categories of racing clubs. The output of racing clubs by region was calculated multiplying the final revenues per club by the number of clubs in each region.

73% of expenditure on harness racing club products occurred in the metropolitan region. The greatest expenditures in non-metropolitan regions occurred in the Southwest (10.3%) and Wheatbelt (9.9%) regions.

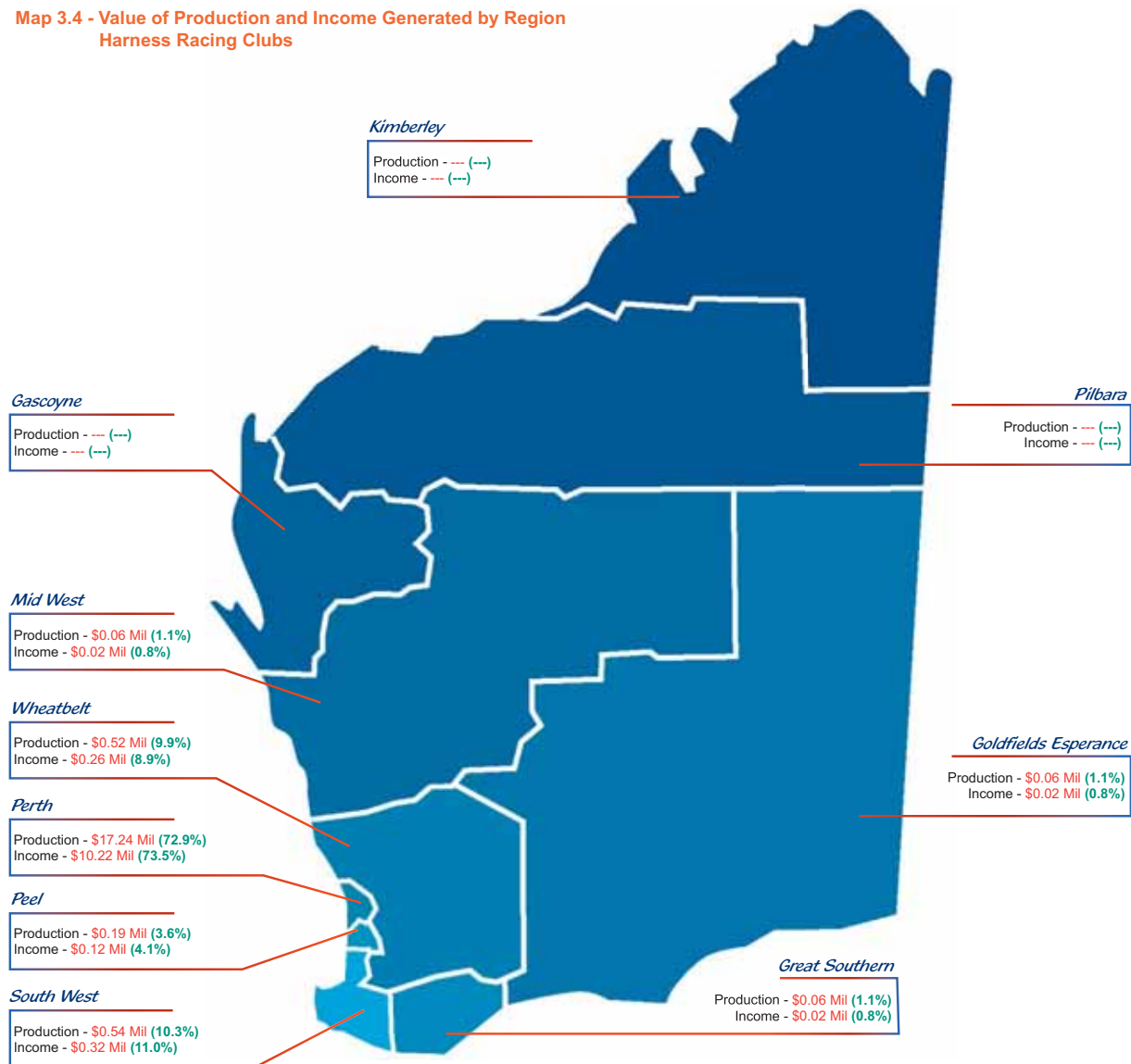
Income Generated

Incomes generated by harness racing clubs were allocated to regions on the basis of the number and categories of clubs in each region, recognising that metropolitan and larger country clubs hold more meetings than country clubs, have greater attendances, produce a higher value of goods and services, and employ more staff.

The assumptions as to the value of wages paid and retained earnings of the various categories of harness racing clubs are indicated in Table A.4 of the Appendix. The regional income of these clubs was calculated by multiplying the wages and salaries per club by the number of clubs in each region.

Approximately 73% of the income generated by harness racing clubs accrues to the Metropolitan region. The greatest regional incomes occur in the South West region (10.3%) and the Wheatbelt region (8.9%).

Map 3.4 - Value of Production and Income Generated by Region
Harness Racing Clubs



3.2.7 Greyhound Racing Clubs

Gross Value of Production

Expenditure on racing club products include:

- on-course totalisator wagering expenditure;
- sponsorships;
- gate receipts and racebook sales;
- food and beverage;
- membership fees; and
- facility hire.

Total expenditure on greyhound racing clubs in 2002/03 amounted to \$4.3 million. Expenditure was allocated to the regions on the basis of the locations and categories of racing clubs.

The location and various categories of racing clubs are indicated in Table A.5 of the Appendix, together with the assumed outputs (on-course revenues and other revenues) of the various categories of racing clubs. The output of racing clubs by region was calculated multiplying the final revenues per club by the number of clubs in each region.

75% of expenditure on greyhound racing club products occurred in the metropolitan region. The greatest expenditures in non-metropolitan regions occurred in the Peel (23.3%) and Wheatbelt (1.5%) regions.

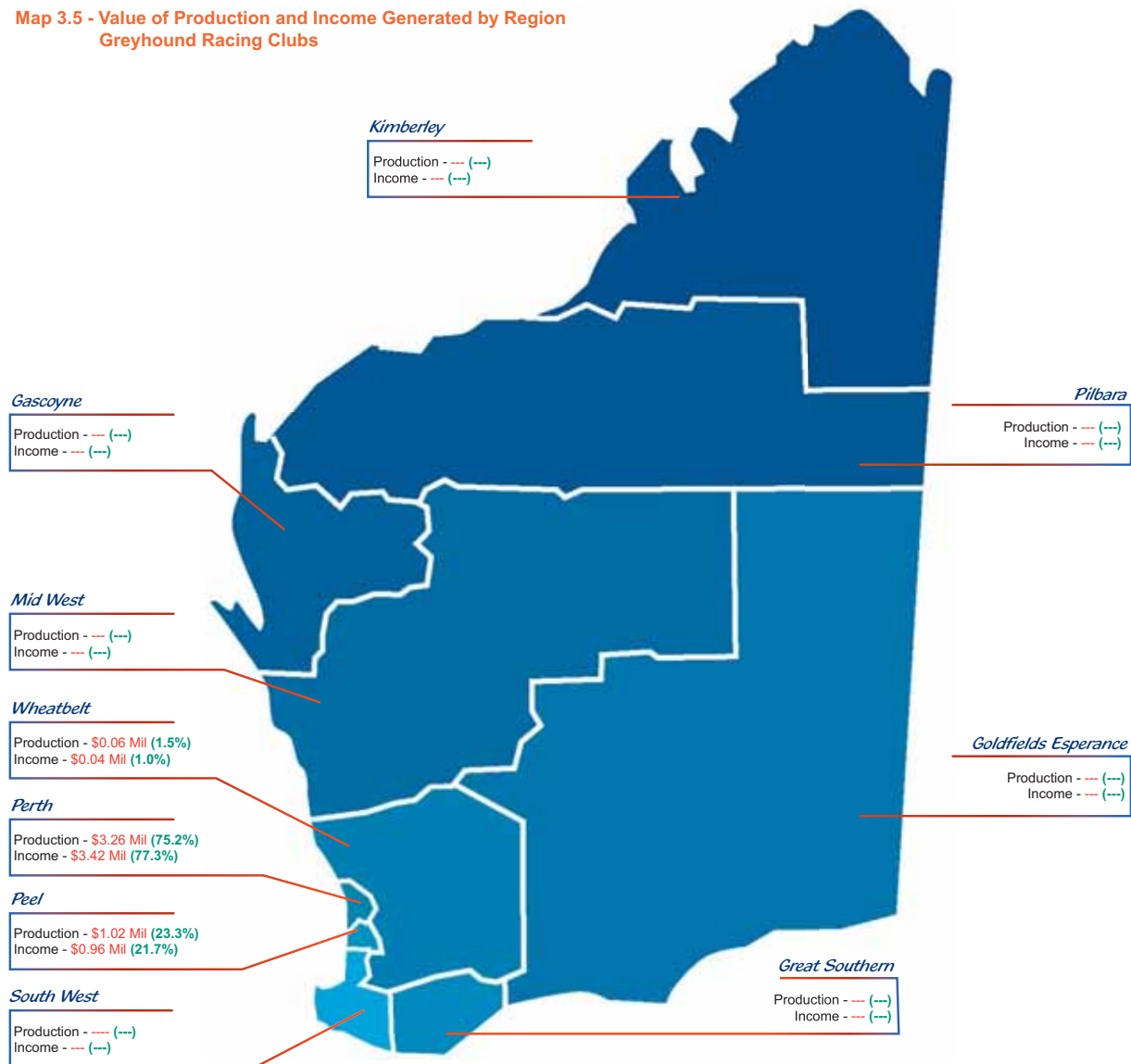
Income Generated

Incomes generated by greyhound racing clubs were allocated to regions on the basis of the number and categories of clubs in each region, recognising that metropolitan and larger country clubs hold more meetings than country clubs, have greater attendances, produce a higher value of goods and services, and employ more staff.

The assumptions as to the value of wages paid and retained earnings of the various categories of greyhound racing clubs are indicated in Table A.5 of the Appendix. The regional income of these clubs was calculated by multiplying the wages and salaries per club by the number of clubs in each region.

Approximately 77% of the income generated by greyhound racing clubs accrues to the Metropolitan region. The greatest regional incomes occur in the Peel region (21.7%) and the Wheatbelt region (1.0%).

Map 3.5 - Value of Production and Income Generated by Region Greyhound Racing Clubs



3.2.8 Trainers of Thoroughbreds

Gross Value of Production

Expenditure on trainers includes training fees and commissions (a percentage of prize money). In total, \$44 million was spent on thoroughbred trainers in 2002/03.

The gross value of output in the training sector was allocated to regions in proportion to the location of trainers in Western Australia.

The greatest value of output occurs in the metropolitan region, (52.1%) while for the regional areas most thoroughbred training activity is concentrated in the Mid West (11.9%), South West (10.7%) and Goldfields-Esperance (8.6%) regions.

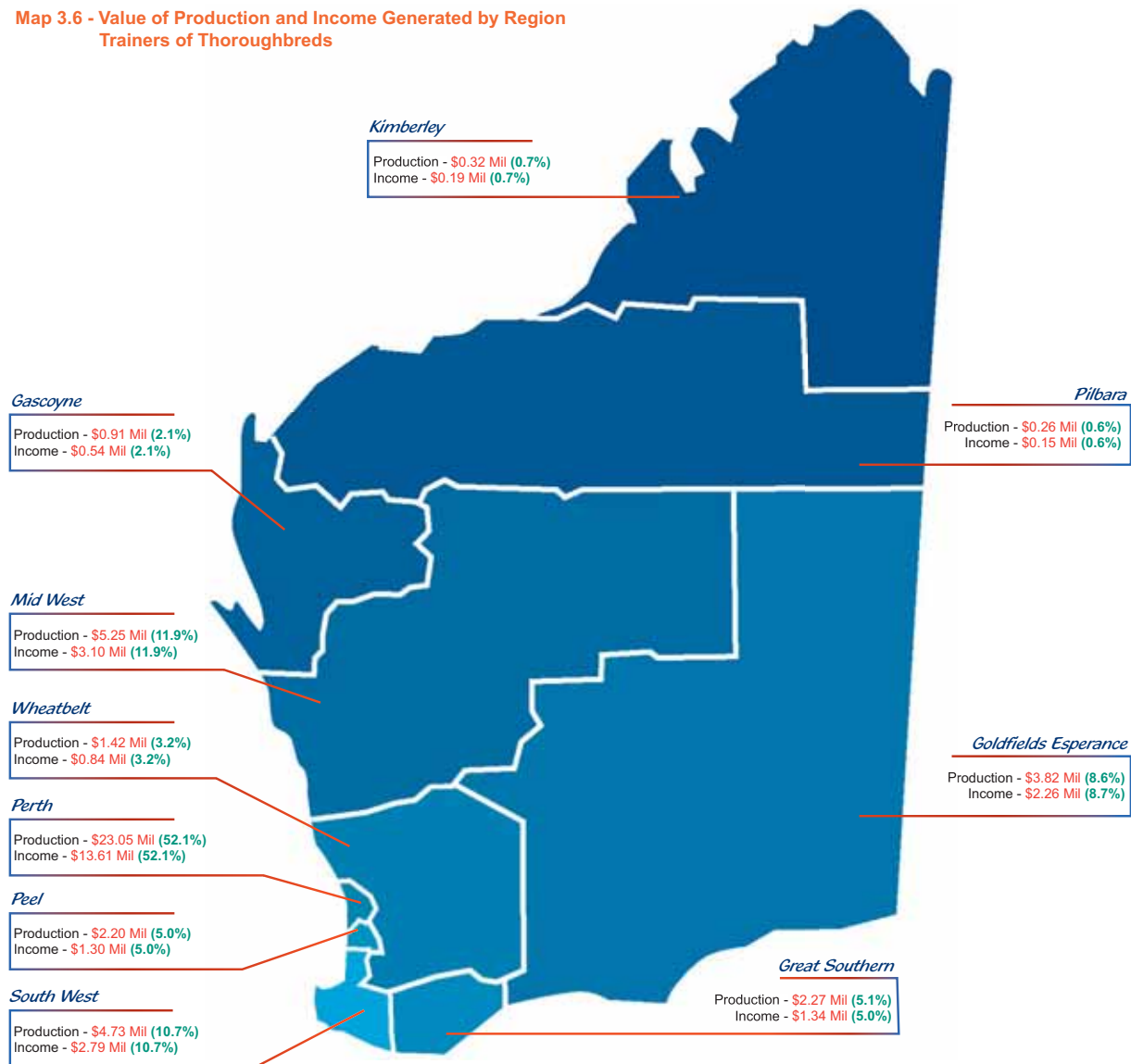
Income Generated

The income generated by trainers was measured as the size of trainer income plus wages paid to their employees (stablehands). The total for thoroughbred racing was reported to be in the order of \$26.1 million.

This value added amount was apportioned to regions on the basis of the residential location of trainers, as indicated on trainer licences (Table A.8 of the Appendix). It was assumed that all trainers were similar in incomes earned and staff wages. While it is likely that trainers in the metropolitan and near-metropolitan regions would have larger training businesses than trainers located in country regions, the extent of this difference could not be determined within the scope of the current study.

The results indicate that about 52% of the income generated by thoroughbred trainers accrues to trainers in the Metropolitan region. The greatest regional incomes occur in the Mid West region (11.9%) and South West region (10.7%).

Map 3.6 - Value of Production and Income Generated by Region Trainers of Thoroughbreds



3.2.9 Trainers of Harness Horses

Gross Value of Production

Expenditure on trainers includes training fees and commissions (a percentage of prize money). In total, \$20 million was spent on harness trainers in 2002/03.

The gross value of output in the training sector was allocated to regions in proportion to the location of trainers in Western Australia (see Table A.8 in the Appendix).

The greatest value of output occurs in the metropolitan region, (54.7%) while for the regional areas most harness training activity is concentrated in the South West (15.9%) and Wheatbelt (10.9%) regions.

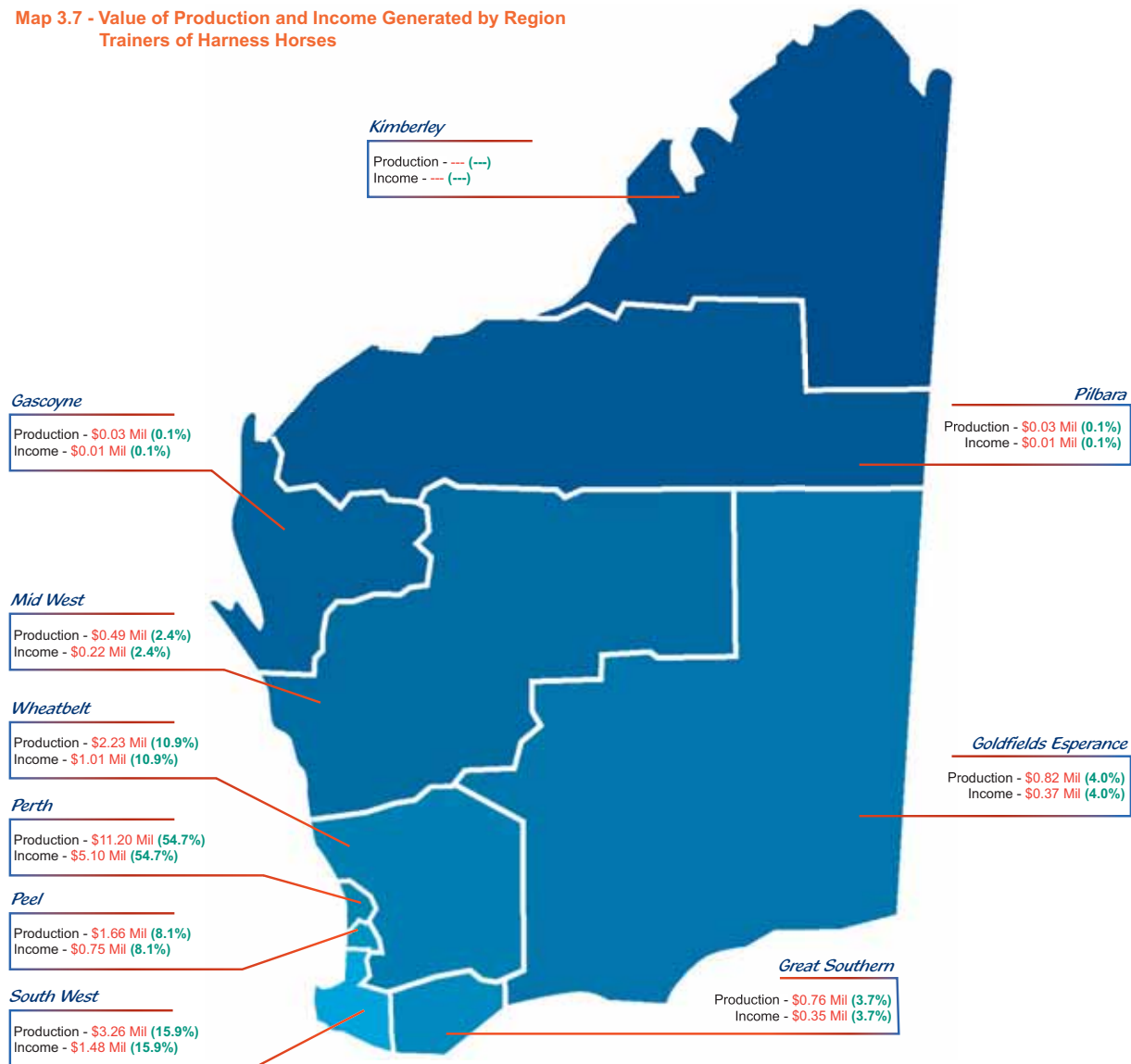
Income Generated

The income generated by trainers was measured as the size of trainer income plus wages paid to their employees (stablehands). The total for harness racing was reported to be in the order of \$9.3 million.

This value added amount was apportioned to regions on the basis of the residential location of trainers, as indicated on trainer licences (Table A.8 of the Appendix). It was assumed that all trainers were similar in incomes earned and staff wages. While it is likely that trainers in the metropolitan and near-metropolitan regions would have larger training businesses than trainers located in country regions, the extent of this difference could not be determined within the scope of the current study.

The results indicate that about 55% of the income generated by harness trainers accrues to trainers in the Metropolitan region. The greatest regional incomes occur in the South West region (15.9%) and Wheatbelt region (10.9%).

Map 3.7 - Value of Production and Income Generated by Region Trainers of Harness Horses



3.2.10 Trainers of Greyhounds

Gross Value of Production

Expenditure on trainers includes training fees and commissions (a percentage of prize money). In total, \$7.9 million was spent on greyhound trainers in 2002/03.

The gross value of output in the training sector was allocated to regions in proportion to the location of trainers in Western Australia (see Table A.8 in the Appendix).

The greatest value of output occurs in the metropolitan region, (68.2%) while for the regional areas most greyhound training activity is concentrated in the Peel (19.3%) and Wheatbelt (4.5%) regions.

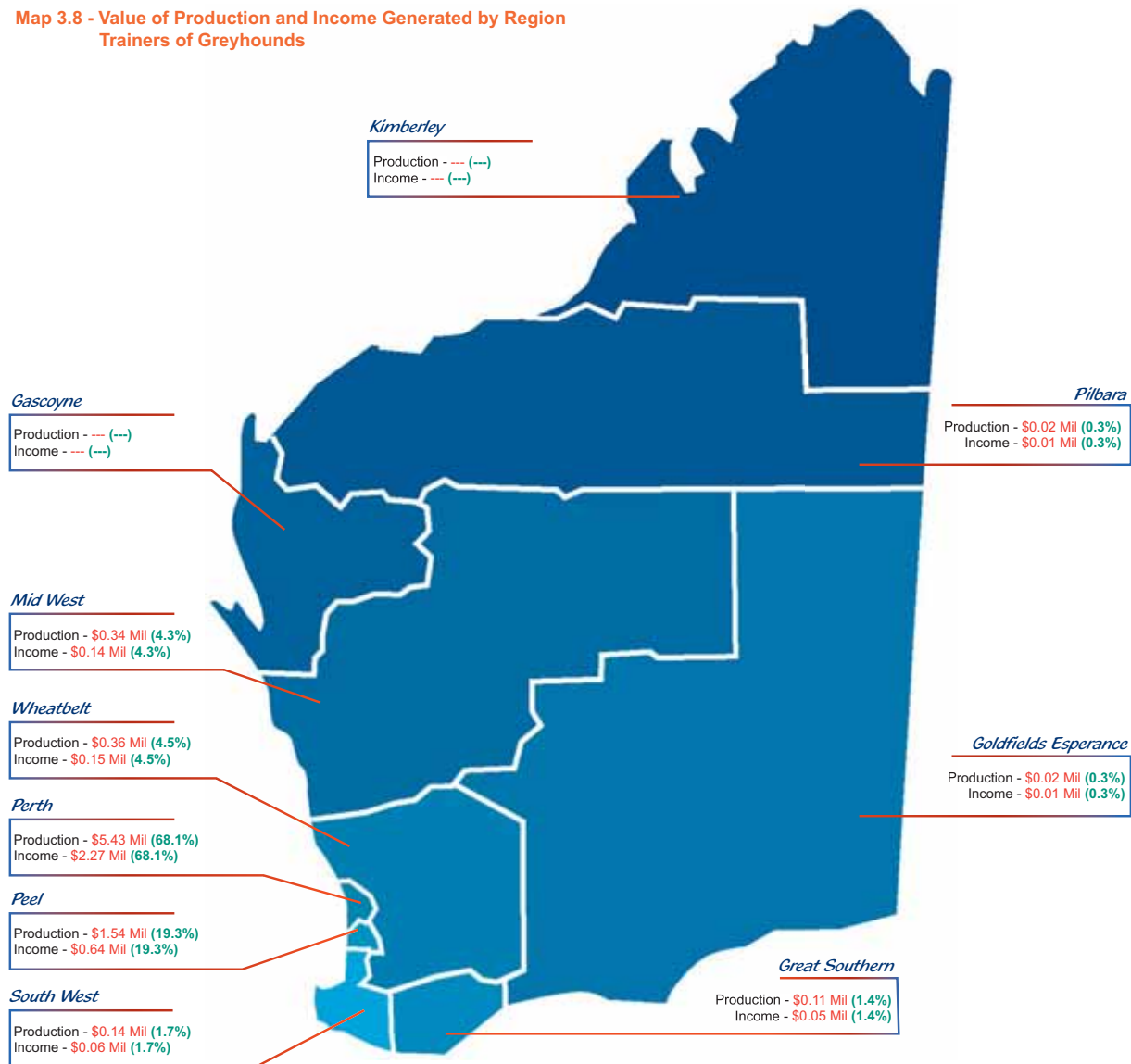
Income Generated

The income generated by trainers was measured as the size of trainer income. The total for greyhound racing was reported to be in the order of \$3.3 million.

This value added amount was apportioned to regions on the basis of the residential location of trainers, as indicated on trainer licences (Table A.8 of the Appendix). It was assumed that all trainers were similar in incomes earned and staff wages. While it is likely that trainers in the metropolitan and near-metropolitan regions would have larger training businesses than trainers located in country regions, the extent of this difference could not be determined within the scope of the current study.

The results indicate that about 68% of the income generated by greyhound trainers accrues to trainers in the Metropolitan region. The greatest regional incomes occur in the Peel (19.3%) and Wheatbelt (4.5%) regions.

Map 3.8 - Value of Production and Income Generated by Region Trainers of Greyhounds



3.2.11 Breeders of Thoroughbreds

Gross Value of Production

Expenditure with breeders occurs with the sale of animals. Total sales by Western Australian thoroughbred breeders for 2002/03 is estimated at \$21.3 million

The value of breeding output was allocated to regions on the basis of survey data on locations of thoroughbred breeding properties (Table A.9 in the Appendix).

About 60% of the value of output generated by thoroughbred breeders occurs in the metropolitan region. Other significant contributions to the value of output of the sector occurred in the South West region (15.2%) and Great Southern region (9.8%).

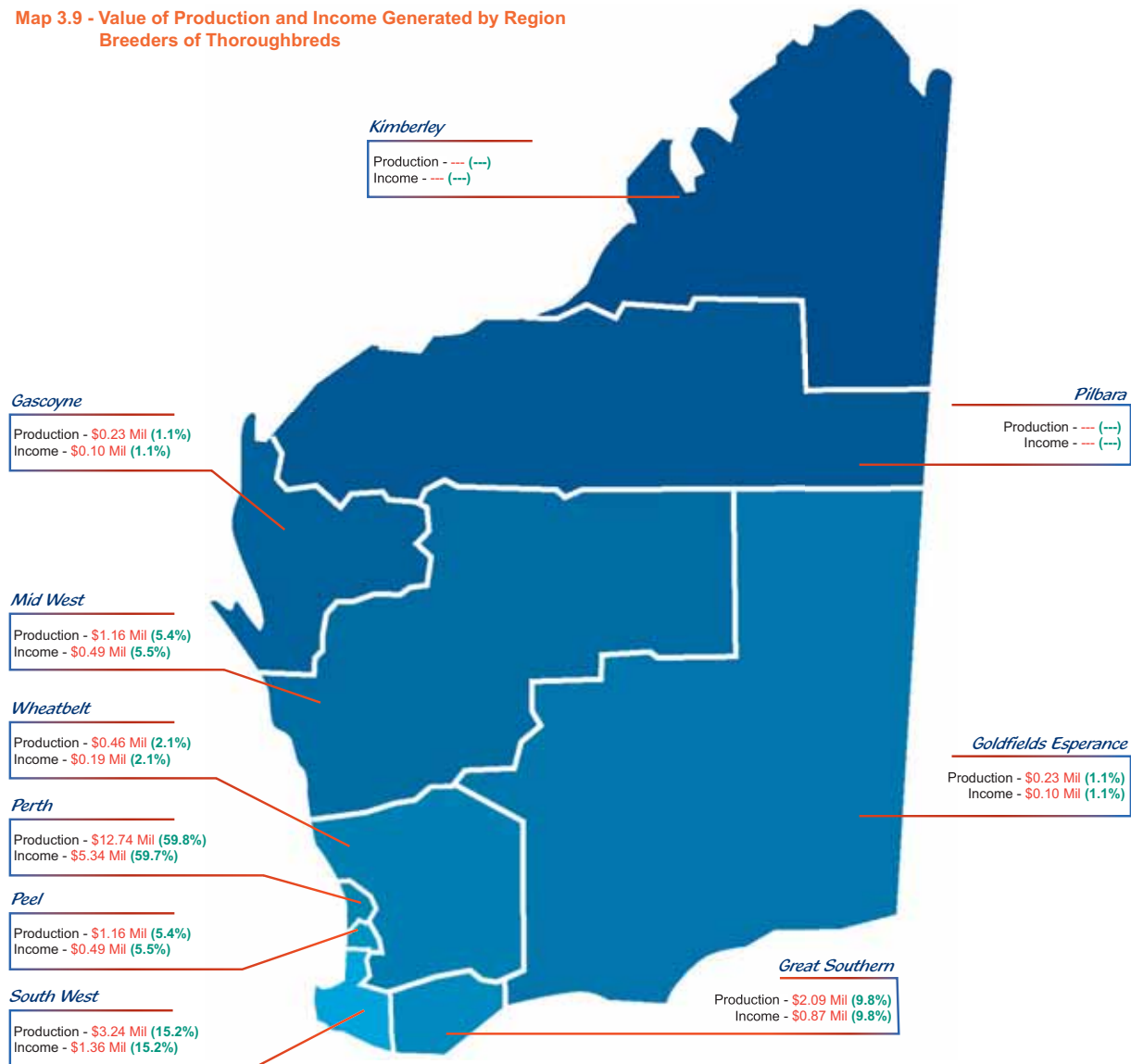
Income Generated

The income generated by the breeding sector was measured as the size of breeder net income plus wages paid to their employees (stablehands). The total for thoroughbred racing was reported to be in the order of \$8.9 million.

Residential locations of thoroughbred breeders were determined from information collected in the breeder surveys conducted by IER Pty Ltd. (Table A.9 in the Appendix).

About 60% of income generated by thoroughbred breeders accrues to the metropolitan region. The greatest regional incomes occur in the South West region (15.2%) and Great Southern region (9.8%).

Map 3.9 - Value of Production and Income Generated by Region
Breeders of Thoroughbreds



3.2.12 Breeders of Harness Horses

Gross Value of Production

Expenditure with breeders occurs with the sale of animals. Total sales by Western Australian harness breeders for 2002/03 is estimated at \$4.3 million

The value of breeding output was allocated to regions on the basis of survey data on locations of harness breeding properties (Table A.9 in the Appendix).

About 47% of the value of output generated by harness breeders occurs in the metropolitan region. Other significant contributions to the value of output of the sector occurred in the South West region (20.5%) and Wheatbelt region (10.3%).

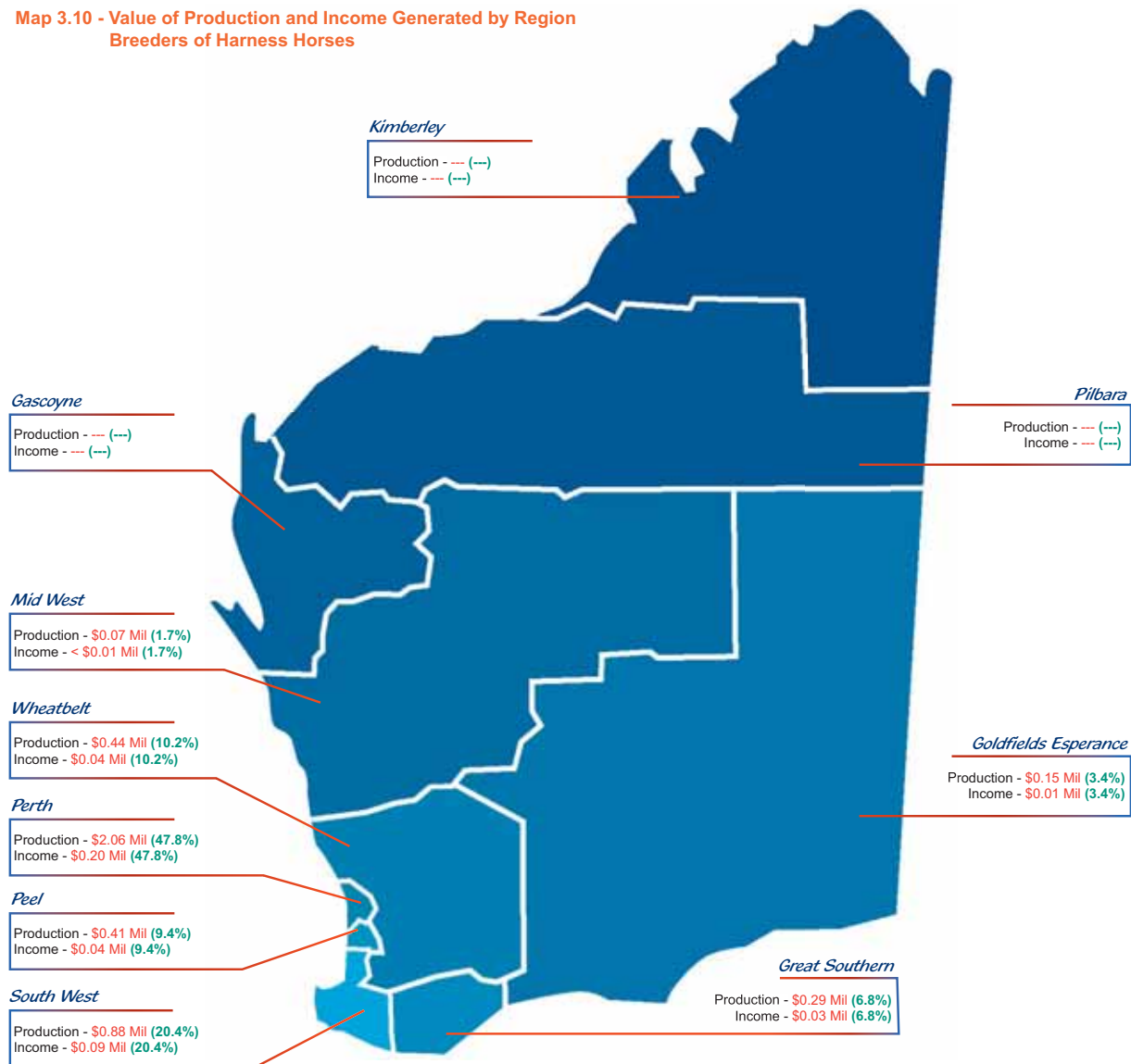
Income Generated

The income generated by the breeding sector was measured as the size of breeder net income plus wages paid to their employees (stablehands). The total for harness racing was reported to be in the order of \$426,000.

Residential locations of harness breeders were determined from information collected in the breeder surveys conducted by IER Pty Ltd. (Table A.9 in the Appendix).

About 48% of income generated by harness breeders accrues to the metropolitan region. The greatest regional incomes occur in the South West region (20.5%) and Wheatbelt region (10.3%)

Map 3.10 - Value of Production and Income Generated by Region
Breeders of Harness Horses



3.2.13 Breeders of Greyhounds

Gross Value of Production

Expenditure with breeders occurs with the sale of animals. Total sales by Western Australian greyhound breeders for 2002/03 is estimated at more than \$249,000

The value of breeding output was allocated to regions on the basis of survey data on locations of greyhound breeding properties (Table A.9 in the Appendix).

About 67% of the value of output generated by greyhound breeders occurs in the metropolitan region. Other significant contributions to the value of output of the sector occurred in the Peel region (16.7%) and South West region (11.1%).

Income Generated

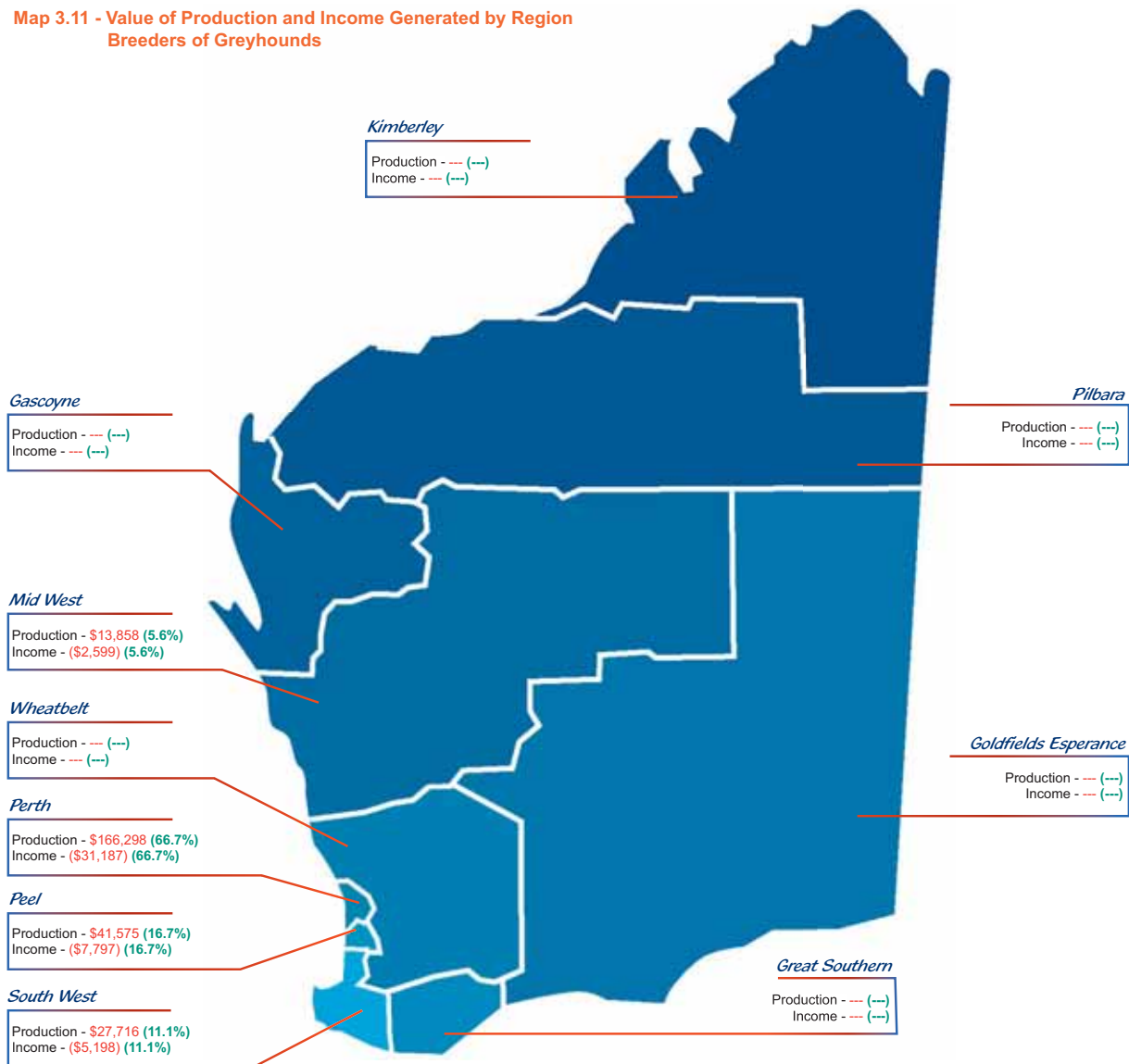
The income generated by the breeding sector was measured as the size of breeder net income. The total for greyhound racing was reported to be a total loss in the order of \$46,000.

Economic modelling results suggest that breeders in the greyhound industry make a total net loss of around \$46,000 per year, implying a negative contribution to GSP as these breeders are consuming more resources than the value of their production. This is a reflection of most breeders in the greyhound industry operating on a non-commercial (or hobby) basis.

Residential locations of greyhound breeders were determined from information collected in the breeder surveys conducted by IER Pty Ltd. (Table A.9 in the Appendix).

About 66% of the losses generated by greyhound breeders accrues to the metropolitan region. Regionally, the Peel region (16.7%) and South West region (11.1%) reported the largest losses.

Map 3.11 - Value of Production and Income Generated by Region Breeders of Greyhounds



3.2.14 Jockeys

Gross Value of Production

The key outputs generated by jockeys are the number rides. In 2002/03, there were 21,170 starts, implying the same number of rides. Jockeys receive a fixed payment for a ride, plus an incentive payment based on a proportion of stake money.

It is estimated that jockey's received:

- \$2.6 million in jockey riding fees; and
- \$1.4 million in incentive payments.

Riding fees were apportioned to the regions based on the location of starts (see Table A.11 of the Appendix), while incentive payments were apportioned based on stake money levels for each region (Table A.12).

More than 48% of the jockey output is produced in the metropolitan area, while 9.6% is generated from the Goldfields-Esperance region, and 8.2% in the Peel region.

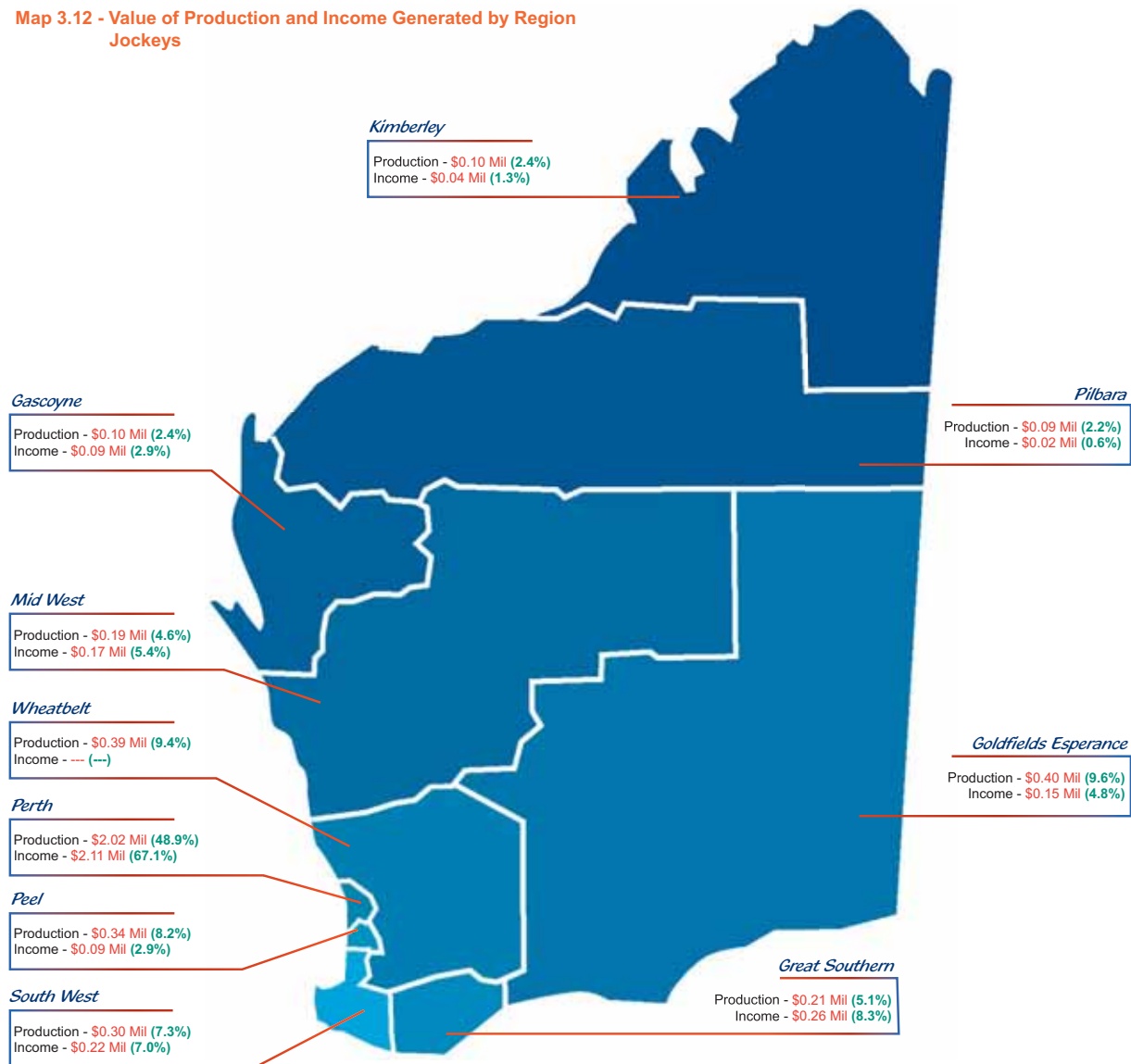
Income Generated

The incomes of jockeys were measured as the value of jockey net income. As indicated in Table 3.3, this is estimated to be in the order of \$3.1 million.

The income of jockeys was apportioned to regions based on the residential location of jockeys, as indicated on jockey licences (Table A.10 of the Appendix).

About 67 per cent of the income to jockeys accrues to the Metropolitan region. The greatest regional incomes occur in the Great Southern (8.3%) and South West regions (7.0%).

Map 3.12 - Value of Production and Income Generated by Region Jockeys



3.2.15 Reinspersons

Gross Value of Production

The key outputs generated by reinspersons are the number of drives. In 2002/2003, there were 21,689 starts, implying the same number of drives. Reinspersons receive a fixed payment for a drive, plus an incentive payment based on a proportion of stake money.

It is estimated that reinspersons received:

- \$1,042,712 in driving fees; and
- \$770,150 in incentive payments

Driving fees were apportioned to the regions based on the location of starts (see Table A.14 of the Appendix), while incentive payments were apportioned based on stake money levels for each region (Table A.15).

About 49.2% of reinsperson output is produced in the metropolitan area, while 18.2% is generated in the Wheatbelt region and 14.2% in the South West region.

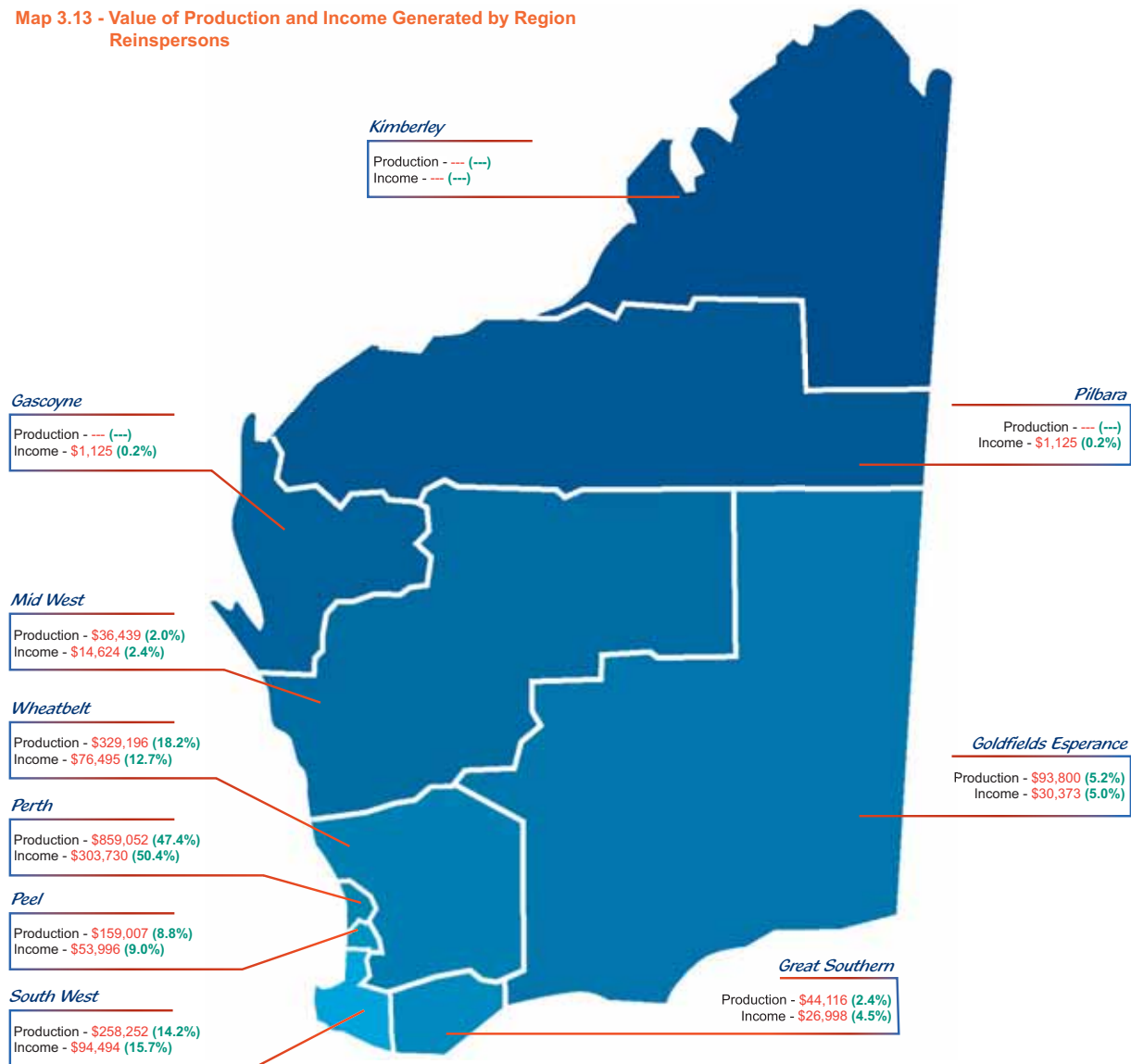
Income Generated

The driving sector's value added was measured as the value of reinspersons' net income. As indicated in Table 3.3, this is estimated to be in the order of \$0.6 million.

This value is relatively low, reflecting most reinspersons also being trainers. To avoid double counting, driving activities were separated from trainer activities. The incomes of reinspersons were allocated to the regions on the basis of residential location of reinspersons, as indicated on licences (Table A.13 of the Appendix).

About 50 per cent of the income of reinspersons accrues to the Metropolitan region. The greatest regional incomes occur in the South West region (15.7%) and Wheatbelt region (12.7%).

Map 3.13 - Value of Production and Income Generated by Region Reinspersons



3.2.16 Summary of Gross Value of Production & Income

Table 3.4
GROSS VALUE OF INDUSTRY PRODUCTION BY REGION (\$)

Region	Value of Output	% of Total
Kimberley	4,192,204	1.5
Pilbara	5,605,078	2.0
Gascoyne	3,219,027	1.2
Mid West	12,047,083	4.4
Wheatbelt	9,012,816	3.3
Perth	182,548,300	66.2
Peel	13,500,828	4.9
South West	21,444,183	7.8
Goldfields Esperance	14,192,862	5.2
Great Southern	9,796,165	3.6
Total Industry Output	275,558,547	100.0
Betting Tax	43,568,296	
GST	7,605,174	
Total output plus tax	326,620,017	

NOTE:

Taxes have been added in after the regional separations as not enough data exists to split the taxation generated by region.

Table 3.5
GROSS VALUE OF INDUSTRY INCOME BY REGION (\$)

Region	Income Generated	% of Total Income Generated	% of Gross Regional Product
Kimberley	1,254,209	1.0	0.10
Pilbara	1,507,610	1.2	0.04
Gascoyne	1,361,100	1.1	0.32
Mid West	5,753,522	4.6	0.25
Wheatbelt	3,790,345	3.1	0.14
Perth	86,223,105	69.3	0.15
Peel	5,840,035	4.7	0.20
South West	8,492,134	6.8	0.16
Goldfields Esperance	6,002,346	4.8	0.14
Great Southern	4,162,507	3.3	0.25
Total Regional	38,163,807	30.7	0.16
Total Industry Income	124,386,911	100.0	0.15

NOTE:

Total Western Australia Gross Regional Product contained in Table A.16

3.2.16 Summary of Gross Value of Production & Income

Gross Value of Production

Total final output generated by RWWA, bookmakers, racing clubs, trainers, breeders, jockeys and reinspersons was \$275 million. This is a measure of the value of the total consumption of racing and wagering products in the industry.

Including indirect taxes, the value of total output is \$326 million. regional breakdown of the total value of output is indicated in Table 3.4.

This figure does not include stake money transferred back to owners (that is, the net expenditure by owners), and/or the inputs used to generate this output.

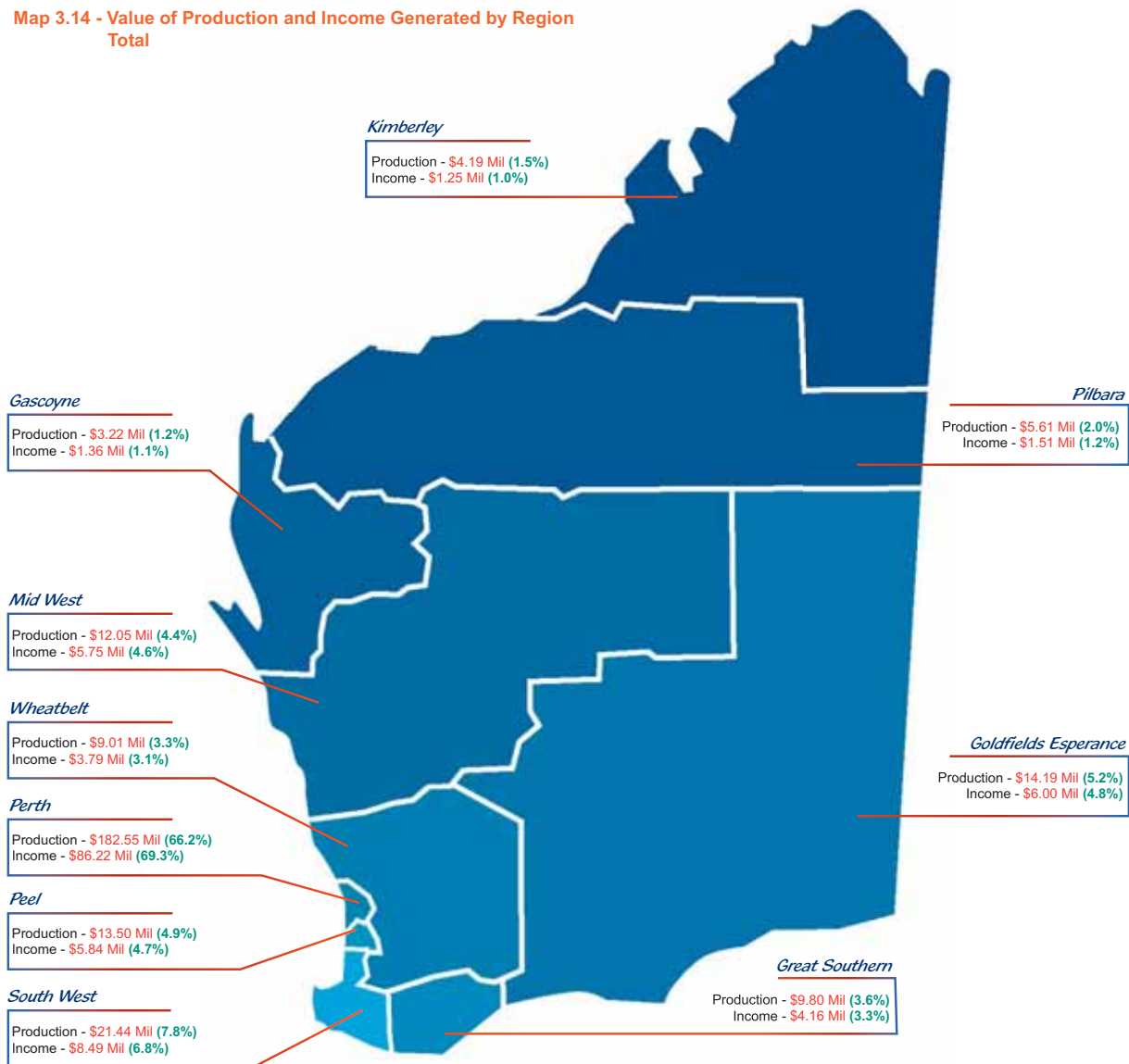
Income Generated

A summary of the income generated by region is provided in Table 3.5.

Of the total income generated by the racing and wagering industry, 69 per cent is estimated to accrue to participants in the Metropolitan region and 31 percent to participants in non-metropolitan regions. The regions receiving the greatest value of income from the racing and wagering industry are the South West region (6.8%), Goldfields-Esperance (4.8%), Peel (4.7%) and the Mid West (4.6%).

As a proportion of gross regional product, incomes generated by the racing industry are relatively large in the Gascoyne (0.32% of GRP), Mid West (0.25% of GRP), and Great Southern regions (0.25% of GRP).

Map 3.14 - Value of Production and Income Generated by Region Total



Employment Generated by Sector and Region

3.3.1 Introduction

This section provides estimates of the Western Australian racing industry's contribution to employment in Western Australia.

3.3.2 Methodology

Employment levels need to be distinguished from industry participation. People can be participants in the industry, but participants are not necessarily employed by the industry, or if employed not necessarily employed on a full time basis. Participants that are not employed by the industry are the hobby participants who generate income from other sources to fund their participation, albeit possibly deriving some income from their activity in the racing and wagering industries.

Participant numbers is an inappropriate measure of industry employment. Moreover, the industry is also characterised by a large casual and part-time workforce. In particular, many country racing clubs only conduct a few meetings per year and cannot sustain full-time staff. Employment within the industry (in full time equivalent employees, FTE) was estimated by collation of existing data on actual employment in some industry sectors and, in other sectors, the division of the total value of wages and income generated in the industry by national average full-time earnings (estimated by the Australian Bureau of Statistics at \$46,997 per annum in 2003)

3.3.3 RWWA

FTE employment by RWWA equates to 209 staff. This includes all persons employed in the TAB wagering business as well as controlling authority staff. It is assumed that all employment by RWWA is in the metropolitan region.

RWWA also pays income (in the form of agency commissions) to its 278 TAB agents. TAB agents also employ casual staff. Based on information from the network review, it was assumed that:

- Dedicated agents themselves comprise one FTE position and each employs casual staff equivalent to 0.5 FTE positions; and
- PubTAB agents employ casual staff equivalent to 1 FTE position.

Total employment by RWWA, including RWWA agencies, was thus estimated at 597 FTE positions (Table 3.6) of which almost three quarters (73.8%) are in the Metropolitan region.

Table 3.6

FULL-TIME EQUIVALENT EMPLOYMENT BY REGION: RWWA

Region	Controlling Authority	Agencies Regional	Total FTE Employment
Kimberley	-	10	10
Pilbara	-	23	23
Gascoyne	-	6	6
Mid West	-	20	20
Wheatbelt	-	11	11
Perth	209	232	441
Peel	-	14	14
South West	-	28	28
Goldfields Esperance	-	24	24
Great Southern	-	20	20
Total	209	388	597

3.3.4 Bookmakers & Staff

The total number of FTE positions of bookmakers and their staff was estimated by dividing the total income of bookmakers and wages paid to staff by average annual earnings (Table 3.7).

On this basis, employment in the bookmaker sector was estimated at 96 FTE positions, which is close to the sum of the number of licences issued to bookmakers (49), bookmaker employees (52) and bookmaker managers (3) issued and/or renewed in 2002/03.

Table 3.7

FULL-TIME EQUIVALENT EMPLOYMENT BY REGION: Bookmakers & Staff

Region	Total FTE Employment
Kimberley	1
Pilbara	-
Gascoyne	3
Mid West	10
Wheatbelt	6
Perth	54
Peel	3
South West	-
Goldfields Esperance	17
Great Southern	3
Total	96

3.3.5 Racing Clubs

The FTE employment by racing clubs was estimated by dividing wages and salaries paid by racing clubs by the average national wage.

Estimated employment by racing clubs is 424 FTE positions, of which most occur in the Metropolitan region (Table 3.8). Only a few people are employed by the racing clubs in the regional areas on a fulltime basis as racing is seasonal in the regional areas rather than all year round, as in the metropolitan region.

It should be noted that only paid employment is considered in the derivation of these employment numbers. Consequently, voluntary employment is not accounted for, which may be quite significant for regional racing clubs.

Table 3.8
FULL-TIME EQUIVALENT EMPLOYMENT: RACING CLUBS

Region	Thoroughbred	Harness	Greyhound	Total
Kimberley	2	-	-	2
Pilbara	3	-	-	3
Gascoyne	2	-	-	2
Mid West	3	-	-	3
Wheatbelt	12	6	1	18
Perth	217	45	73	336
Peel	7	3	20	30
South West	7	7	-	14
Goldfields Esperance	10	-	-	10
Great Southern	4	-	-	5
Total	268	62	94	424

3.3.6 Trainers & Staff

The Department of Racing, Gaming and Liquor indicates that in 2003 licences were issued to:

- 701 thoroughbred trainers;
- 756 harness trainers; and
- 389 greyhound trainers.

As mentioned previously, not all trainers are “employed” within the industry, but rather there are some who participate in the industry as a hobby.

Estimates of full-time and part-time trainers were based on survey data collected by IER Pty Ltd.

It was assumed that the proportion of full-time and part-time trainers in the survey was representative of the population. Applying these percentages on the total population of trainers, The Allen Consulting Group estimates that there are:

- 210 full-time and 203 part-time thoroughbred trainers;
- 76 full-time and 166 part-time harness trainers; and
- 51 full-time and 39 part-time greyhound trainers.

In addition to trainers, training operations employ staff such as stablehands. To estimate total full-time equivalent employment in the training sector, total income generated by part-time trainers and wages paid to training staff was divided by the average annual earnings. This was added to the number of full-time trainers indicated above. Employment was allocated to regions in proportion to income generated by trainers in each region, as indicated in the preceding chapter.

Total employment in the training sector (trainers and training staff) was thus estimated to be in the order of 830 full-time equivalent positions (Table 3.9).

Table 3.9
FULL-TIME EQUIVALENT EMPLOYMENT: TRAINERS AND STAFF

Region	Thoroughbred	Harness	Greyhound	Total
Kimberley	4	0	0	4
Pilbara	3	0	0	4
Gascoyne	11	0	0	11
Mid West	61	5	4	70
Wheatbelt	17	25	4	45
Perth	268	125	61	453
Peel	26	18	17	61
South West	55	36	2	93
Goldfields Esperance	44	9	0	54
Great Southern	26	8	1	36
Total	513	228	90	830

3.3.7 Breeders

Estimates of full-time and part-time breeders were based on survey data collected by IER Pty Ltd. It was assumed the proportion of full-time and part-time breeders in the survey was representative of the population. Applying these percentages on the total population of trainers, The Allen Consulting Group estimates that there are:

- 160 full-time and 228 part-time thoroughbred breeders;
- 17 full-time and 86 part-time harness breeders; and
- 4 part-time greyhound breeders

There were no full-time greyhound breeders in Western Australia and only a few part-time breeders. Most greyhound breeders were found to be hobby breeders. In addition to breeders, other people are also employed in breeding operations, such as stablehands.

To estimate total full-time equivalent employment in the breeding sector, total income generated by part-time breeders and wages paid to breeding staff was divided by the average annual earnings to derive full-time equivalents. This was added onto the number of full-time breeders indicated above. Employment was allocated to regions in proportion to income generated by breeders, as indicated in the preceding chapter.

Total employment in the breeding sector is estimated to be 271 full-time equivalent positions (Table 3.10).

Table 3.10
FULL-TIME EQUIVALENT EMPLOYMENT: BREEDERS

Region	Thoroughbred	Harness	Greyhound	Total
Kimberley	-	-	-	-
Pilbara	-	-	-	-
Gascoyne	3	-	-	3
Mid West	13	-	-	13
Wheatbelt	5	2	-	7
Perth	145	11	3	159
Peel	13	2	1	16
South West	37	5	-	42
Goldfields Esperance	3	1	-	4
Great Southern	24	2	-	26
Total	243	23	4	271

3.3.8 Jockeys & Reinspersons

There were 90 jockeys registered in Western Australia in 2002/03. Of these, 25 jockeys were considered by to be full-time jockeys (riding over 200 races per year) and the remainder part time (riding an average of about 60 races per year).

Full-time equivalent employment of jockeys was estimated at 57, based on the assumption that there are 25 full-time jockeys, while the remaining part-time jockeys represent a 0.5 full time equivalent position. Employment was allocated to regions in proportion to jockey income by region, as indicated in the preceding chapter (Table 3.11).

In 2002/03, there were 545 registered reinspersons in Western Australia. However, not all registered reinspersons rely on driving as their primary source of income. Many harness participants combine training and driving as a joint activity, while some participants undertake driving in a part-time capacity. The Allen Consulting Group estimates that there are 41 full-time reinspersons (7.5 per cent of all registered reinspersons). This proportion was based on responses provided from industry surveys. Driving employment was allocated to regions in proportion to regional incomes of by reinspersons (Table 3.11).

Table 3.11
FULL-TIME EQUIVALENT EMPLOYMENT: JOCKEYS

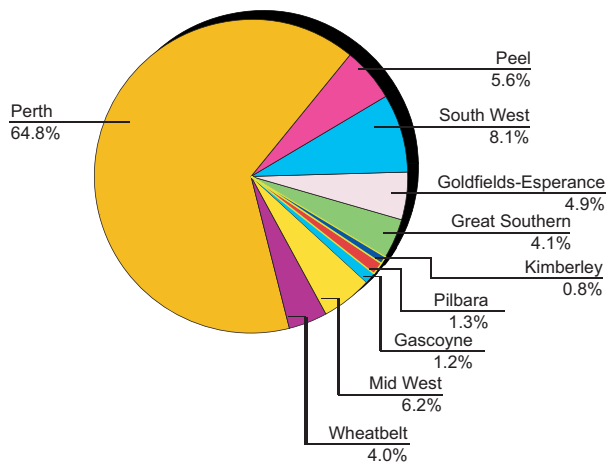
Region	Jockeys	Reinspersons	Total
Kimberley	1	-	1
Pilbara	-	-	-
Gascoyne	2	-	2
Mid West	3	1	4
Wheatbelt	-	5	5
Perth	38	21	59
Peel	2	4	6
South West	4	6	10
Goldfields Esperance	3	2	5
Great Southern	5	2	7
Total	57	41	98

3.3.9 Summary of FTE Employment Generated

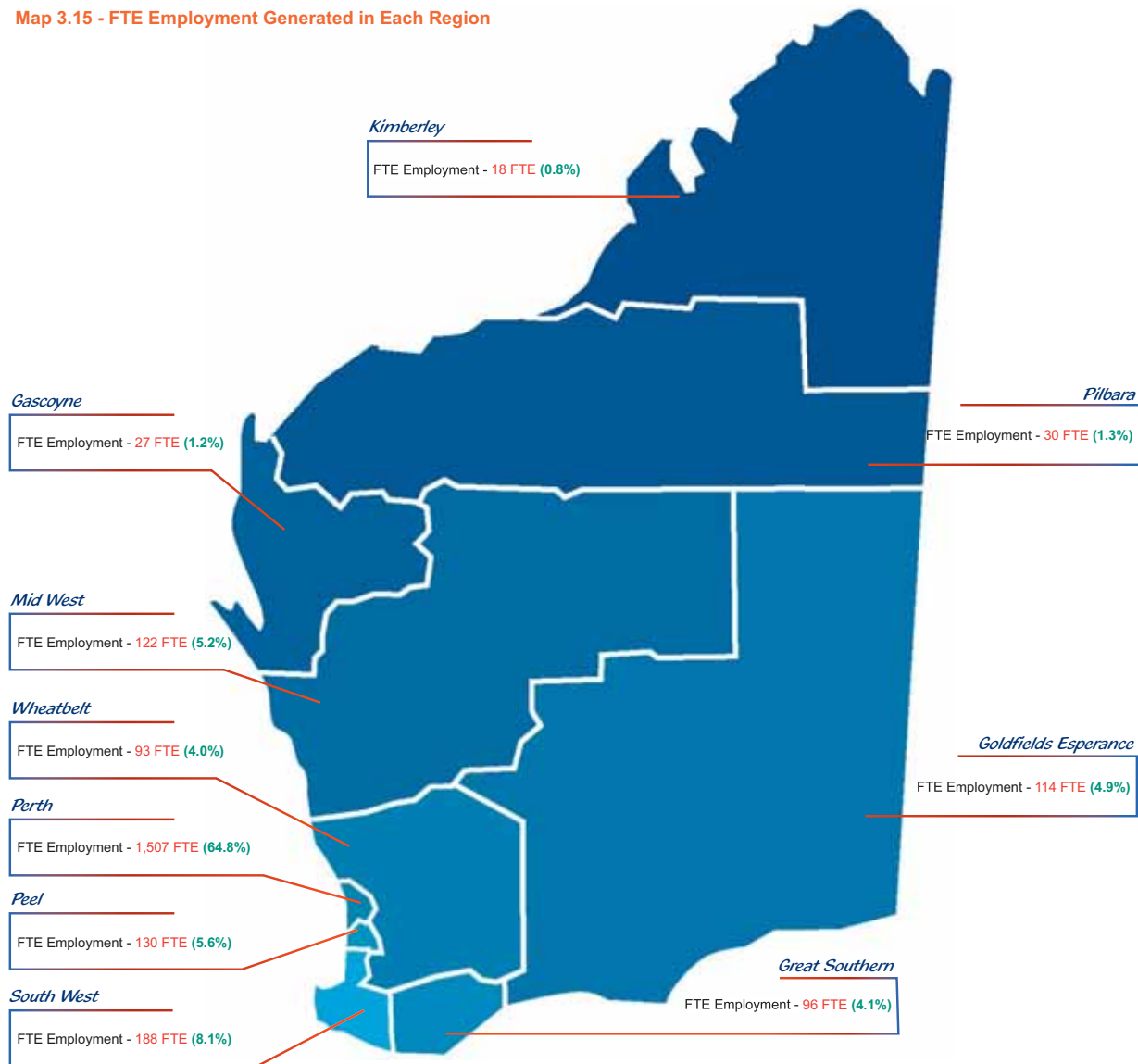
It is estimated that industry employment totals 2,324 FTE positions. The greatest number of positions were in the wagering and controlling authority business of RWWA sector, followed by training, racing clubs, and breeding.

More than 64% of all FTE employment generated by the racing and wagering industry accrue to the Perth region. The South West (8.1%) and Peel region (5.6%) generate the next largest amounts of FTE employment.

Chart 3.1 - FTE Employment Generated by Region



Map 3.15 - FTE Employment Generated in Each Region



Western Australia Racing – Producing a Triple Bottom Line Result for Western Australia

The Western Australia Racing Industry makes a significant contribution to community social benefit, enhancing individual and community well being throughout the State, and is an important community asset.

During this industry study, a Community Social Benefit Survey of Western Australian raceclubs was conducted. The information gathered from this survey was assessed in conjunction with racing participation data, to establish the extent of community social benefit generated by racing in Western Australia.

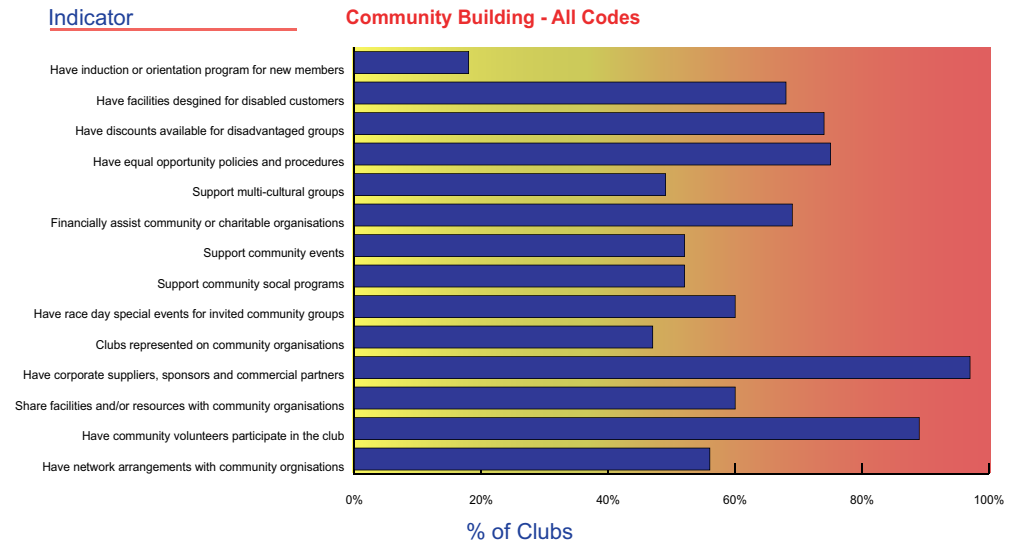
The racing industry was evaluated according to a range of community social benefit indicators, in a number of areas that are considered critical to the wellbeing of individuals and the communities in which they live.

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

- **Community building** – building inclusive and welcoming communities featuring powerful collaborative partnerships and relationships
- **Family** – providing opportunities for family participation in racing which develops stronger family relationships
- **Education and training** – supporting the education, training and development of participants and raceclub staff and volunteers
- **Health** – commitment to policies that support priority community health objectives
- **Leisure** – providing enjoyable leisure opportunities for hobby owners, trainers and breeders, raceday customers and other raceclub event attendees
- **Employment** – creating a major source of employment and a variety of career opportunities for the Western Australia community
- **Environment** – adoption of many environmentally friendly practices that support Government and community expectations relating to the protection of the Western Australia environment

The survey indicated that the racing industry has taken responsibility for a ‘triple bottom line’, producing economic, social and environmental benefits for Western Australia. The racing industry is contributing significantly to key community objectives whilst also achieving industry goals for racing stakeholders.

Chart 4.1 - Promoting Communities



Community Building

Raceclubs have adopted policies and practices that are contributing to the development of inclusive and welcoming communities, enhanced community belonging and the development of powerful collaborative community partnerships and relationships.

Survey results indicated the following positive initiatives undertaken by raceclubs:-

- Support for multi-cultural groups and indigenous groups
- The implementation of equal opportunity policies
- Discounts for disadvantaged groups
- Development of facilities for disabled customers
- Facility sharing with community organisations
- Support of special events for community organisations
- Financial support for community programs and organisations
- Encouragement and support of a large network of volunteers
- Membership opportunities at raceclubs

Analysis of the survey responses indicated that the 62 thoroughbred, harness and greyhound raceclubs in Western Australia contribute to community building through their partnerships with:-

- 1,301 volunteers who participate in clubs
- 125 community organisations who share raceclub facilities or resources
- 2,030 corporate suppliers, sponsors and commercial partners
- 80 community events supported by raceclubs
- 145 community organisations or charities assisted financially by raceclubs

The survey highlighted many examples of support for community organisations including:

- Horse Riding Clubs
- Lions clubs
- Rotary clubs
- School Groups
- Sports Clubs
- Boy Scouts / Girl Guides
- Army / Cadets

Supporting Family Relationships

Raceclubs have increasingly developed facilities and activities that enable families to enjoy a 'great day out' together at the races, building stronger family relationships.

Survey results illustrated examples of raceclub family friendly policies and practices, including:

- More than 90% of raceclubs provide attractions or services that support attendance by children, ie. Playground areas
- Picnic / BBQ areas
- Events and attractions for families on racedays
- Access for family groups to raceclub facilities on non racedays, including playgrounds and picnic / BBQ areas.

Participation as a hobby owner, trainer or breeder provides great opportunities for family involvement in the racing industry.

Providing Leisure Opportunities

The racing industry provides people with leisure opportunities in many different ways. A hobby owner, trainer, breeder, or a customer attending race meetings all derive leisure benefits from these racing activities. Many raceclubs supplement their raceday offerings, through the use of raceclub facilities on non-racedays for community activities and events, providing a significant contribution to the residents of the community.

- More than 792 race meetings are held each year with an annual attendance in excess of 600,000 customers
- Over 40% of raceclubs hold pre or post raceday events
- Over 80% of raceclubs hold racedays with a community leisure theme
- Many leisure events are held at raceclub facilities on non-racedays including:
 - Foot races
 - Picnic days
 - Pony rides
 - Circus
 - Concerts & Festivals
 - Marathon event
 - Expos
 - Agricultural shows
 - Barter marts
 - Car rallies
 - Mud football
 - Horse festival

Each of these additional usages of the racecourse provides valuable exposure of the raceclub, and the benefit of additional community leisure facilities.

Supporting Education & Training

Raceclubs directly employ staff, on a full time or part time basis, who are involved in the running of the raceclub, the conduct of racedays and other activities on non-racedays.

As part of an ongoing commitment to the education, training and development of the people who are committed to delivering an enjoyable racing experience for industry participants and racing customers, raceclubs have adopted a number of initiatives including:

- Support of apprentices and cadets in training
- Further education, career development and training for staff
- Placements for work experience students
- Partnerships with education institutions
- Training and accreditation programs for volunteers

Generating Employment

The racing industry is a major source of employment for the Western Australia economy. It is estimated that there are 2,324 full time equivalent positions generated by racing and wagering activity in Western Australia. At the initial level, this employment is generated within the racing industry for trainers, breeders, farriers, stablehands, handlers, contractors, veterinarians, jockeys, drivers, track riders, tab staff, raceday staff and feed merchants.

However, this activity also sustains employment down the line in other areas such as retail, education, tourism and transport.

The opportunity for employment in the racing industry and the income earned by those employed, make a significant contribution to the well being of individuals and families in Western Australia.

Protecting the Environment

Raceclubs manage major facilities and events involving large numbers of customers. Community and Government expectations on raceclubs relating to environmentally friendly practices and policies, have led to the adoption of a number of important initiatives that have a positive impact on the Western Australia environment.

Some of the policies that raceclubs have adopted include:-

- Water saving, and re-circulating e.g. regular maintenance of plumbing, minimal or dual flush toilets, rain water tanks, overnight sprinklers, minimal watering of outer sports fields, removal of auto flushing urinals and composting and mulching of gardens
- Native flora and fauna development e.g. tree planting in sensitive areas, pest eradication programs and preference for native indigenous plants
- Air pollution reduction e.g. composting of horse droppings, planting of trees or shrubs, providing patrons with bus options to the venue, power saving programs
- Reduction in the use of resources and recycling of waste such as glass bottles, aluminium cans and food scraps
- Energy efficient buildings e.g. energy efficient light bulbs, switch off and save computer systems and building insulation

Not only are these measures helping to protect the Western Australian environment, but in some cases they are also helping the raceclubs and the community to achieve operational cost savings.

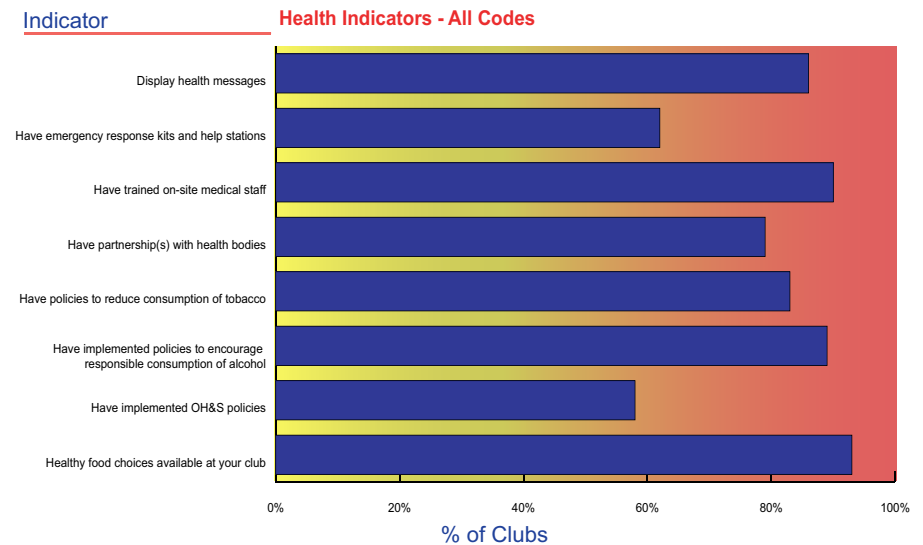
Promoting Healthy Raceclub Environments

Public health is an important issue in every community worldwide. Results from the survey indicate that raceclubs are committed to providing a healthy environment for their employees and customers. Apart from the health benefits from these policies, there is also the added benefit of enhancing the customer experience at the races.

Examples of practices revealed by the survey include:

- Availability of an expanded range of healthy food choices
- Adherence to Occupational Health and Safety policies
- Policies and procedures to encourage responsible consumption of alcohol including alcohol free areas and low alcohol alternatives
- Policies to reduce tobacco consumption including smoke free areas
- Partnerships with health bodies
- Display of health messages
- Policies and practices to encourage responsible gambling.

Chart 4.2 - Policies and Procedures Undertaken to Promote Healthy Environments



Appendix A - Supporting Data For Regional Allocation of Industry Economic Data

**Table A.1
TAB AGENCIES BY REGION**

Region	Full Time Outlets	PubTABs	Total	% of Total
Kimberley	2	6	8	2.9%
Pilbara	7	9	16	5.8%
Gascoyne	1	4	5	1.8%
Mid West	1	18	19	6.8%
Wheatbelt	2	7	9	3.2%
Perth	79	74	153	55.0%
Peel	3	8	11	4.0%
South West	6	16	22	7.9%
Goldfields Esperance	5	14	19	6.8%
Great Southern	4	12	16	5.8%
Total	110	168	278	100.0%

Source: TAB (2003) Review of the Distribution Network

**Table A.2
WEEKLY AGENCY COMMISSION BY REGION**

Region	Licensed Outlets	PubTABs	Bonded Outlets	% of Total
Kimberley	4,630	5,772	-	2.6%
Pilbara	8,318	6,429	-	3.7%
Gascoyne	2,071	2,672	-	1.2%
Mid West	2,096	10,222	-	3.1%
Wheatbelt	1,033	1,926	1,438	1.1%
Perth	177,872	82,798	28,784	72.0%
Peel	4,604	4,384	2,475	2.9%
South West	7,095	14,514	-	5.4%
Goldfields Esperance	10,590	11,612	-	5.5%
Great Southern	5,486	5,371	-	2.7%
Total	223,794	145,700	32,697	100.0%

Source: Based on TAB (2003) Review of the Distribution Network

**Table A.3
LOCATION OF THOROUGHBRED RACING CLUBS**

Region	Metro	Provincial Large	Provincial Small	Country TAB	Country Non-TAB
Kimberley	-	-	-	1	3
Pilbara	-	-	-	1	4
Gascoyne	-	-	-	1	3
Mid West	-	-	1	-	6
Wheatbelt	-	1	2	-	1
Perth	1	-	-	-	1
Peel	-	1	-	-	-
South West	-	1	-	-	1
Goldfields Esperance	-	1	-	1	4
Great Southern	-	-	2	-	2
Total	1	4	5	4	25

Assumed wages paid per club	\$7,947,700	\$270,000	\$76,000	\$83,125	\$4,712
Assumed retained profits per club	\$2,266,000	\$69,900	\$22,900	\$13,350	\$700
Assumed wagering revenues per club	\$5,923,444	\$337,621	\$48,446	\$53,004	\$2,031
Assumed non wagering revenues	\$11,272,746	\$444,307	\$139,078	\$219,439	\$39,583

The Allen Consulting Group (2004) The Economic Model of the Racing Industry, prepared for RWWA, Racing and Wagering Economic Review.

Table A.4
LOCATION OF HARNESS RACING CLUBS

Region	Metro	Country A	Country B
Kimberley	-	-	-
Pilbara	-	-	-
Gascoyne	-	-	-
Mid West	-	-	1
Wheatbelt	-	1	6
Perth	1	-	2
Peel	-	1	-
South West	-	2	3
Goldfields Esperance	-	-	1
Great Southern	-	-	1
Total	1	5	14
Assumed wages paid per club	\$1,673,200	\$296,400	\$191,692
Assumed retained profits per club	\$414,000	\$50,000	\$9,000
Assumed wagering revenues per club	\$1,903,304	\$68,664	\$17,395
Assumed non wagering revenues	\$1,826,434	\$119,698	\$38,679
The Allen Consulting Group (2004) The Economic Model of the Racing Industry, prepared for RWWA, Racing and Wagering Economic Review.			

Table A.5
LOCATION OF GREYHOUND RACING CLUBS

Region	Metro	Provincial	Country B
Kimberley	-	-	-
Pilbara	-	-	-
Gascoyne	-	-	-
Mid West	-	-	-
Wheatbelt	-	-	1
Perth	1	-	-
Peel	-	1	-
South West	-	-	-
Goldfields Esperance	-	-	-
Great Southern	-	-	-
Total	1	1	1
Assumed wages paid per club	\$2,956,459	\$960,132	\$44,058
Assumed retained profits per club	\$462,000	-	-
Assumed wagering revenues per club	\$594,701	\$272,197	\$50,945
Assumed non wagering revenues	\$2,669,816	\$744,515	\$4,894
The Allen Consulting Group (2004) The Economic Model of the Racing Industry, prepared for RWWA, Racing and Wagering Economic Review.			

**Table A.6
NUMBER OF BOOKMAKERS BY REGION**

Region	Number	% of Total
Kimberley	1	1.5%
Pilbara	-	0.0%
Gascoyne	2	2.9%
Mid West	7	10.3%
Wheatbelt	4	5.9%
Perth	38	55.9%
Peel	2	2.9%
South West	-	0.0%
Goldfields Esperance	12	17.6%
Great Southern	2	2.9%
Total	68	100.0%

Source: RWWA Industry and Geographic Analysis. Above numbers indicate the number of licences, sorted by the residential address indicated on the licence. Note, there were only 49 bookmakers in 2002/03. Some bookmakers have more than one license (eg. grandstand, enclosure etc).

**Table A.7
BOOKMAKER TURNOVER BY REGION**

Region	Number	% of Total
Kimberley	30,074	0.38%
Pilbara	27,684	0.35%
Gascoyne	29,034	0.36%
Mid West	49,867	0.62%
Wheatbelt	176,289	2.20%
Perth	7,095,044	88.63%
Peel	40,433	0.51%
South West	290,564	3.63%
Goldfields Esperance	244,407	3.05%
Great Southern	21,705	0.27%
Total	8,005,100	100.00%

Source: Department of Racing, Gaming and Liquor

**Table A.8
NUMBER OF TRAINERS BY REGION**

Region	Thoroughbred	Harness	Greyhound
Kimberley	5	-	-
Pilbara	4	1	1
Gascoyne	14	1	-
Mid West	81	18	15
Wheatbelt	22	82	16
Perth	356	412	240
Peel	34	61	68
South West	73	120	6
Goldfields Esperance	59	30	1
Great Southern	35	28	5
Total	683	753	352

Source: RWWA Industry and Geographic Analysis.

**Table A.9
NUMBER OF BREEDERS BY REGION**

Region	Thoroughbred	Harness	Greyhound
Kimberley	-	-	-
Pilbara	-	-	-
Gascoyne	1	-	-
Mid West	5	2	1
Wheatbelt	2	12	-
Perth	55	56	12
Peel	5	11	3
South West	14	24	2
Goldfields Esperance	1	4	-
Great Southern	9	8	-
Total	92	117	18

Source: IER Pty Ltd. Thoroughbred Breeder Analysis Harness Breeder Analysis and Greyhound Breeders spreadsheets provided by IER Pty Ltd provided to The Allen Consulting Group. Dated 2nd March 2004.

**Table A.11
NUMBER OF JOCKEY STARTS BY REGION**

Region	Starts	% of Total
Kimberley	551	2.6%
Pilbara	522	2.5%
Gascoyne	644	3.0%
Mid West	1,222	5.8%
Wheatbelt	2,513	11.9%
Perth	8,100	38.3%
Peel	2,109	10.0%
South West	1,850	8.7%
Goldfields Esperance	2,354	11.1%
Great Southern	1,305	6.2%
Total	21,170	100.0%

Source: Department of Racing, Gaming and Liquor

**Table A.10
NUMBER OF JOCKEYS BY REGION**

Region	Number	% of Total
Kimberley	2	1.4%
Pilbara	1	0.7%
Gascoyne	4	2.7%
Mid West	8	5.5%
Wheatbelt	-	-
Perth	98	67.1%
Peel	4	2.7%
South West	10	6.8%
Goldfields Esperance	7	4.8%
Great Southern	12	8.2%
Total	146	100.0%

Source: RWWA Industry and Geographic Analysis (includes apprentices)

**Table A.12
THOROUGHBRED STAKEMONEY BY REGION**

Region	Stakes	% of Total
Kimberley	555,210	1.9%
Pilbara	461,650	1.6%
Gascoyne	427,170	1.5%
Mid West	682,810	2.4%
Wheatbelt	1,526,550	5.3%
Perth	19,394,722	67.6%
Peel	1,382,180	4.8%
South West	1,331,140	4.6%
Goldfields Esperance	2,102,440	7.3%
Great Southern	810,790	2.8%
Total	28,674,662	100.0%

Source: Department of Racing, Gaming and Liquor

Table A.13
NUMBER OF REINSPERSONS BY REGION

Region	Number	% of Total
Kimberley	-	-
Pilbara	1	0.2%
Gascoyne	1	0.2%
Mid West	13	2.4%
Wheatbelt	68	12.7%
Perth	270	50.4%
Peel	48	9.0%
South West	84	15.7%
Goldfields Esperance	27	5.0%
Great Southern	24	4.5%
Total	536	100.0%

Source: RWWA Industry and Geographic Analysis.

Table A.15
HARNESS STAKE MONEY BY REGION

Region	Stakes	% of Total
Kimberley	-	-
Pilbara	-	-
Gascoyne	-	-
Mid West	191,280	1.5%
Wheatbelt	1,772,622	13.6%
Perth	7,963,378	61.1%
Peel	908,791	7.0%
South West	1,485,384	11.4%
Goldfields Esperance	478,781	3.7%
Great Southern	229,291	1.8%
Total	13,029,527	100.0%

Source: Department of Racing, Gaming and Liquor

Table A.14
NUMBER OF DRIVER STARTS BY REGION

Region	Starts	% of Total
Kimberley	-	-
Pilbara	-	-
Gascoyne	-	-
Mid West	523	2.4%
Wheatbelt	4,670	21.5%
Perth	8,768	40.4%
Peel	2,191	10.1%
South West	3,547	16.3%
Goldfields Esperance	1,363	6.3%
Great Southern	636	2.9%
Total	21,698	100.0%

Source: Department of Racing, Gaming and Liquor

The Australian Bureau of Statistics provides data on Gross State Product (GSP) for 2002/03 in the document Australian National Accounts: State Accounts. In this document, the value of Gross State Product for Western Australia was \$82.4 billion in 2002/03.

The Gross Regional Product (GRP) is the regional equivalent to GSP except it is measured for the regions. The Australian Bureau of Statistics does not produce GRP figures for Western Australia. However, the Department of Local Government and Regional Development has calculated GRP numbers based on ABS figures and is presented in Table 7.17.

Table A.16
WESTERN AUSTRALIAN GROSS REGIONAL PRODUCT

Region	Value (\$M)	% of Total
Kimberley	\$1,195	1.45%
Pilbara	\$3,713	4.51%
Gascoyne	\$422	0.51%
Mid West	\$2,261	2.74%
Wheatbelt	\$2,698	3.27%
Perth	\$57,999	70.38%
Peel	\$2,865	3.48%
South West	\$5,350	6.49%
Goldfields Esperance	\$4,256	5.16%
Great Southern	\$1,646	2.00%
Total (Gross State Product)	\$82,405	100.00%

Source: <http://www.regional.wa.gov.au/snapshot/regeco.asp>