

TOWARDS SUSTAINABILITY

A Vision for the Future of the WA Greyhound Industry



RACING AND WAGERING WESTERN AUSTRALIA

TOWARDS SUSTAINABILITY



Dear Greyhound Industry Participants,

On behalf of Racing and Wagering Western Australia (RWWA), I commend to you 'Towards Sustainability', a summary of the objectives contained in the Greyhound Strategic Plan.

A key component of the Strategic Plan is to ensure greyhound racing in Western Australia remains sustainable and positively positioned to weather the challenges facing all sporting industries in the current economic climate.

Western Australia exhibits a proud history of greyhound racing and RWWA wants this to continue with a strength and certainty that positions it boldly into the future.

We acknowledge that the racing and wagering landscape is changing and therefore present a vision and framework to enhance the greyhound product. Through achieving increased efficiencies and deriving greater benefit from our resources, we can maximise returns to participants.

It is important that we lay the groundwork for the future and effectively plan ahead. Together we can optimise our greyhound programme, modernise our vision appeal and develop an environment that promotes our industry into new markets.

I trust that the industry will embrace this strategic vision which aims to provide long-term security to all greyhound participants. RWWA is charged with leading the industry into the future and strongly believes that 'Towards Sustainability' will provide greater certainty for greyhound racing in Western Australia.

I welcome your feedback on this Vision Paper and invite you to attend one of two presentation sessions to be held on the following dates:

- ✦ Sponsors Lounge, Greyhounds WA, Cannington 10:30am - 11:30am Thursday 23rd April 2009
- ✦ Chasers Restaurant, Greyhounds WA, Mandurah 10:30am -11:30am Friday 24th April 2009

You must register to attend these sessions and can do so by calling Charlotte Mills, Manager Industry Performance and Planning on (08) 9445 5200.

Feedback on the Vision Paper must be received by **COB Tuesday 5th May 2009** and can be sent or emailed (required in writing) to the following:

Charlotte Mills
Manager, Industry Performance and Planning
RWWA
14 Hasler Rd
Osborne Park WA 6017
charlotte.mills@rwwa.com.au

Yours sincerely,



Richard Burt
Chief Executive Officer
April 2009

TOWARDS SUSTAINABILITY

INTRODUCTION

The Western Australian racing industry is facing a defining crossroad in its development. Following five years of sustained growth in distributions, stakes levels and turnover, RWWA is reviewing the current model with a view to ensuring certainty for the future.

The time for addressing a changing landscape is now. The national racing industry is entering a new era. Its wagering component is exposed to greater competition than ever before and its racing product is subject to growing external forces and threats. As an industry of interdependence, racing is facing a number of very real challenges. It is important that we recognise that the decisions we make now are designed to protect, sustain and promote our industry into the future.

RACING

From a racing perspective, a number of key influences are impacting the sport. Nationally, on-course attendance has dropped substantially for all three codes and participation levels are declining overall. The cost of maintaining ageing venues and the upkeep of infrastructure maintenance is an increasing challenge, along with the need to revitalise and renew our current facilities for future generations.

The traditional stronghold that racing has held in the eyes of loyal patrons is today challenged, requiring fresh outlooks and innovative approaches to maintaining a long-term customer base. Racing offers a unique on-course experience, an unrivalled atmosphere and an exclusive level of involvement as an owner. It is these strengths we wish to build upon in order to enhance our position as a mainstream sport and entertainment experience of choice.

Greyhound racing in Western Australia presents a positive benchmark nationally; stakes are strong and the WESTCHASE scheme is providing considerable dividends. The Western Australian Greyhound Racing Association (WAGRA) has successfully defied national trends with impressive on-course attendances and a loyal patronage. WA greyhound racing maintains a good reputation nationally and attracts interstate ownership investment. With a strong foundation on which to address its future, WA greyhound racing is in a good position to face the challenges ahead.

A dynamic racing industry will advance participation, maintain integrity and deliver quality racing. It is crucial that we work together to achieve this goal and deliver the optimal racing programme, ownership opportunities and a racing product that attracts a broader range of consumers.

WAGERING

The global gambling market continues to grow but the wagering sector has not grown at a proportional rate, as a result of increasing competition from other forms of gambling and the broader entertainment industry. Generational change is leading younger people to satisfy both their gambling and entertainment needs through alternate channels and products. The advance of technology has significantly altered the racing environment worldwide.

The previously regulated wagering market in Australia is being radically re-shaped by the growth of betting exchanges and corporate bookmakers. Only recently have advertising restrictions been lifted allowing interstate bookmakers to advertise their services. Legislation surrounding race fields and the advent of product fees will further alter the landscape. Effectively, there is now a cost to be borne by the WA industry for all interstate product wagering. From Western Australia's perspective, it is apparent that in order to balance the demand from punters for interstate product as against our own product, we must increase the value and appeal of WA's local racing product to our own market and the eastern states.

WA Import / Export Gap

2004/05 (\$302M)	2005/06 (\$318M)	2006/07 (\$351M)	2007/08 249M*	2008/09 YTD (\$209M)
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*Equine Influenza impacted racing season

Currently, WA is a net importer of product meaning we have a higher total turnover on eastern states racing than we do on WA racing. With the introduction of product fees this means that as a State, we will need to pay more than we receive.

In order to rebalance the 'import vs export' gap, we need to drive additional turnover on WA product. Further enhancement of the quality of our product means encouraging an elite and reputable local product in order to remain sustainable in the product fee environment.

The current economic climate has no doubt placed pressure on RWWA's ability to fund industry to the growing levels it has been accustomed. As has recently been announced, RWWA has entered into a new contract with TABCORP to remain party to the SuperTAB pool. This new pooling arrangement has come at a significant cost for WA and RWWA is working to ensure cost savings and product growth can counter the impact on industry and the business as a whole.

The combination of product and pooling fees has resulted in a \$16million per annum recurring cost imposed on RWWA and the WA racing industry.

GREYHOUNDS

"Towards Sustainability" is a high level directions paper for sustainable growth and will ensure ongoing viability of this industry into the future.

Global and national industry trends provide little confidence that the greyhound industry overall can expect to achieve significant growth.

Increasing global activism in relation to greyhound welfare is an area of concern, particularly with the recent cessation of greyhound racing in Massachusetts, USA, which brings to 35, the number of states in the USA where greyhound racing is now banned. In Spain, greyhound racing has been forced to close down and in South Africa, where they are endeavouring to commence greyhound racing, there is significant resistance from animal welfare groups. This trend is a reminder of our need to mitigate against risk across all racing codes and maintain active development of our animal welfare programmes, ensuring a balanced and quality supply of animals alongside increasing professionalism of participants. The recent *Lewis* report in Victoria also highlighted animal welfare as a critical industry issue and threat.

Whilst 2003 - 2008 has been positive for WA greyhounds in terms of the volume of racing opportunities, stakes levels and government tax reductions, the local industry is unlikely to see similar growth in the next three to five years. Welfare concerns will place greater emphasis on breeding levels; the volume of racing will need to be optimised as we seek a greater dependency on competitive quality racing to sustain wagering revenues.

RWWA has maintained consistent growth in distributions over the last five years, resulting in strong stakes levels. WA greyhound racing has witnessed 59% growth in stake money provisions from 2004/05 to 2007/08. With a forecast decline in growth, it will be important to achieve realistic funding models that provide the local greyhound industry with a fair and rewarding return.

WAGRA is to be recognised for defying national trends with consistent on-course attendance increases, along with building a sizeable reputation for its flagship Group 1 Sky Channel Perth Cup and New Year's Eve race meetings.

Coupled with the growth of external influences, the local WA greyhound industry must consider its options regarding the current and future need for racing venues. With the current Cannington venue lease due to expire in 2011, it is imperative that an informed and optimal decision is made with regard to the future location of greyhound racing in Western Australia.

In pursuing long-term certainty for the greyhound code, RWWA has a responsibility to ascertain viable and feasible venue alternatives – it is with this in mind that the strategic plan has evaluated the important element of finding a long-term venue option for greyhound racing in Western Australia.

The lack of significant profitability under the current greyhound racing operating model means that, unless a grant or significant financial contribution was provided, it would not be sustainable to extend and refurbish the existing facilities at Cannington (at a cost of around \$10million) or construct a new track and facilities on the adjacent trotting track (at around \$22 million).

It is essential that we encourage the environment for a modern industry to develop, whilst meeting the requirements of the next generation.

TOWARDS SUSTAINABILITY

CURRENT CHALLENGES

- ✦ While the last two years have provided a perception of growth in greyhound product turnover, the advent of Equine Influenza (EI) has significantly distorted the overall picture. Greyhound product turnover on the WA TAB grew by 18.6% from 2006/07 to 2007/08; it has since declined by 6.12% YTD for 2008/09.
- ✦ All racing fields, form and information are subject to copyright and governed by the appropriate racing authority in each state. A 1.5% product fee applies to access this information which allows RWWA to wager on interstate race meetings. The gap between turnover on local product as against interstate and overseas product is of ongoing concern. This means that the more product we import to WA above the amount we export, the more costly to local industry. On current estimates, the WA greyhound product import gap amounts to approximately \$2.4million, this accounts for over 60% of the current WA import / export product gap across all three codes.
- ✦ RWWA Distributions have grown over the last five years from \$8.86million to \$13.46million, an increase of 52%. In contrast, NSW greyhound distributions over the last five years have ranged between -6% and 8% growth and VIC greyhound distributions in the same period have ranged between 2% and 9% growth.

	NSW		VIC		WA	
2008/09	\$29.4M	+8%	Not Available		\$13.4M	+3%
2007/08	\$27.2M	-6%	\$40.9M	+9%	\$12.9M	+14%
2006/07	\$28.9M	+1%	\$37.5M	+8%	\$11.3M	+9%
2005/06	\$28.4M	-3%	\$34.5M	+2%	\$10.3M	+17%
2004/05	\$29.3M		\$33.7M		\$8.8M	

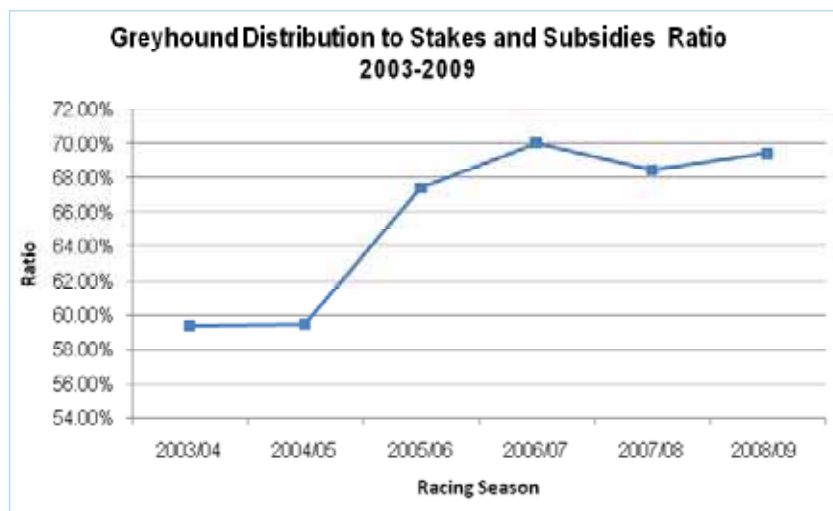
- ✦ It is also concerning to RWWA that the ratio of Greyhound Distribution to Stakes and Subsidies is declining and rating significantly lower than the other WA codes. The revenue RWWA distributes to codes is largely destined for participants and there is a growing expectation that this ratio, across all codes, should increase. That will require WAGRA to significantly increase stakes and bonuses from their distribution payments. The current concern is that only 69.4% of RWWA distributions to WAGRA are returned to participants in the form of stakes and subsidies.



IN A SNAPSHOT, WA GREYHOUND RACING LOOKS LIKE THIS:

✦ Distributions to Greyhounds

2008/09	\$13.5M (Budget)
2007/08	\$12.9M
2006/07	\$11.3M
2005/06	\$10.3M
2004/05	\$8.8M



✦ Distributions to Stakes and Subsidies Ratio

Code	2008/09
Greyhounds Ratio	69.4%
Harness Ratio	83.4%
Thoroughbreds Ratio	86.3%

✦ WA Greyhound Races

Year	Number of Races	Percentage of SKY covered races
2008/09	3589 (est)	62% YTD (2225)
2007/08	3507	65% (2291)
2006/07	3379	64% (2193)
2005/06	3119	50% (1581)
2004/05	3032	25% (786)

✦ WA TAB Greyhound Turnover

Year	WA Greyhound Product Turnover	Interstate & Overseas Product Turnover	Total Turnover (on and off course)	WA Product as a % of Turnover
07/08*	\$68,597,287	\$320,942,213	\$389,539,499	17%
06/07	\$65,179,789	\$263,101,390	\$328,281,179	19%
05/06	\$57,647,170	\$242,607,435	\$300,254,605	19%
04/05	\$51,495,464	\$224,210,041	\$275,705,506	18%

*Equine Influenza impacted racing season

TOWARDS SUSTAINABILITY

COMPARATIVE WA, VIC & NSW RACING STATISTICS

Number of Meetings

	NSW	VIC	WA
2007/08	1,372	839	287
2006/07	1,302	836	276
2005/06	1,427	824	259
2004/05	1,436	867	259

Number of Races

	NSW	VIC	WA
2007/08	14,316	10,086	3,507
2006/07	13,651	9,196	3,379
2005/06	14,983	9,056	3,119
2004/05	14,888	9,537	3,032

Number of Starters

	NSW	VIC	WA
2007/08	107,876	74,306	27,240
2006/07	103,028	73,568	26,536
2005/06	112,678	72,448	24,477
2004/05	112,083	76,296	23,831

Total Track Attendances

	NSW	VIC	WA
2007/08	185,499	172,244	170,664
2006/07	174,901	169,436	163,125

Stake Money Paid

	NSW	VIC	WA
2007/08	\$15.2M	\$22.9M	\$8.3M
2006/07	\$14.8M	\$21.7M	\$7.5M
2005/06	\$15.5M	\$20.4M	\$6.5M
2004/05	\$15.5M	\$18.4M	\$5.2M

Interstate Stakes Comparison (stakes to winner)

CITY CLASS	VIC	NSW	WA
Free To All	\$5000	\$3600	\$4050
Grade 5	\$4000	\$3200	\$3050
PROVINCIAL CLASS	VIC	NSW	WA
Free To All	\$1245	\$1250	\$1350
Grade 5	\$1000	\$1000	\$1050

NB. WA pay additional stakes on staying events 2008/2009 Season

KEY OBSERVATIONS:

- ✦ Despite WA greyhounds racing at only 3 tracks, track attendance rates suggest that WA provides an attractive on-course experience,
- ✦ WA provides the highest average stakes per owner and the highest stakes per race average,
- ✦ WA Stakes compare favourably with interstate stakes. We provide the highest Provincial Class stakes to winners and rate with Victoria and New South Wales in payable City Class stakes.

Registered Persons

	NSW	VIC	WA
2007/08	N/A	12,635	1,851
2006/07	9,857	10,387	1,605
2005/06	8,711	9,416	1,666

Owners (incl. syndicates)

	NSW	VIC	WA
2007/08	N/A	8,753	1,538
2006/07	2,593	6,494	1,281
2005/06	2,084	6,284	1,297
2004/05	2,343	4,180	1,228

Trainers

	NSW	VIC	WA
2007/08	1,607	2,970	85
2006/07	1,690	3,011	85
2005/06	1,497	2,981	81
2004/05	1,687	2,939	89

Owner/Trainers (* VIC owner/trainers included in Trainer count)

	NSW	VIC	WA
2007/08	2,653	N/A*	204
2006/07	4,534	N/A*	210
2005/06	4,215	N/A*	249
2004/05	4,698	N/A*	236

Greyhounds Named

	NSW	VIC	WA
2007/08	6,054	1,628	368 Est.
2006/07	6,039	4,140	438
2005/06	6,434	4,120	392
2004/05	5,364	4,141	294

Number of Clubs

	NSW	VIC	WA
2007/08	35	14	1 (3 venues)
2006/07	38	14	1 (3 venues)
2005/06	38	14	1 (3 venues)
2004/05	41	14	1 (3 venues)



RACING VENUES

“Towards Sustainability” addresses the options regarding the current and future need for racing venues along with identifying the optimal financial return to greyhound participants. With the current lease at Cannington due to expire in July 2011, WAGRA is required to make a decision on tenancy with its landlord, Canning Agricultural, Horticultural and Recreational Society (CAHRS), by July 2009. It is well known that WAGRA has experienced difficulties with the lease in all matters pertaining to land usage, including the ability to sub-let or hire out facilities, compromising the commercialisation of the property.

At the time of commencing work on the Greyhound Strategic Plan (mid-2008), the future of Cannington, as the heartland metropolitan venue for greyhound racing in WA, was unknown. Negotiations between CAHRS (the landlord) and WAGRA (the tenant) were proving difficult and a significant deadline was looming. WAGRA had undertaken a previous study titled ‘*Cannington Greyhounds Feasibility Study*’ in 2007 to determine options in its consideration of future needs for racing venues. This study determined three possible options to pursue, one of which was a move to Mandurah. Whilst WAGRA has since engaged with a number of Shire Councils and other code venue operators in an effort to seek alternate venue options in the metropolitan precinct, a firm and viable option for greyhound racing in the metropolitan area is yet to be finalised, providing little long-term assurance for industry participants.

RWWA supports a commercially viable metropolitan venue presence for greyhounds in WA, and in the event that WAGRA negotiated a commercially beneficial lease with CAHRS, Cannington should remain the home of greyhound racing in Perth.

RWWA is aware that WAGRA has entered into a ‘memorandum of understanding’ with CAHRS in relation to a continuation of lease at Cannington. RWWA supports these negotiations, in the event that they result in a beneficial outcome for both WAGRA and the industry long-term.

The current lease arrangement at Cannington sees \$450,000 paid annually in rent for this metropolitan venue. The Mandurah venue is owned by WAGRA and developed as a sole asset of the greyhound industry. Inefficient use of industry funds, due to significant overheads, is to the long-term detriment of participants. Unfavourable lease terms would result in erosion of participant benefits well into the future. Viable alternatives have therefore been identified and analysed.

TOWARDS SUSTAINABILITY

RACING VENUES (CONTINUED)

As acknowledged earlier, Cannington is currently the metropolitan heartland of greyhound racing in Western Australia. At the time of commencing work on the Greyhound Strategic Plan, the stability and future of greyhound racing at Cannington was unknown and, indeed, uncertain. In evaluating venue options outside of Cannington, RWWA does so, only with an intention to seek certainty for the future of greyhounds.

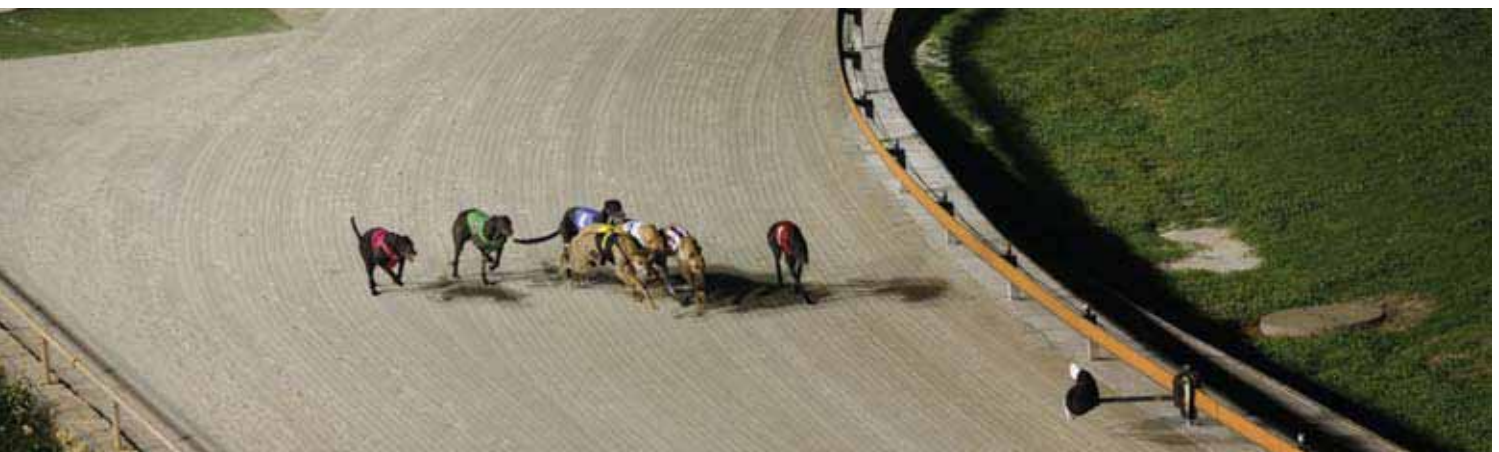
RWWA has considered a number of venue options in light of lease negotiations remaining unknown and unconfirmed. The following options were evaluated:

Cases Evaluated	Capital Expenditure over 10 years	Operating Costs over 10 years	Present Cost Value* over 10 years
One – STAY AS IS – sustain Cannington lease with minimal infrastructure investment**	(\$1, 800,000)	(\$5, 400,000)	(\$3, 600,000)
Two – STAY AS IS – sustain Cannington lease with required infrastructure spend	(\$7, 100,000)	(\$8, 400,000)	(\$9, 700,000)
Three – NEW METRO VENUE – no land costs (eg. Trotting track at Cannington)	(\$23, 900,000)	(\$4, 100,000)	(\$22, 000,000)
Four – NEW METRO VENUE – sell and close Mandurah, land costs apply, new training track required	(\$25, 100,000)	\$2, 600,000	(\$19, 500,000)
Five – MOVE TO GLOUCESTER PARK – Close Cannington, new training track required	\$2, 100,000	(\$6, 400,000)	(\$200,000)
Six – MOVE TO MANDURAH – build second track, close Cannington, new training track constructed	(\$6, 200,000)	\$10, 700,000	\$2, 600,000

*NPV- Net Present Value – cost of option over 10 years in today's dollars above current operating costs. NPV represents the measure of return on capital invested.

** This is an unsustainable option due to the state of the ageing infrastructure at Cannington. There is a clear need to invest in the on-course facilities at Cannington over time.

As highlighted in the table, financially, the optimal model is a move to Mandurah, constructing a second race track and providing a new training track in an outer suburban location. A move to Gloucester Park also presents potential commercial benefits to greyhounds long-term, should WATA and other stakeholders agree to accept a mutually beneficial proposal.





THE VISION – Where Do We Want to Be?

RWWA's strategic intentions for industry development include the following:

- ✦ Increase participation in the WA racing industry by encouraging racing as a career-of-choice industry, encourage on-course patrons and wagering clientele,
- ✦ Increase the quality and reputation of the racing product in Western Australia via best practice initiatives in relation to breeding and safety, by achieving Key Performance Indicators (KPIs) and by optimising our volume of racing,
- ✦ Increase stakeholder satisfaction via active participation and effective consultation,
- ✦ Safeguard the viability of the racing industry by maximising return and minimising cost of infrastructure, and
- ✦ Grow industry capacity for change by ensuring the industry stays alert to new opportunities and to existing and future threats.

Key benchmark expectations for all codes will include the following:

- ✦ Achieve a target Distribution to Stakes ratio compatible with other WA codes,
- ✦ Optimal volume of racing with 100% SKY coverage,
- ✦ Maximised use of assets and resources, and
- ✦ Optimal local and national turnover potential (consistent growth and a non-existent gap between imported and exported product).

THE INDUSTRY DESERVES

- ✦ Competitive and affordable stakes increases – maximising returns to participants,
- ✦ A fair balance between elite and community racing,
- ✦ The financial capacity to invest in future programme development (training, breeding, and animal welfare),
- ✦ The ability to embrace initiatives that further improve the profile and image of WA greyhound racing, and
- ✦ A Plan that provides long-term certainty for a viable and exciting future.



THE JOURNEY - OVER 10 YEARS

To successfully implement the strategy, the industry must invest in and effectively manage the following Key Result Areas:

1. Improve greyhound animal quality:

- ✦ Develop a business model for a Greyhound Education Centre (incorporating national leadership and excellence through professional development and integrated research),
- ✦ Further investment in the Greyhounds as Pets (GAP) programme – creating an Australian benchmark,
- ✦ Administer a 'responsible breeding' programme which effectively self-regulates, and
- ✦ Align the WESTCHASE scheme with the optimal quantity of WA bred stock (taking into account the fact that approximately 70% of all starters in WA races in 2007/08 were non-WA bred), with consideration given to a contributory element.

2. Optimise the racing program:

- ✦ Five meetings per week - all races with SKY coverage,
- ✦ Maximum surplus of 40 dogs per week,
- ✦ Develop a major carnival strategy, and
- ✦ Optimal balance of elite and hobbyist racing opportunities.

3. Maintain the integrity and welfare of the industry:

- ✦ Develop an animal welfare communications strategy,
- ✦ Conduct research into the life-cycle and fate of racing animals,
- ✦ Establish a 'responsible breeding' taskforce,
- ✦ Develop a 'welfare in retirement' monitoring/tracking programme, and
- ✦ Provision of canine disease education.

4. Increase opportunities for SKY coverage and wagering on local product:

- ✦ Promote WA racing codes as electronic export targets,
- ✦ Develop a Customer Relationship Management (CRM) system to increase loyalty of patrons,
- ✦ Maximise use of mobile wagering devices,
- ✦ Trial innovative on-field technologies specific to greyhounds, and
- ✦ Capitalise on WA's Asia-aligned time zone.

5. Venue utilisation:
 - ✦ Greyhound ratio of operating costs is comparable to harness and thoroughbred codes – participant return is increased,
 - ✦ Maintain cost-effective and multi-purpose use venues, and
 - ✦ Develop independent income streams beyond wagering distributions.

6. Optimise the effectiveness and efficiency of the industry's governance, leadership and organisational systems:
 - ✦ Initiate a governance review for greyhounds in WA which includes the creation of service level agreements, performance contracts, KPIs, incentives and designated responsibilities, and
 - ✦ Key implementation milestones achieved – install efficient financial and operational systems.

7. Build the image and brand of the WA industry:
 - ✦ Implement a media strategy which improves the profile and image of greyhound racing in WA,
 - ✦ Develop new customer programs to attract non-traditional participants, and
 - ✦ Promote greyhound racing's unique owner benefits (minimal investment = maximum returns).

8. Better utilisation of technology:
 - ✦ Introduce mobile and self-service on-course wagering capacity,
 - ✦ Develop a strategy to enhance in-race sensor and camera experience - provide an advanced vision program, and
 - ✦ Maximise visual content (with on-course track technology enhancers).

9. Enhance industry communication:
 - ✦ Establish a centralised communication database and process,
 - ✦ Introduce an industry lobbying strategy with particular focus on local government kennelling developments, and
 - ✦ Introduce systematic reporting to industry, sharing of knowledge, planning and review process.

10. Development of our people:
 - ✦ Maintain structured industry training and accreditation programmes for all levels of participants via the proposed Greyhound Education Centre, and
 - ✦ Design and implement a veterinarian development strategy specific to greyhounds.



TOWARDS SUSTAINABILITY

GOVERNANCE

The current WAGRA model sees one club manage three venues, along with trialling services. While unique in this format across the national landscape, a similar concept has merit for other code structures. It is possible that the needs of Government and the future needs of the WA greyhound industry could be met through WAGRA under a form of incorporation that is a non-government structure. It is vital that a leadership and accountability structure is assisted and supported in order to provide efficiencies and benefits to participants.

The long-term sustainability of all WA racing clubs will be reviewed in line with the development of performance contracts and Service Level Agreements (SLAs), clearly differentiating between the Professional and the Community Club. RWWA will assist clubs across all codes in determining benchmarks and Key Performance Indicators (KPIs) where cash flows can be maintained and Occupational Health & Safety (OH & S) infrastructure standards satisfy sustainability requirements.

For professional clubs there will be KPIs relating to business plans, cash-flow levels, sponsorship investment benchmarks, on-course attendance and turnover, and marketing/advertising deliverables. Management efficiencies at club level will be optimised via the effective implementation of performance contracts and SLAs measured using agreed KPIs.



THE OUTCOME

The broad outcome of this strategic plan is one of resilience, strength and opportunity. The vision is that the WA greyhound racing industry is enhanced, innovative and commands a dominant place in the national wagering landscape.

We are doing well, but tougher times are ahead and we cannot rest on our laurels. Our wagering and racing landscape is changing and therefore the industry must be proactive and adopt a front-foot approach to strengthening its position in a competitive market.

The vision we strive for must be met with financial capacity to invest in an exciting future – we need to maximise resources and assets and truly deliver the best outcome for our participants and the industry they support.

In adopting the Plan, by 2015 the greyhound industry will deliver:

- ✦ A racing product that is more appealing to both on and off course patrons,
- ✦ A racing program that maximises vision coverage and exhibits nationally-acclaimed chasers,
- ✦ A balanced supply of greyhounds to meet quality requirements and minimise threats from animal welfare interest groups,
- ✦ Technologies that increase competitive advantage and enhance the WA greyhound racing brand,
- ✦ A governance model that is aligned to the long-term leadership needs of the industry,
- ✦ An acceptable return to all industry participants, and
- ✦ Optimal use of resources and assets.

RECOMMENDED WA INDUSTRY SIZE AND SCOPE:

- ✦ The number of greyhound race meetings has grown by 13% between 2004/05 and 2008/09, while the number of races has grown 25% in the same period. The steady increase of racing opportunities over the last four years has now matured and provides a solid foundation for the racing programme going forward. RWWA supports opportunities to race and recommends that a range of between 280 and 290 race meetings and between 3400 and 3480 races is the current optimal volume of racing.
- ✦ There are currently over 290 registered greyhound trainers in Western Australia. RWWA supports the growth of industry training and accreditation for all levels of participants and encourages further professional development of registered persons. The future expansion of breeding and animal welfare programmes will assist in promoting leadership and excellence and support the need to continuously improve the professionalism of all participants.
- ✦ To generate sustainability for the industry, we need to elevate our standards through education, animal welfare programmes and satisfactory accreditation levels. The concept of achieving a better product with a greater wagering and audience appeal will involve driving a higher-demand product. Improving the standard of our product will also ensure we challenge the growing liability of product fees.
- ✦ Greyhound racing stakes in WA have increased by 79% between 2004/05 and 2008/09. WA stakes maintain a favourable comparison to interstate stakes, providing the highest level of Provincial stakes to winners and rating with Victoria and New South Wales in payable City Class stakes. The relativity to interstate stakes levels is an important objective to maintain and it is only through changing the current model that we can achieve the necessary growth.
- ✦ The capacity for increased returns to owners and growing stakes levels is dependent upon achieving sustainability. We can achieve this via the optimisation of the greyhound product; meeting the optimal volume of racing; elevating our standards of professionalism; increasing the distribution to stakes and subsidies ratio and mitigating against pooling and product fee imposts. It is the quality, not the quantity of greyhound product that will deliver sustainability.

HOW DO WE ACHIEVE THIS OUTCOME IN A SUSTAINABLE ENVIRONMENT?

In order to grow the greyhound product, we need to optimise it, increase its strength and reduce its risk. Currently a major challenge facing greyhounds is the administrative overheads which result in a sub-optimal return to participants (69.4% of distribution goes to stakes and subsidies, as against 83.4% and 86.3% for harness and thoroughbreds respectively).

Only \$9.3million of \$13.5million in 2008/09 is destined for participants. This is not optimal - particularly in a climate of increased challenges to industry. This position must be improved to deliver the best possible outcome for stakeholders.

- ✦ Do we need to consolidate in order to grow?
- ✦ Can we maintain a metropolitan venue?
- ✦ What sacrifices need to be made to maintain a metropolitan venue?
- ✦ Can we find savings from existing distributions?

These questions need to be answered and you, the industry stakeholders, are invited to attend a presentation to hear more about the Strategic Plan's objectives and vision:

WHEN/WHERE:

- ✦ Sponsors Lounge, Greyhounds WA, Cannington 10:30am - 11:30am Thursday 23rd April 2009
- ✦ Chasers Restaurant, Greyhounds WA, Mandurah 10:30am -11:30am Friday 24th April 2009

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