

Western Australian Racing Industry

ECONOMIC AND SOCIAL IMPACT STUDY

Regional Summary

PERTH



PREPARED BY IER | OCTOBER 2021



FOCUSED EVENT THINKING



RACING AND WAGERING
WESTERN AUSTRALIA

This report has been extracted from a larger study, commissioned by Racing and Wagering WA and prepared by IER Pty Ltd, into the size and scope of the thoroughbred, harness and greyhound racing industries in Western Australia. This study is based on the 2018-19 racing season.

In preparing this report, IER has relied on data from various sources. Data provided by peak racing bodies, racing clubs, racegoers and participants provides the basis for the assessment undertaken. Where IER has relied upon secondary data, it has done so without audit and in good faith.

In addition to providing an assessment of the size and scope of the entire racing industry in Western Australia, the assessment was also prepared with a focus on providing a regional level analysis. The regional analysis was aligned with the nine Royalties for Regions, with Perth making up the tenth region.

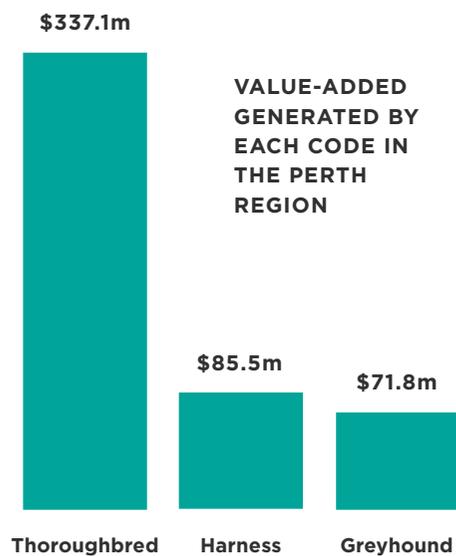
This summary report relates to the Perth region.





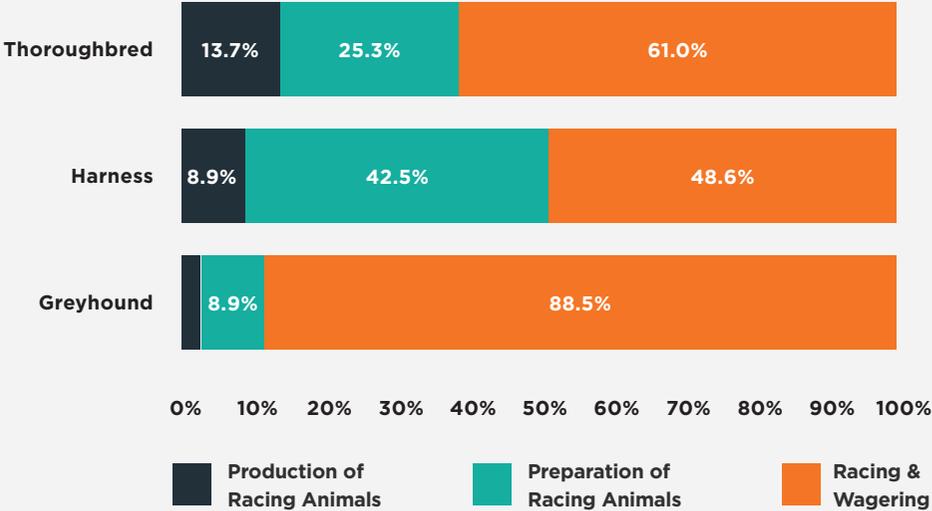
Key Racing Impacts

- + The Perth region of Western Australia takes in thirty Local Government Areas and over two hundred and fifty suburbs. The population of the Perth region is 2,085,973 (Royalties for Regions, 2017).
- + There is a total of three racing clubs operating in the region, one of which is a thoroughbred club, with one harness racing club and one greyhound racing club.
- + The racing industry in the Perth region is responsible for generating \$494.4 million in value-added contribution to Gross State Product. This equates to 51.0% of the total impact generated by the Western Australian racing industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 4,303 full time equivalent (FTE) jobs in the region.





PROPORTION OF DIRECT SPENDING BY CODE



In **2018/19** the racing industry in the **Perth region** was responsible for generating over **\$494 million** in **value added** contribution

ECONOMIC IMPACT

| | Thoroughbred | Harness | Greyhound | Total |
|---------------------------------|--------------|------------|------------|-------------|
| Breeding expenditure | \$38.0 mil | \$7.1 mil | \$1.8 mil | \$46.9 mil |
| Training expenditure | \$70.1 mil | \$34.0 mil | \$6.1 mil | \$110.1 mil |
| Total direct expenditure | \$277.5 mil | \$79.9 mil | \$68.1 mil | \$425.5 mil |
| Total value added | \$337.1 mil | \$85.5 mil | \$71.8 mil | \$494.4 mil |
| Full-time equivalent employment | 2,914 | 736 | 653 | 4,303 |

*Some totals may not add due to rounding

Racing in the Perth Region

RACING CLUBS IN THE REGION

Thoroughbred
+ Perth Racing

Harness
+ Gloucester Park
Harness Racing

Greyhound
+ WA Greyhound
Racing Association
- Cannington

AT A GLANCE

3 Racing Clubs

| | |
|---------------------|---|
| THOROUGHBRED | 1 |
| HARNESS | 1 |
| GREYHOUND | 1 |

309 Race Meetings

| | |
|---------------------|-----|
| THOROUGHBRED | 88 |
| HARNESS | 94 |
| GREYHOUND | 127 |

2,977 Races

| | |
|---------------------|-------|
| THOROUGHBRED | 704 |
| HARNESS | 859 |
| GREYHOUND | 1,414 |

2,470 Racing Club Members

| | |
|---------------------|-------|
| THOROUGHBRED | 2,071 |
| HARNESS | 389 |
| GREYHOUND | 10 |

297,669 Attendances

| | |
|---------------------|---------|
| THOROUGHBRED | 139,404 |
| HARNESS | 132,865 |
| GREYHOUND | 25,400 |



Participants in Racing

There are 24,486 individuals participating in the racing industry as an employee, volunteer or participant in Western Australia. Overall, there are 11,913 (48.7%) of these individuals in the Perth region.

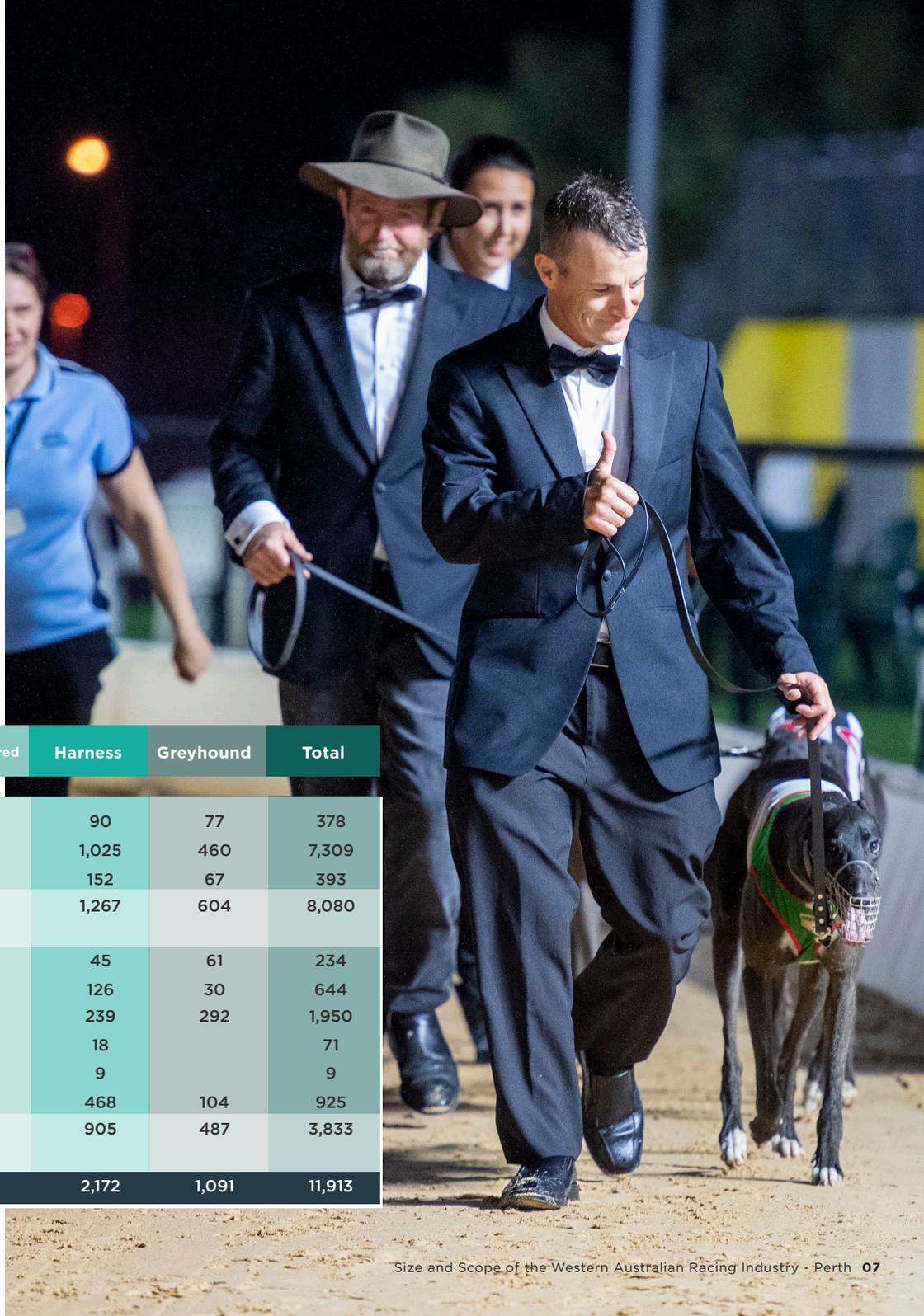
It is important to acknowledge that a significant number of participants have skills that are not easily transferable to other employment sectors. In particular, trainers, jockeys, drivers and breeders represent a segment of society whose investment in skills and infrastructure make them heavily reliant on a successful racing industry.

There are 11,913 people who participate in the racing industry in the Perth region

PARTICIPANT TYPE (NUMBER OF)

| | Thoroughbred | Harness | Greyhound | Total |
|---|--------------|--------------|--------------|---------------|
| Breeders | 211 | 90 | 77 | 378 |
| Owners/Syndicate Members | 5,824 | 1,025 | 460 | 7,309 |
| Trainers | 174 | 152 | 67 | 393 |
| Total Participants in Producing Racing Animals | 6,209 | 1,267 | 604 | 8,080 |
| Breeders' Staff | 128 | 45 | 61 | 234 |
| Stable/Kennel Employees | 488 | 126 | 30 | 644 |
| Racing Club & Industry Staff | 1,419 | 239 | 292 | 1,950 |
| Jockeys, Drivers & Apprentices | 53 | 18 | | 71 |
| Racing Club Volunteers | | 9 | | 9 |
| Volunteers Assisting Participants | 352 | 468 | 104 | 925 |
| Total Participants in Producing Racing Product | 2,440 | 905 | 487 | 3,833 |
| Total Participants | 8,649 | 2,172 | 1,091 | 11,913 |

*Some totals may not add due to rounding



Breeding and Training in the Perth Region

The breeding sector provides and replenishes the racing horses and greyhounds for the racing industry. At the top end of the breeding sector, large stud farms employ many staff and produce large numbers of foals each year. At the other end of the scale, there is a large number of hobby breeders also producing foals and pups.

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

More than \$222 million is spent on the breeding and training of thoroughbreds, standardbreds and greyhounds in Western Australia. Overall, approximately \$157.0 million (70.5%) of the breeding and training expenditure occurs within the Perth region.

BREEDING

378 Breeders

| | |
|---------------------|------------|
| THOROUGHBRED | 211 |
| HARNESS | 90 |
| GREYHOUND | 77 |

8 Registered Stallions & Sires

| | |
|---------------------|----------|
| THOROUGHBRED | 3 |
| HARNESS | 4 |
| GREYHOUND | 1 |

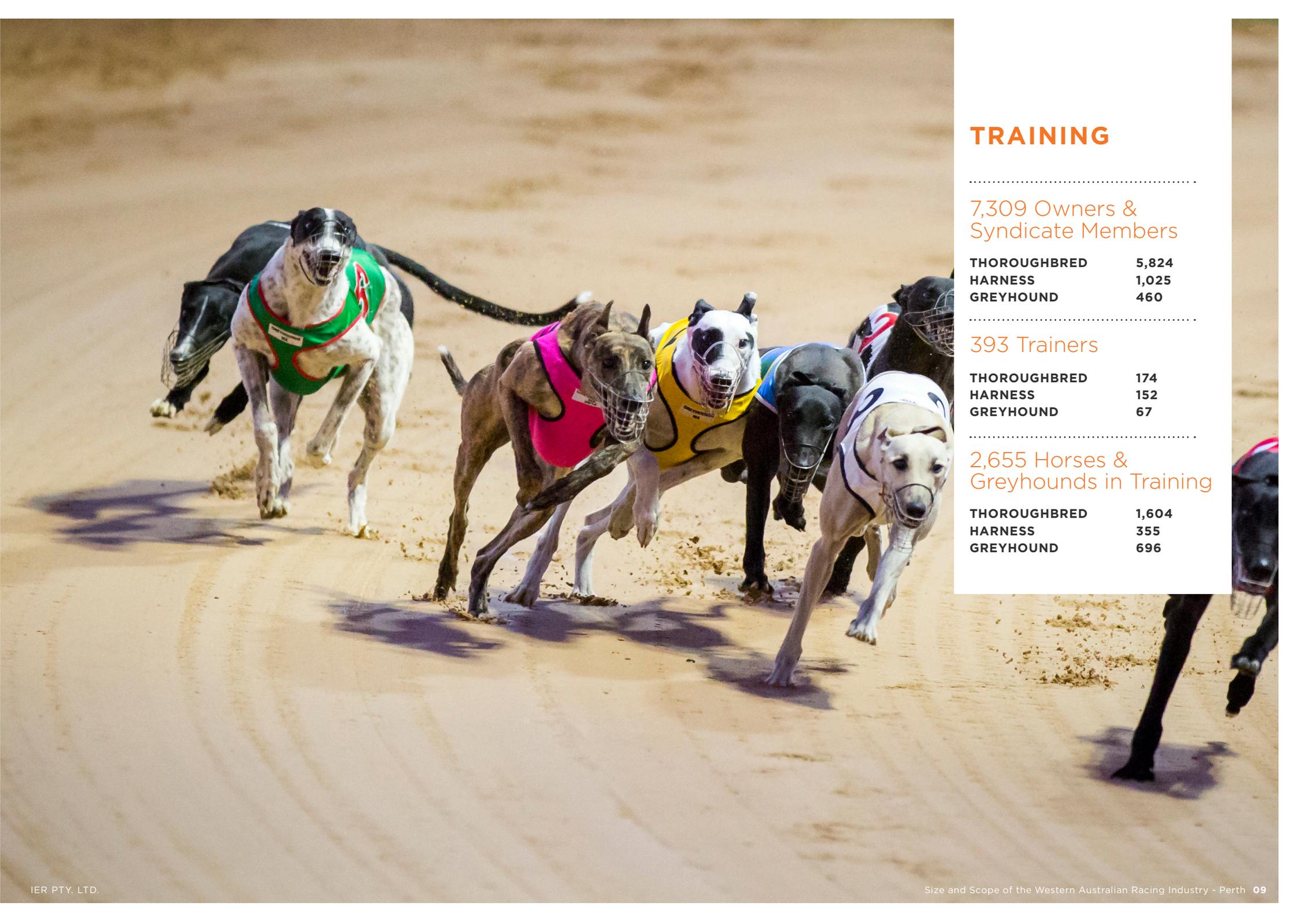
415 Foals & Pups Produced

| | |
|---------------------|------------|
| THOROUGHBRED | 96 |
| HARNESS | 151 |
| GREYHOUND | 168 |

372 Broodmares and Breeding Females Covered

| | |
|---------------------|------------|
| THOROUGHBRED | 150 |
| HARNESS | 192 |
| GREYHOUND | 30 |





TRAINING

7,309 Owners & Syndicate Members

| | |
|---------------------|--------------|
| THOROUGHBRED | 5,824 |
| HARNESS | 1,025 |
| GREYHOUND | 460 |

393 Trainers

| | |
|---------------------|------------|
| THOROUGHBRED | 174 |
| HARNESS | 152 |
| GREYHOUND | 67 |

2,655 Horses & Greyhounds in Training

| | |
|---------------------|--------------|
| THOROUGHBRED | 1,604 |
| HARNESS | 355 |
| GREYHOUND | 696 |

Community and Social Benefits

Activities associated with racing play an important role in the development and preservation of social and community benefits throughout the Perth region. The majority of these social impacts are initiated through club activities, both on race days and non-race days, as well as the partnerships they form with many community organisations. The contribution to community social benefit enhances both individual and community well-being throughout the region.

The economic activity generated by the clubs complements the social impacts, where racing events and quality facilities foster social cohesion and provide benefits for a broad range of individuals and community organisations.

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

The development of social initiatives also has a positive impact in terms of family socialisation and volunteerism. Racing also supports health, education, employment and environmental practices. However, maintaining and building the

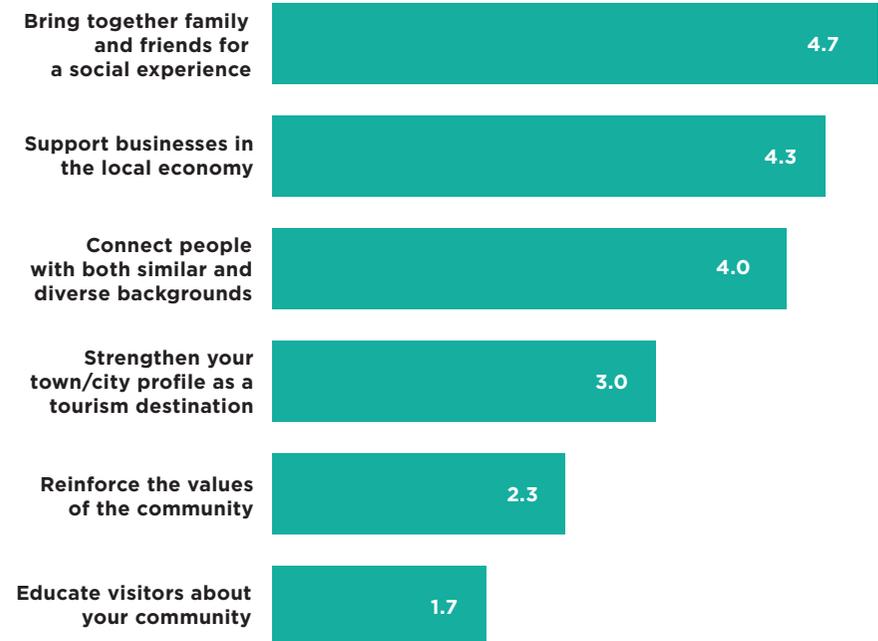
trust and respect of the communities in which the racing club operates is also extremely valuable.

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

The social impact survey asked clubs in the Perth region how much they believed racing in their town or city had the ability to engage with the community from a social cohesion, education and business perspective. As the chart illustrates, all indicators were positive. This is particularly significant in the areas of racing's ability to 'Bring together family and friends for a social experience' (4.7) and to 'Support businesses in the local economy' (4.3). These indicators illustrate the position that racing clubs see themselves as holding within the fabric of the local community.



COMMUNITY ENGAGEMENT WITH WESTERN AUSTRALIAN RACING



(1 - Not at all, 5 - To a great extent)

About IER

IER is a leading strategic consulting business specialising in the tourism, events and entertainment industries. For over thirty years, IER has provided economic impact evaluations for both private and Government clients.

In particular, IER has specialised in consulting on a variety of projects related to the horse and greyhound racing industries in Australasia over this time.

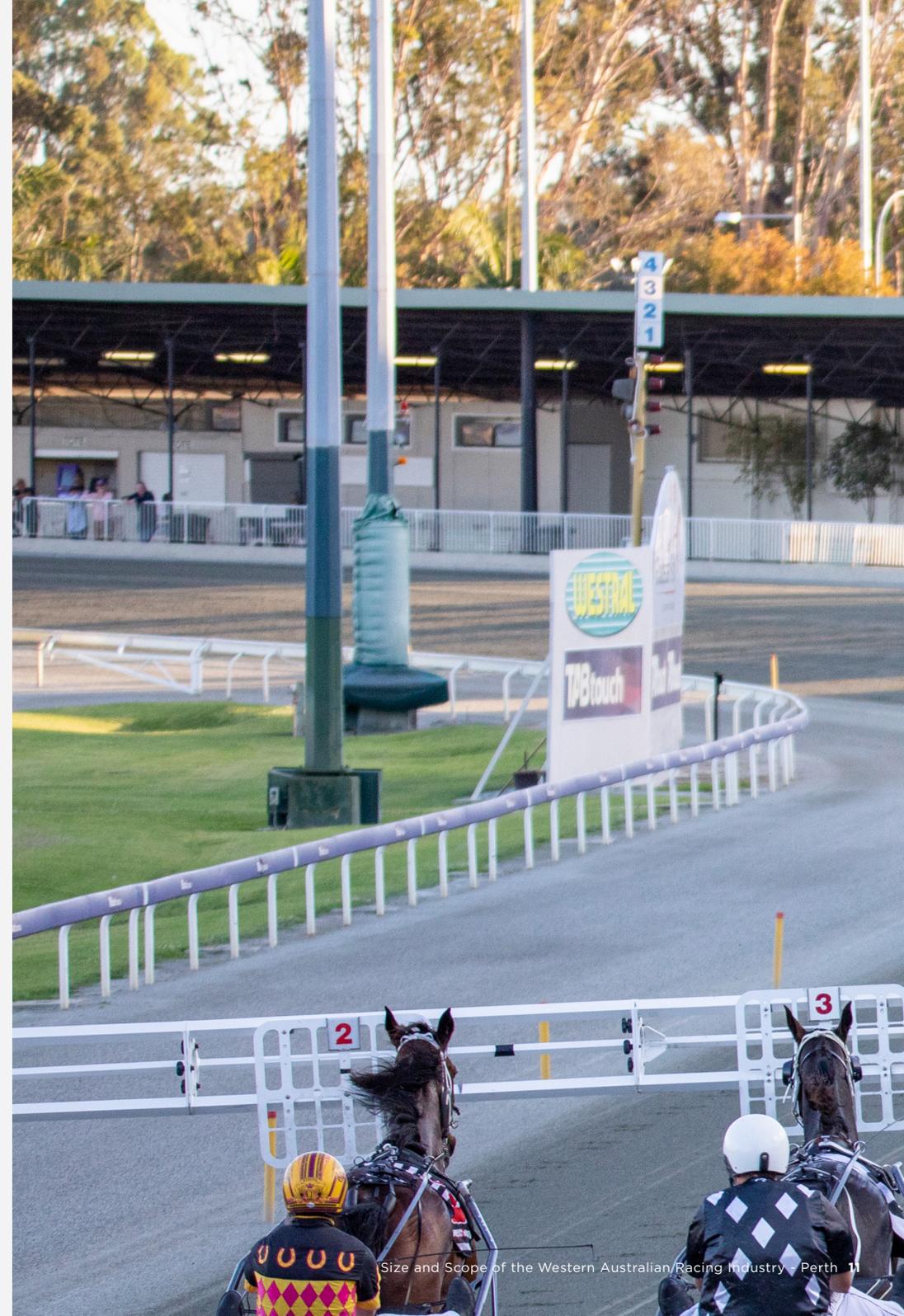
This study constitutes an economic and social impact evaluation of the entire thoroughbred, harness and greyhound racing industry in Western Australia. An understanding of the intricate and sometimes complex flow of money in the racing industry underpins this assessment.

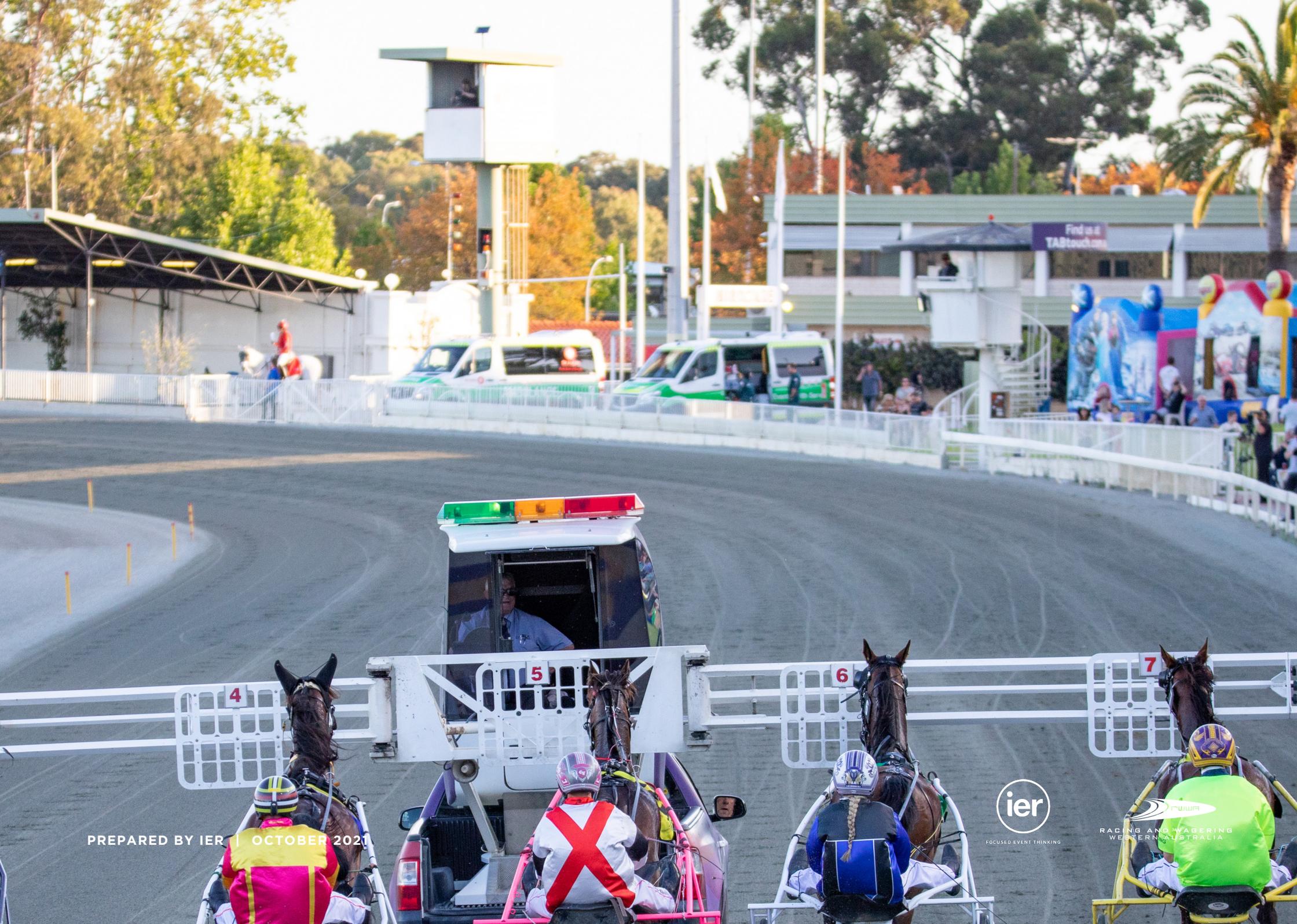
IER has recently prepared similar studies for:

- + Arts Centre Melbourne
- + Asian Racing Federation
- + Australian Football League
- + Cairns Indigenous Art Fair
- + Greyhounds Australasia
- + Lifesaving Victoria
- + New Zealand Racing Industry (3 Codes)
- + Northern Territory Thoroughbred Racing Industry
- + Queensland Racing Industry (3 Codes)
- + South Australian Racing Industry (3 Codes)
- + Tasmanian Racing Industry (3 Codes)
- + Victorian Racing Industry (3 Codes)
- + Vivid Sydney

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

He has a background in the public and private sectors, academia and has worked on various projects in the area of economic policy, including in the area of economic modelling. In particular, Barry has extensive experience in the use of both computable general equilibrium and input output models, regional economic development and cost benefit analysis.





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