

Western Australian Racing Industry

ECONOMIC AND SOCIAL IMPACT STUDY

Regional Summary

SOUTH WEST



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 South West region.





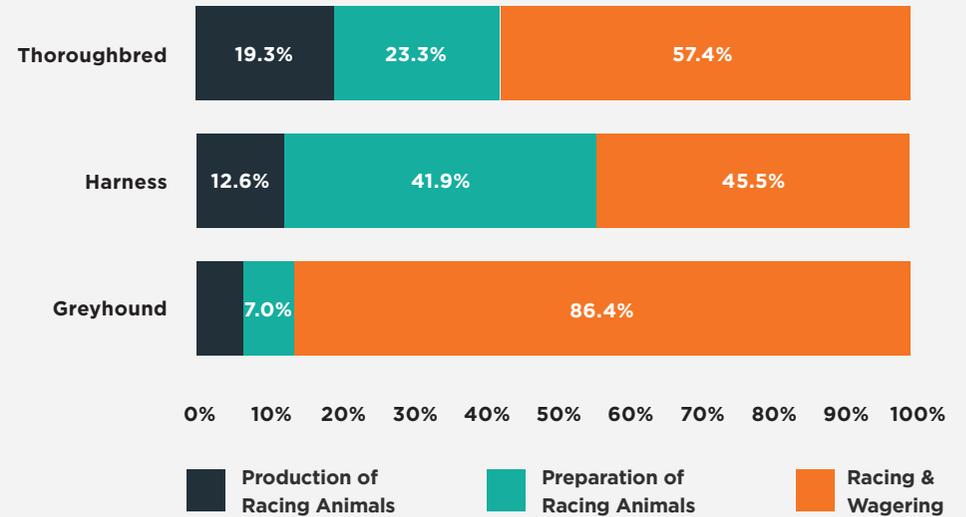
Key Racing Impacts

- + The South West is located in the south-western corner of Australia and covers an area of nearly 24,000 square kilometres. Western Australia's most popular tourist destination, the South West boasts a unique biodiversity hotspot which includes a rich and varied natural environment. The population of the South West region is 190,000 (Royalties for Regions, 2017).
- + There is a total of six racing clubs operating in the region, four of which are harness clubs, with two thoroughbred racing clubs.
- + The racing industry in the South West region is responsible for generating more than \$93.7 million in value-added contribution to Gross State Product. This equates to 9.7% 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 814 full time equivalent (FTE) jobs in the region.





PROPORTION OF DIRECT SPENDING BY CODE



In **2018/19** the racing industry in the **South West region** was responsible for generating close to **\$94 million** in **value added** contribution

ECONOMIC IMPACT

	Thoroughbred	Harness	Greyhound	Total
Breeding expenditure	\$11.7 mil	\$2.4 mil	\$0.2 mil	\$14.4 mil
Training expenditure	\$14.1 mil	\$8.1 mil	\$0.2 mil	\$22.5 mil
Total direct expenditure	\$60.7 mil	\$19.3 mil	\$3.4 mil	\$83.4 mil
Total value added	\$68.3 mil	\$21.7 mil	\$3.7 mil	\$93.7 mil
Full-time equivalent employment	593	187	34	814

*Some totals may not add due to rounding

Racing in the South West Region

RACING CLUBS IN THE REGION

Thoroughbred

- +Bunbury Turf Club
- +Collie Race Club (Inc)

Harness

- +Bridgetown Harness Racing Club
- +Bunbury Trotting Club
- +Busselton Trotting Club
- +Collie Harness Racing Club

AT A GLANCE

6 Racing Clubs

THOROUGHBRED	2
HARNESS	4

62 Race Meetings

THOROUGHBRED	22
HARNESS	40

492 Races

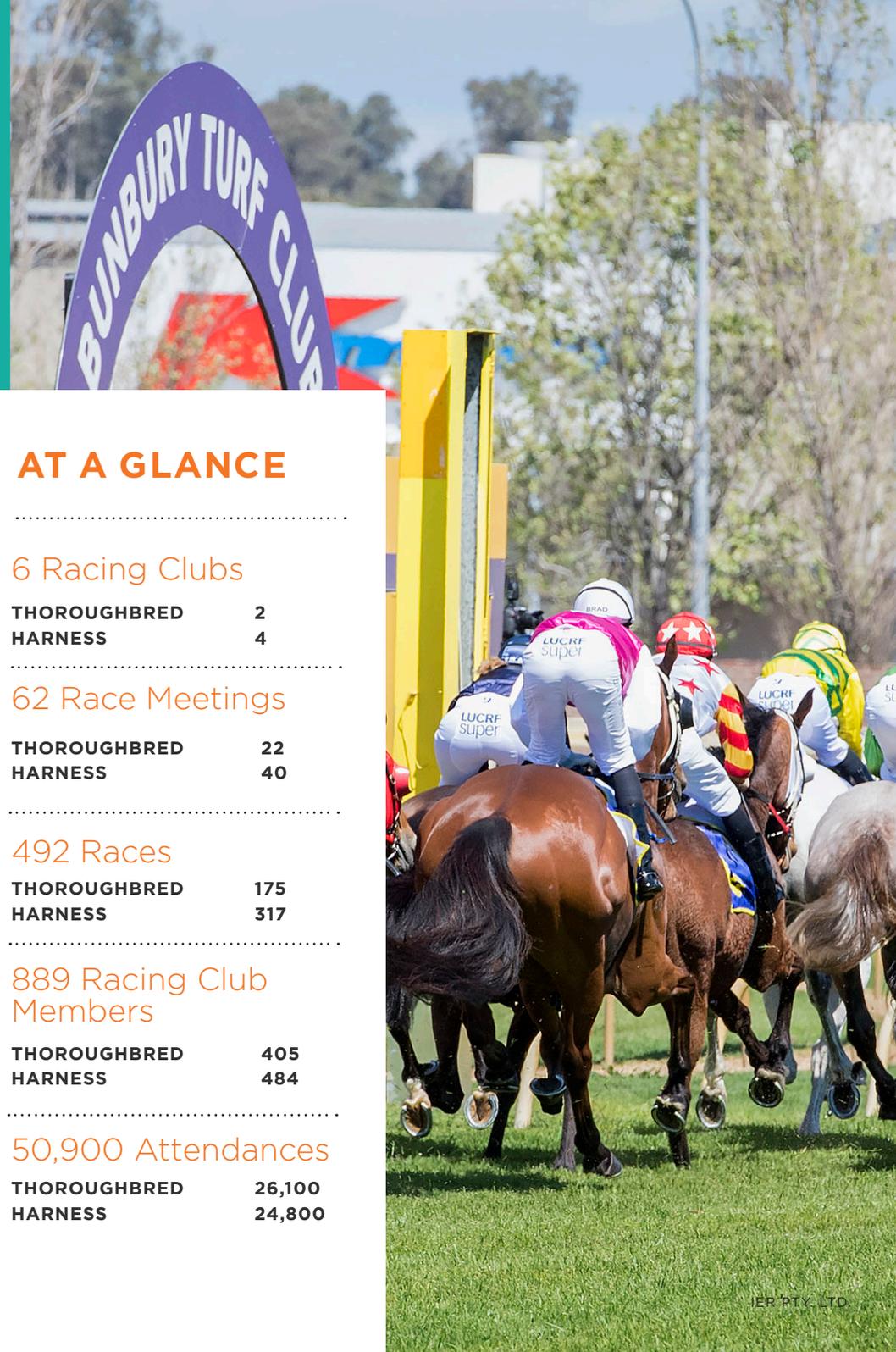
THOROUGHBRED	175
HARNESS	317

889 Racing Club Members

THOROUGHBRED	405
HARNESS	484

50,900 Attendances

THOROUGHBRED	26,100
HARNESS	24,800



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 2,732 (11.2%) of these individuals in the South West region.

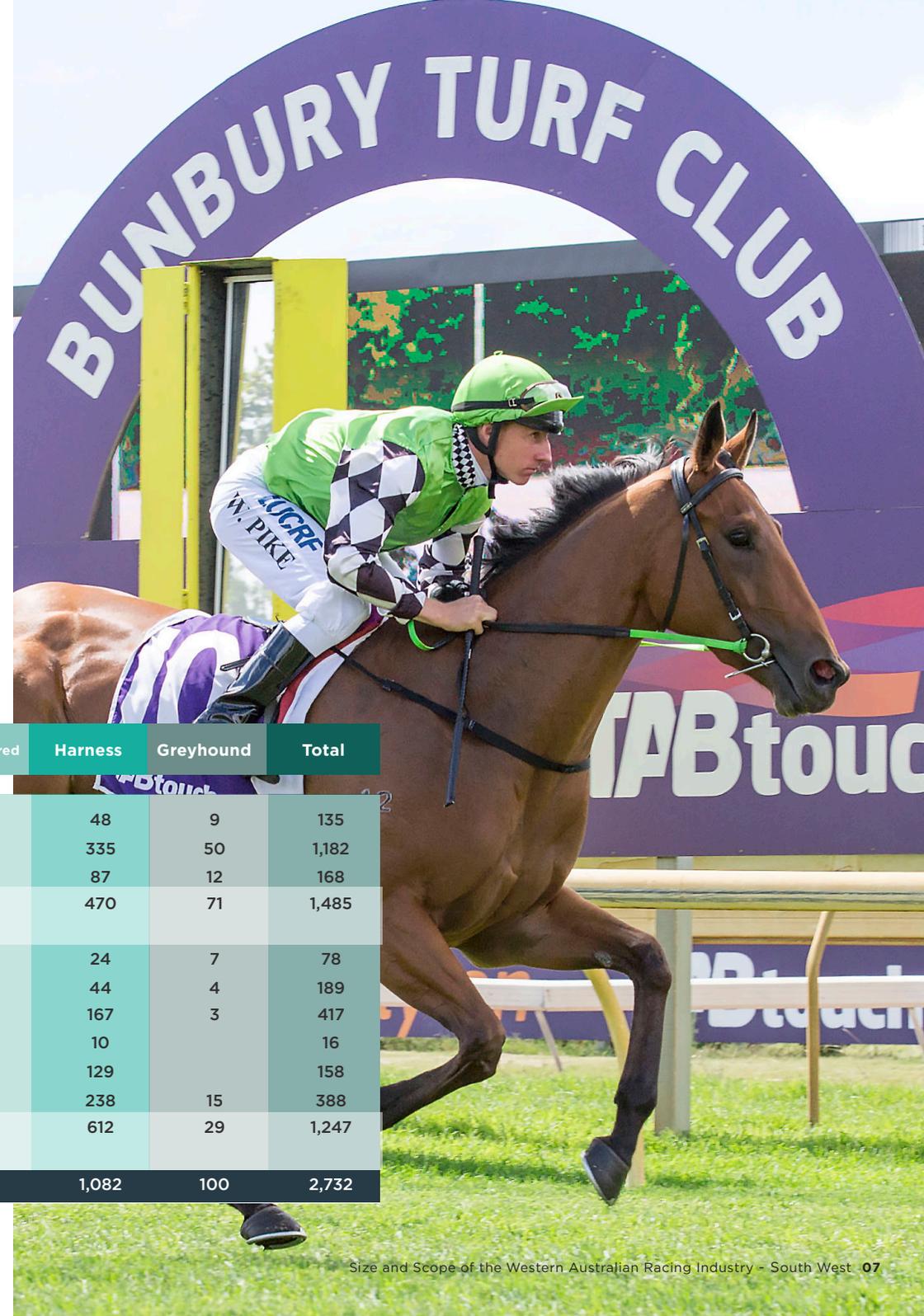
It is important to acknowledge that a significant number of participants have skills that are not easily transferable to other employment sectors. In particular, trainers, jockeys, drivers and breeders represent a segment of society whose investment in skills and infrastructure make them heavily reliant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

There are **2,732 people** who **participate** in the racing industry in the **South West region**

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Harness	Greyhound	Total
Breeders	78	48	9	135
Owners/Syndicate Members	797	335	50	1,182
Trainers	69	87	12	168
Total Participants in Producing Racing Animals	944	470	71	1,485
Breeders' Staff	47	24	7	78
Stable/Kennel Employees	141	44	4	189
Racing Club & Industry Staff	247	167	3	417
Jockeys, Drivers & Apprentices	6	10		16
Racing Club Volunteers	29	129		158
Volunteers Assisting Participants	135	238	15	388
Total Participants in Producing Racing Product	606	612	29	1,247
Total Participants	1,550	1,082	100	2,732

*Some totals may not add due to rounding



Breeding and Training in the South West 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 \$36.9 million (16.5%) of the breeding and training expenditure occurs within the South West region.

BREEDING

135 Breeders

THOROUGHBRED	78
HARNESS	48
GREYHOUND	9

21 Registered Stallions & Sires

THOROUGHBRED	19
HARNESS	2

404 Foals & Pups Produced

THOROUGHBRED	264
HARNESS	98
GREYHOUND	42

562 Broodmares and Breeding Females Covered

THOROUGHBRED	412
HARNESS	147
GREYHOUND	3





TRAINING

1,182 Owners & Syndicate Members

THOROUGHBRED	797
HARNESS	335
GREYHOUND	50

168 Trainers

THOROUGHBRED	69
HARNESS	87
GREYHOUND	12

699 Horses & Greyhounds in Training

THOROUGHBRED	327
HARNESS	337
GREYHOUND	35

Community and Social Benefits

Activities associated with racing play an important role in the development and preservation of social and community benefits throughout the South West 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

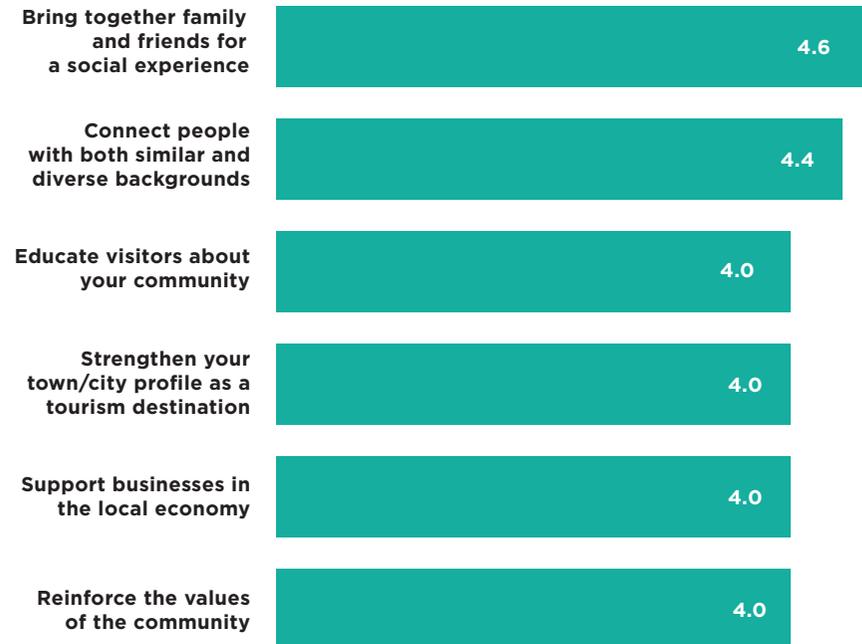
trust and respect of the communities in which the racing club operates is also extremely valuable.

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 South West 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 South West 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' (4.6) and to 'Connect people with both similar and diverse backgrounds' (4.4). 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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