

Western Australian Racing Industry

ECONOMIC AND SOCIAL IMPACT STUDY

Regional Summary

PEEL



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 Peel region.



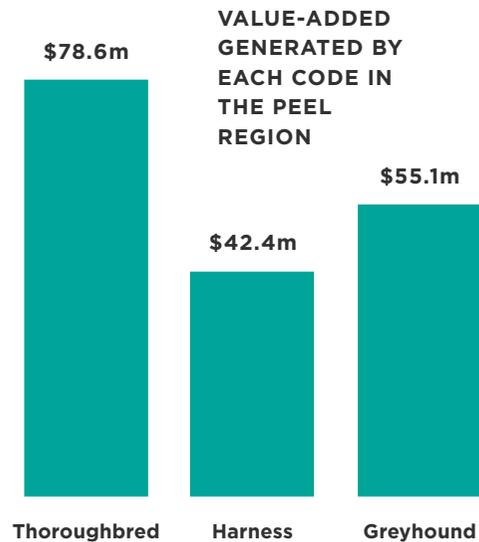


Key Racing Impacts

- + The Peel region is located only 75 kilometres south of Perth, with a diverse landscape incorporating 50 kilometres of pristine coastline and urban, agricultural and horticultural land. With a coastal plain bordered inland by the Darling Scarp, the Peel region is situated amongst the highest rainfall areas of South Western Australia. This climate, along with 23 rivers, streams and creeks, provides an extensive wetland system that is of international and national significance, supporting diverse and unique flora and fauna. The population of the Peel region is 136,854 (Royalties for Regions, 2017).
- + There is a total of three racing clubs operating in the region, two of which are harness racing

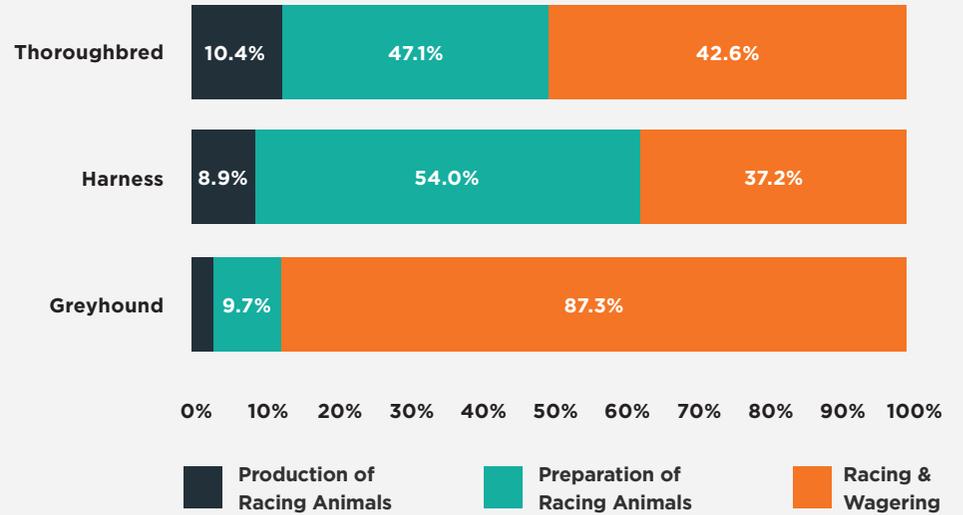
clubs and one thoroughbred racing club. Mandurah greyhound racing track is located in the Peel region, forming part of the WA Greyhound Racing Association.

- + The racing industry in the Peel region is responsible for generating more than \$176.2 million in value added contribution to Gross State Product. This equates to 18.2% 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 1,548 full time equivalent (FTE) jobs in the region.





PROPORTION OF DIRECT SPENDING BY CODE



In **2018/19** the racing industry in the **Peel region** was responsible for generating more than **\$176 million** in **value added** contribution

ECONOMIC IMPACT

	Thoroughbred	Harness	Greyhound	Total
Breeding expenditure	\$7.3 mil	\$3.4 mil	\$1.5 mil	\$12.1 mil
Training expenditure	\$33.0 mil	\$20.4 mil	\$4.9 mil	\$58.4 mil
Total direct expenditure	\$70.2 mil	\$37.9 mil	\$50.3 mil	\$158.4 mil
Total value added	\$78.6 mil	\$42.4 mil	\$55.1 mil	\$176.2 mil
Full-time equivalent employment	681	366	501	1,548

*Some totals may not add due to rounding

Racing in the Peel Region

RACING CLUBS IN THE REGION

Thoroughbred

- + Pinjarra Race Club

Harness

- + Pinjarra Harness Racing Club (Inc)
- + Williams Harness Racing Club (Inc)

AT A GLANCE

3 Racing Clubs

THOROUGHBRED	1
HARNESS	2

230 Race Meetings

THOROUGHBRED	23
HARNESS	52
GREYHOUND	155

2,355 Races

THOROUGHBRED	192
HARNESS	440
GREYHOUND	1,723

555 Racing Club Members

THOROUGHBRED	350
HARNESS	205

83,750 Attendances

THOROUGHBRED	26,500
HARNESS	26,250
GREYHOUND	31,000



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 3,095 (12.6%) of these individuals in the Peel 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 **3,095 people** who **participate** in the racing industry in the **Peel region**



PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Harness	Greyhound	Total
Breeders	74	74	56	204
Owners/Syndicate Members	538	449	199	1,186
Trainers	85	153	69	307
Total Participants in Producing Racing Animals	697	676	324	1,697
Breeders' Staff	45	37	44	126
Stable/Kennel Employees	195	83	24	302
Racing Club & Industry Staff	140	32	102	274
Jockeys, Drivers & Apprentices	14	16		30
Racing Club Volunteers	9	28		37
Volunteers Assisting Participants	150	390	89	628
Total Participants in Producing Racing Product	552	586	259	1,398
Total Participants	1,249	1,262	583	3,095

*Some totals may not add due to rounding

Breeding and Training in the Peel 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 \$70.5 million (31.6%) of the breeding and training expenditure occurs within the Peel region.

BREEDING

204 Breeders

THOROUGHBRED	74
HARNESS	74
GREYHOUND	56

22 Registered Stallions & Sires

THOROUGHBRED	11
HARNESS	5
GREYHOUND	6

586 Foals & Pups Produced

THOROUGHBRED	180
HARNESS	124
GREYHOUND	282

545 Broodmares and Breeding Females Covered

THOROUGHBRED	280
HARNESS	222
GREYHOUND	43





TRAINING

1,186 Owners & Syndicate Members

THOROUGHBRED	538
HARNESS	449
GREYHOUND	199

307 Trainers

THOROUGHBRED	85
HARNESS	153
GREYHOUND	69

2,187 Horses & Greyhounds in Training

THOROUGHBRED	619
HARNESS	851
GREYHOUND	717

Community and Social Benefits

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

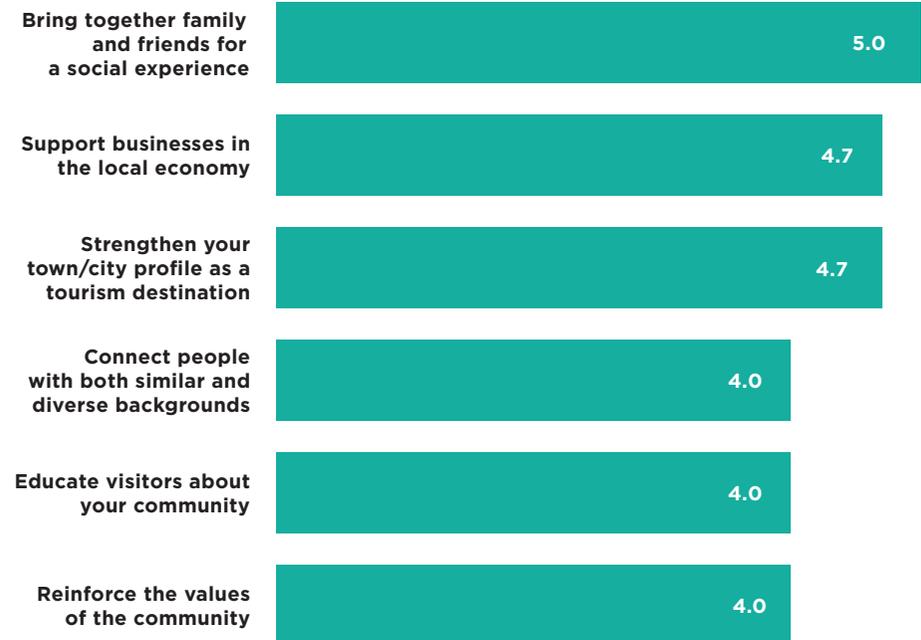
racing club operates is also extremely valuable.

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 Peel 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 Peel 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' (5.0), to 'Support businesses in the local economy' (4.7) and to 'Strengthen your town/city profile as a tourism destination' (4.7). 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.



