

Western Australian Racing Industry

# ECONOMIC AND SOCIAL IMPACT STUDY

Regional Summary

## SOUTH WEST



PREPARED BY IER | MAY 2023



FOCUSED EVENT THINKING



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 2021/22 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.







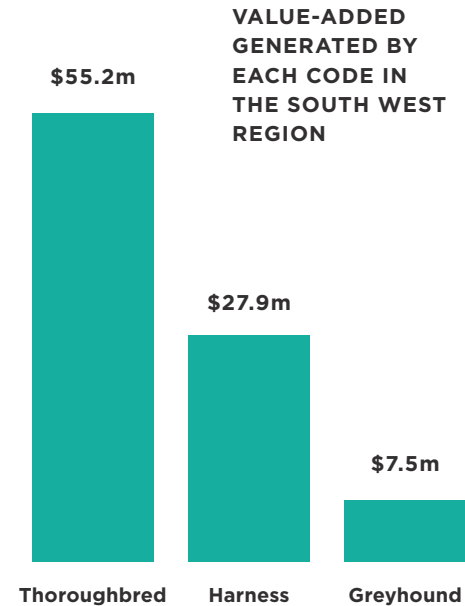


# Key Racing Impacts

- ✦ 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 190,637 (Census, 2021).
- ✦ There is a total of six race clubs operating in the region, four of which are harness clubs, with two thoroughbred race clubs.
- ✦ Racing in the South West region is responsible for generating more than \$90.5 million in value-added contribution to Gross State Product.

This equates to 6.8% of the total impact generated by the Western Australian racing industry.

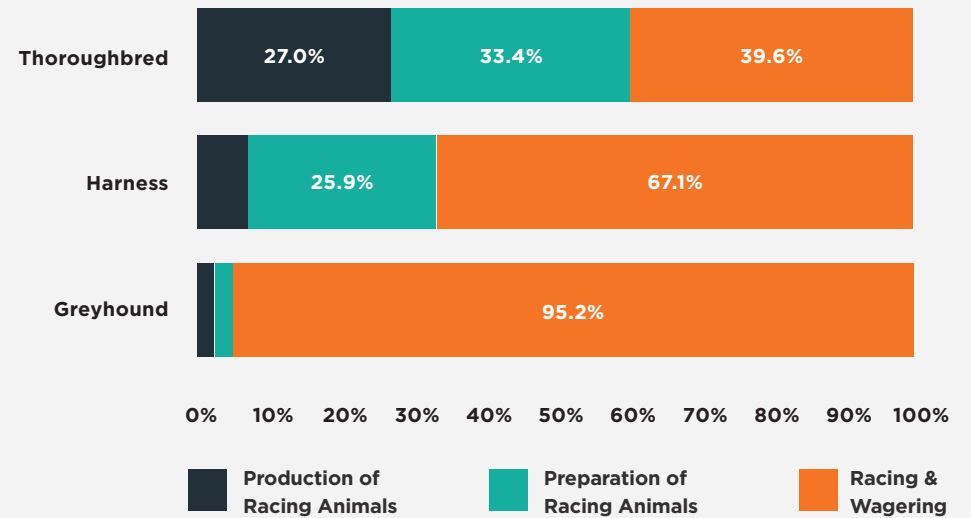
- ✦ The economic impact generated by the racing industry in this region is responsible for sustaining a total of 668 full-time equivalent (FTE) jobs in the region.







#### PROPORTION OF DIRECT SPENDING BY CODE



In **2021/22** the racing industry in the **South West region** was responsible for generating close to **\$91 million in value added** contribution

#### ECONOMIC IMPACT

	Thoroughbred	Harness	Greyhound	Total
Breeding expenditure	\$12.2m	\$1.6m	\$0.1m	\$14.0m
Training expenditure	\$15.1m	\$5.9m	\$0.1m	\$21.2m
Total direct expenditure	\$45.3m	\$22.9m	\$6.0m	\$74.2m
Total value-added	\$55.2m	\$27.9m	\$7.5m	\$90.5m
Full-time equivalent employment	400	213	55	668

\*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

<b>THOROUGHBRED</b>	<b>2</b>
<b>HARNESS</b>	<b>4</b>

### 39 Race Meetings

<b>THOROUGHBRED</b>	<b>1</b>
<b>HARNESS</b>	<b>38</b>

### 295 Races

<b>THOROUGHBRED</b>	<b>6</b>
<b>HARNESS</b>	<b>289</b>

### 730 Racing Club Members

<b>THOROUGHBRED</b>	<b>375</b>
<b>HARNESS</b>	<b>355</b>

### 51,800 Attendances

<b>THOROUGHBRED</b>	<b>20,600</b>
<b>HARNESS</b>	<b>31,200</b>





# Participants in Racing

There are 25,017 individuals participating in the racing industry as an employee, volunteer or participant in Western Australia. Overall, there are 2,934 (11.7%) 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 **2,934 people** who **participate** in the racing industry in the **South West region**

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Harness	Greyhound	Total
Breeders	78	114	9	201
Owners/syndicate members	780	400	35	1,215
Trainers	61	73	9	143
<b>Total participants in producing racing animals</b>	<b>919</b>	<b>587</b>	<b>53</b>	<b>1,559</b>
Breeders' staff	47	57	7	112
Stable/kennel employees	145	56	3	204
Racing club & industry staff	196	132	0	328
Jockeys, drivers & apprentices	4	6	0	10
Racing club volunteers	59	95	0	154
Volunteers assisting participants	148	407	13	567
<b>Total participants in producing racing product</b>	<b>599</b>	<b>753</b>	<b>23</b>	<b>1,375</b>
<b>Total</b>	<b>1,518</b>	<b>1,340</b>	<b>76</b>	<b>2,934</b>

\*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.

Close to \$237 million is spent on the breeding and training of thoroughbreds, standardbreds and greyhounds in Western Australia. Overall, approximately \$35.2 million (14.9%) of the breeding and training expenditure occurs within the South West region.

## BREEDING

### 201 Breeders

<b>THOROUGHBRED</b>	<b>78</b>
<b>HARNES</b>	<b>114</b>
<b>GREYHOUND</b>	<b>9</b>

### 23 Registered Stallions & Sires

<b>THOROUGHBRED</b>	<b>19</b>
<b>HARNES</b>	<b>4</b>

### 333 Foals & Pups Produced

<b>THOROUGHBRED</b>	<b>267</b>
<b>HARNES</b>	<b>48</b>
<b>GREYHOUND</b>	<b>18</b>

### 536 Broodmares and Breeding Females Covered

<b>THOROUGHBRED</b>	<b>434</b>
<b>HARNES</b>	<b>99</b>
<b>GREYHOUND</b>	<b>4</b>







## TRAINING

1,215 Owners & Syndicate Members

<b>THOROUGHBRED</b>	<b>780</b>
<b>HARNESS</b>	<b>400</b>
<b>GREYHOUND</b>	<b>35</b>

143 Trainers

<b>THOROUGHBRED</b>	<b>61</b>
<b>HARNESS</b>	<b>73</b>
<b>GREYHOUND</b>	<b>9</b>

589 Horses & Greyhounds in Training

<b>THOROUGHBRED</b>	<b>264</b>
<b>HARNESS</b>	<b>304</b>
<b>GREYHOUND</b>	<b>21</b>



# 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

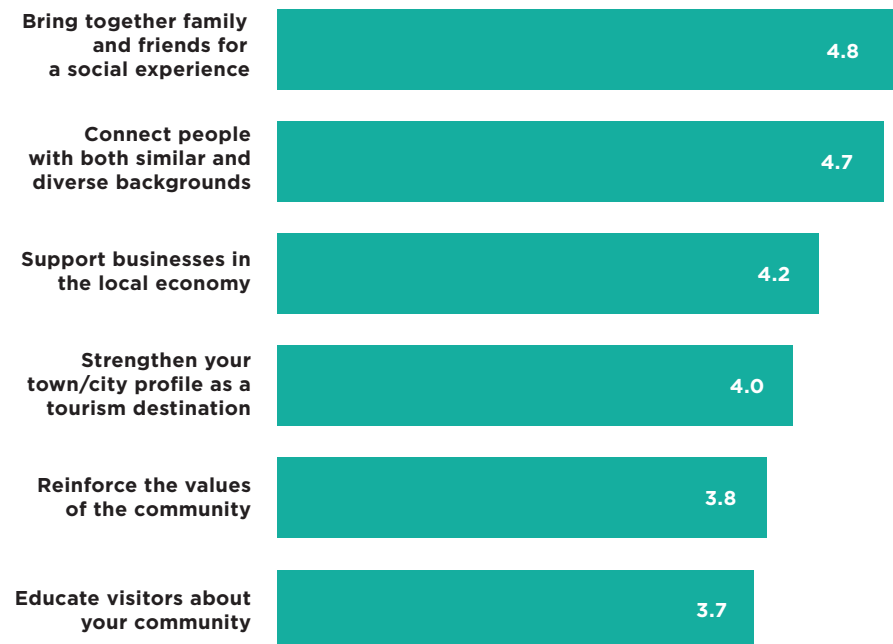
trust and respect of the communities in which the racing club operates is also extremely valuable.

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' (4.8) and to 'Connect people with both similar and diverse backgrounds' (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 sporting industries. For over 20 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 racing industries in Australia, New Zealand and Asia over this time.

This study constitutes an economic and social impact evaluation of the thoroughbred, harness and greyhound racing industry in WA.

It has been developed utilising the following source data:

- + Registration data relating to participants and animals
- + Breeding and training expenditure data captured from surveys with racing participants
- + Expenditure and taxation data provided by wagering operators throughout Australia
- + Data provided by the RWWA and race clubs

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:

- + Australian greyhound racing industry
- + Australian thoroughbred racing industry
- + New South Wales greyhound racing industry
- + New South Wales harness racing industry

- + New Zealand racing industry (3 Codes)
- + Northern Territory thoroughbred racing industry
- + Queensland racing industry (3 Codes)
- + Australian Football League
- + Tasmanian racing industry (3 Codes)
- + Victorian racing industry (3 Codes)

The economic modelling for this study was undertaken by Associate 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. He has undertaken a number of these studies and projects with the Sustainable Tourism Cooperative Research Centre.







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electrical group

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and recycling services

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