

ECONOMIC, SOCIAL AND
COMMUNITY BENEFITS OF THE
SOUTH AUSTRALIAN
RACING
INDUSTRY



FOCUSED THINKING

PREPARED BY IER | JUNE 2024



RACING
SA



Greyhound
RACING SA



HARNESS
RACING SA





Contents

KEY FINDINGS	08
INTRODUCTION	12
ECONOMIC IMPACTS	16
EMPLOYMENT AND SUPPLY	20
RACING'S PARTICIPANTS AND ANIMALS	26
THE TRAINING INDUSTRY	38
RACING CLUBS, ASSOCIATIONS AND AUTHORITIES	52
SOCIAL AND COMMUNITY ENGAGEMENT	66
REGIONAL SUMMARIES	76
APPENDIX	90



THOROUGHBRED SUMMARY

ECONOMIC IMPACTS



DIRECT IMPACT	\$149.7m
INDIRECT IMPACT	\$320.9m



DIRECT IMPACT	1,723
INDIRECT IMPACT	1,783

THE PEOPLE

INDIVIDUALS ENGAGED WITHIN THE INDUSTRY



TOTAL | 8,282

RACING CLUBS



RACING MEETINGS



ATTENDANCES



HORSES IN TRAINING



BROODMARES COVERED



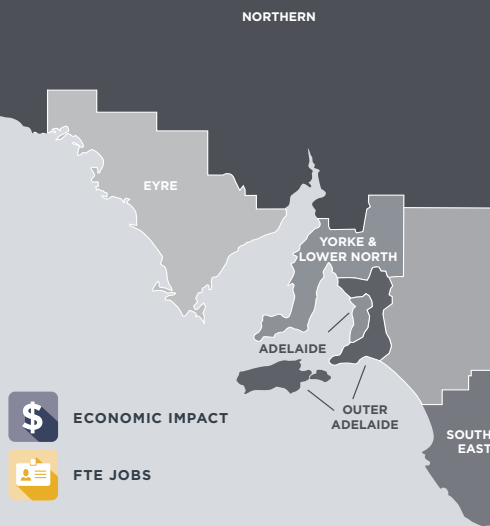
LIVE FOALS



THE SOUTH AUSTRALIAN THOROUGHBRED RACING INDUSTRY GENERATES CLOSE TO \$470.6M IN ECONOMIC VALUE

ECONOMIC IMPACT BY REGION

ADELAIDE	\$ \$310.2m	2,266
EYRE	\$ \$14.0m	108
MURRAYLANDS	\$ \$45.2m	348
NORTHERN	\$ \$14.4m	114
OUTER ADELAIDE	\$ \$53.9m	411
SOUTH EAST	\$ \$21.3m	167
YORKE AND LOWER NORTH	\$ \$11.7m	92



SOUTH AUSTRALIAN THOROUGHBRED RACING CLUB COMMUNITY AGREEMENT STATEMENTS

Bring together family and friends for a social experience	4.5
Strengthens your town/city's profile as a tourism destination	4.3
Support businesses in the local economy	4.3
Connect people with both similar and diverse backgrounds	4.3
Reinforce the values of the community	3.9
Educate visitors about your community	3.7

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

GREYHOUND SUMMARY

ECONOMIC IMPACTS



DIRECT IMPACT	\$38.2m
INDIRECT IMPACT	\$86.9m



DIRECT IMPACT	429
INDIRECT IMPACT	489

THE PEOPLE

INDIVIDUALS ENGAGED WITHIN THE INDUSTRY



TOTAL | 2,054

RACING CLUBS



RACING MEETINGS



ATTENDANCES



GREYHOUNDS IN TRAINING



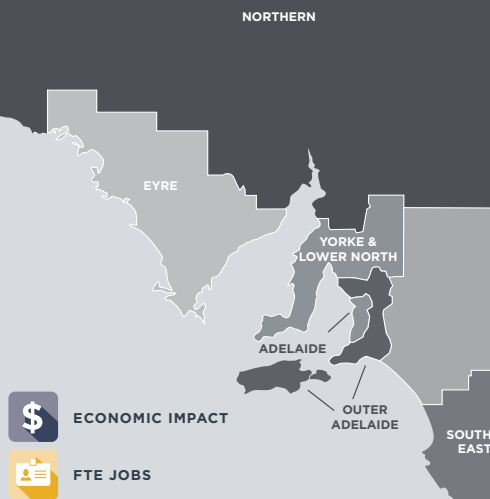
BREEDING FEMALES COVERED PUPS



THE SOUTH AUSTRALIAN GREYHOUND RACING INDUSTRY GENERATES CLOSE TO \$125.0M IN ECONOMIC VALUE

ECONOMIC IMPACT BY REGION

Region	Economic Impact	FTE Jobs
ADELAIDE	\$87.7m	633
EYRE	\$0.9m	7
MURRAYLANDS	\$9.4m	73
NORTHERN	\$1.7m	13
OUTER ADELAIDE	\$13.8m	102
SOUTH EAST	\$10.1m	80
YORKE AND LOWER NORTH	\$1.4m	11



SOUTH AUSTRALIAN GREYHOUND RACING CLUB COMMUNITY AGREEMENT STATEMENTS

Support businesses in the local economy	5.0
Bring together family and friends for a social experience	4.8
Connect people with both similar and diverse backgrounds	4.6
Reinforce the values of the community	4.0
Educate visitors about your community	4.0
Strengthens your town/city's profile as a tourism destination	4.0

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

HARNESSES SUMMARY

ECONOMIC IMPACTS



DIRECT IMPACT	\$23.9m
INDIRECT IMPACT	\$50.2m



DIRECT IMPACT	267
INDIRECT IMPACT	280

THE PEOPLE

INDIVIDUALS ENGAGED WITHIN THE INDUSTRY



TOTAL | 1,923

RACING CLUBS



RACING MEETINGS



ATTENDANCES



HORSES IN TRAINING



BROODMARES COVERED

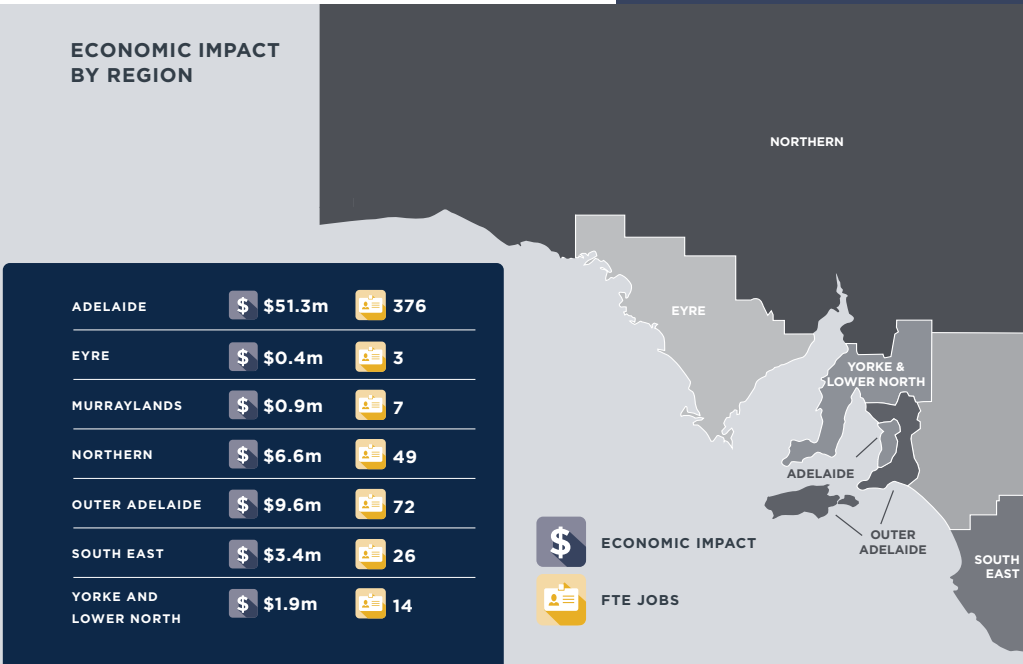


LIVE FOALS

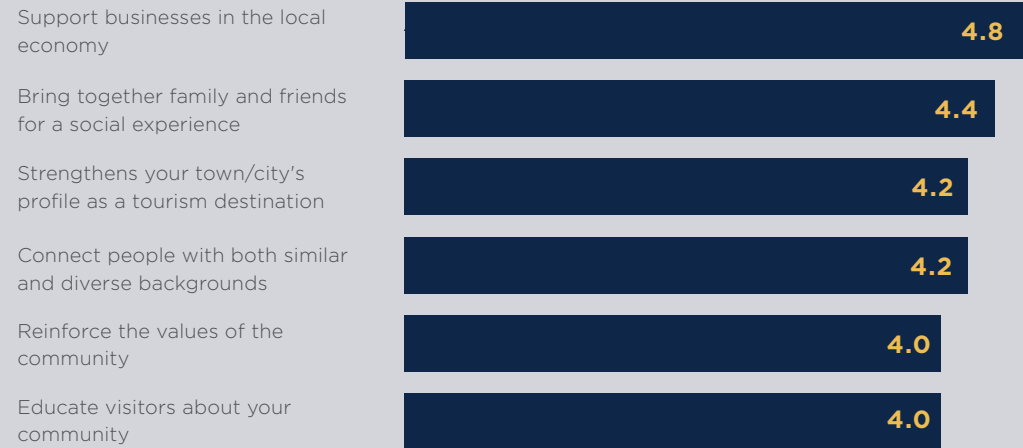


THE SOUTH AUSTRALIAN HARNESSES RACING INDUSTRY GENERATES CLOSE TO \$74.0M IN ECONOMIC VALUE

ECONOMIC IMPACT BY REGION



SOUTH AUSTRALIAN HARNESSES RACING CLUB COMMUNITY AGREEMENT STATEMENTS



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

KEY FINDINGS

In 2022/23 the South Australian racing industry was responsible for **generating close to \$670 million in value added contribution** to the South Australian economy – **33% of which directly benefits regional economies**

In 2022/23, the South Australian racing industry generated total direct spending of \$573.1 million. This expenditure was responsible for creating a direct value added impact (in terms of wages, salaries and profits) of \$211.8 million. However, the flow-on effects linked to this expenditure increase the size of the industry's value added contribution to over \$669.7 million.

Overall 67% of the total value added impact occurred in metropolitan areas of South Australia, with the Outer Adelaide (11.5%) and Murraylands (8.3%) regions representing the largest regional areas of racing related economic activity.

The economic output generated by the South Australian racing industry was directly responsible for sustaining 2,419 full time equivalent (FTE) jobs across the state. When flow-on employment impacts are considered, the total FTE impact generated by the South Australian racing industry rose to 4,971 jobs. This total represents the employment sustained within the industry, as well as the employment that is sustained in supply industries who meet the demand created by racing industry activity.

DIRECT SPENDING IMPACTS

	Thoroughbred	Greyhound	Harness	Total
Total Direct Expenditure ¹	\$402.3m	\$106.5m	\$64.4m	\$573.1m

ECONOMIC IMPACTS

	Thoroughbred	Greyhound	Harness	Total
Total Value Added ²	\$470.6m	\$125.0m	\$74.0m	\$669.7m
% of Industry Value Added	70.3%	18.7%	11.1%	
Total Household Income ³	\$269.4m	\$73.0m	\$41.9m	\$384.2m
Total FTE Employment	3,505	918	547	4,971

¹ Direct expenditure is defined as expenditure associated with producing foals and pups (breeding & rearing), preparing racing horses and greyhounds (training), racing customer expenditure and expenditure by Racing South Australia, Greyhound Racing South Australia, Harness Racing South Australia and racing clubs on operating the industry. Direct expenditure is counted at the point at which it leaves the racing industry and reaches the broader economy.

² Value added contribution is defined as the value of sales less the value of inputs used in production, i.e. it is equal to the income (wages, salaries and profits) generated in production

³ Household Income is defined as being wages and salaries (before tax) earned from employment generated by the racing industry



Of the **4,971 FTE jobs sustained** by the South Australian racing industry around **49% are the direct result of the racing industry activity** whilst the remainder support down-the-line industries that **produce and supply goods and services** for racing in South Australia



In 2022/23, more than 267,150 attendances were recorded at thoroughbred, harness and greyhound race meetings in South Australia.

More than 51% of these attendances were made at racecourses within the Adelaide metropolitan areas, with South East (14.8%) and Outer Adelaide (10.7%) regions representing the largest volume of attendances outside Adelaide.

Participants are the lifeblood of the racing industry. They provide the investment, time, skills and passion that underpins horse and greyhound racing in the state. In total, there are over 11,400 individuals who participate in the South Australian racing industry. Many of these

people enjoy gainful employment of their specific skillset where they may find limited opportunities otherwise - particularly in the breeding, training and racing related disciplines. Furthermore, many participants hold more than one role within the industry.

The industry is supported by over 2,100 volunteer roles who provide their time and resources. For many of these people, local racing clubs and participants are an important part of their community and provide valuable opportunities to stay active and engage with their community.

AT A GLANCE

RACING ACTIVITY

38 Racing Clubs

THOROUGHBRED	25
GREYHOUND	5
HARNESS	8

731 TAB Race Meetings

THOROUGHBRED	170
GREYHOUND	436
HARNESS	125

22 Non-TAB Race Meetings

THOROUGHBRED	10
GREYHOUND	12
HARNESS	0

7,458 Total Races

THOROUGHBRED	1,410
GREYHOUND	5,106
HARNESS	942

There are about **14 race meetings held in South Australia** every week providing live entertainment to **more than 267,100 attendees each year**

267,152 Attendances

THOROUGHBRED	168,462
GREYHOUND	66,240
HARNESS	32,450

977 Live Foals/ Pups Bred

THOROUGHBRED	463
GREYHOUND	476
HARNESS	38

6,207 Horses and Greyhounds in Training

THOROUGHBRED	3,064
GREYHOUND	1,932
HARNESS	1,211



AT A GLANCE

THE PEOPLE

502 Breeders

THOROUGHBRED	265
GREYHOUND	118
HARNESS	119

6,421 Owners & Syndicate Members

THOROUGHBRED	4,703
GREYHOUND	1,052
HARNESS	666

682 Trainers

THOROUGHBRED	268
GREYHOUND	220
HARNESS	194

1,374 Racing Club & Industry Staff

THOROUGHBRED	1,076
GREYHOUND	214
HARNESS	84

1,008 Staff employed by participants

THOROUGHBRED	517
GREYHOUND	210
HARNESS	281

There are **12,259 roles occupied** in the South Australian racing industry as an **employee, participant or volunteer**. More than **55% of these roles** in racing are in **regional communities**

139 Jockeys & Drivers

THOROUGHBRED	47
HARNESS	92

2,133 Volunteers

THOROUGHBRED	1,405
GREYHOUND	240
HARNESS	488

INTRODUCTION

In July 2023, the three codes of racing commissioned a study into the size and scope of racing in South Australia. The last three code size and scope study was undertaken in 2011/12.

PURPOSE OF THE STUDY

This study aims to quantify the economic, employment and social contribution that the South Australian racing industry generates within the state of South Australia. The report focuses on the whole of state impacts as well as looking at specific outcomes for regional areas. The key focus of the study is to investigate the following outcomes attributable to the racing industry:

- + The full-time equivalent employment generated by racing industry activities in South Australia
- + The number of participants (i.e. trainers, breeders etc.) in the industry
- + The total direct expenditure contribution that the industry makes, in its current form, to the South Australian economy
- + The value added contribution that the industry generates within the South Australian economy
- + The social and community importance of thoroughbred, harness and greyhound racing – particularly in regional parts of the State

STUDY METHODOLOGY

In assessing the size and scope of the racing industry, the study will take into account a number of the traditional measures adopted by the racing industry (such as breeding and training activities, attendance and wagering) as well as calculating a number of economic measures.

For the purpose of this study, the racing industry is defined as covering the full spectrum of activities associated with the conduct of thoroughbred, harness and greyhound racing in South Australia.

The data that underpins this study has been gathered from a number of sources. These are outlined below:

- + Racing SA, Greyhound Racing SA (GRSA) and Harness Racing SA (HRSA) provided financials, wagering data and data related to racing activities
- + Racing clubs provided financial data as well as data relating to their club and raceday operations
- + Australian Stud Book, OzChase, RISE Racing Pty Ltd provided breeding and training related data
- + Racing Australia provided thoroughbred racing and participant data
- + IER also interviewed a number of breeders, trainers and owners in order to build a profile of the cost of production and preparation of racing horses and greyhounds.

Throughout the report, data has been presented at the State and regional level. The regional level analysis is based on key areas of the Australian Statistical Geography Standard (ASGS) Statistical Division level framework used in previous reporting, recreated using the LGA structure.





This study also provides an estimate of the number of people involved in racing as a licensed participant, volunteer or employee. There is some level of duplication in some of the participation categories resulting from an inability to de-duplicate individual databases. Conversely, it is widely acknowledged that there is a cohort of individuals, involved in racing, who are not accounted for in any official database (i.e. members of micro syndicates, members of companies or trusts which have ownership in racing horses and greyhounds). As such, when the report presents a sub-total of the participants in racing, these factors above should be considered.

ECONOMIC METHODOLOGY

The development of an economic model of the South Australian racing industry requires a strong understanding of the internal and external flows of money. Through the model, duplicate expenditures have been identified within this monetary framework and excluded from the total expenditure calculations. In this regard, the key is to identify the final expenditures - ensuring not to count the same expenditures as they flow between internal racing industry transactions.

This study measures the economic contribution made by the racing industry in South Australia. The final expenditure profile of the racing industry is based on the following key inputs:

- + production (breeding related activities) of racing horses and greyhounds - the expenditure generated by the breeding sector in maintaining mares, breeding females, foals and pups.

- + preparation (training related activities) of horses and greyhounds for racing the expenditure by owners and trainers on training services as well as other non-training related expenses such as major veterinary, transport etc.
- + racing club and industry expenditure - the expenditure generated by racing clubs and peak racing authorities on running their operations, businesses and events
- + other wagering operator expenditure - the net wagering revenues that flow to the Government (through wagering taxes) as well as expenditure by wagering operators to fund their operations in South Australia
- + racing customer off-track expenditure - expenditure made by racegoers, off-track, as part of their attendance at the races

The economic model used within this study follows three key steps:

1 Gathering Industry Expenditure This has been explained in more detail previously; however, this is the most important step as a failure to accurately generate the expenditure profile of the industry only leads to a multiplication of this error throughout the latter parts of the economic methodology.

2 Categorisation of industry expenditure into ANZSIC classifications The 'racing industry' does not exist within the Australian and New Zealand Standard Industry Classification (ANZSIC) structure. For modelling purposes, it is necessary to allocate direct expenditures to the appropriate industry sectors. The majority of expenditures are classified within their relevant ANZSIC codes. A number

of horse and greyhound racing activities are contained within ANZSIC classification R - Arts and Recreation Services, specifically within the following sectors:

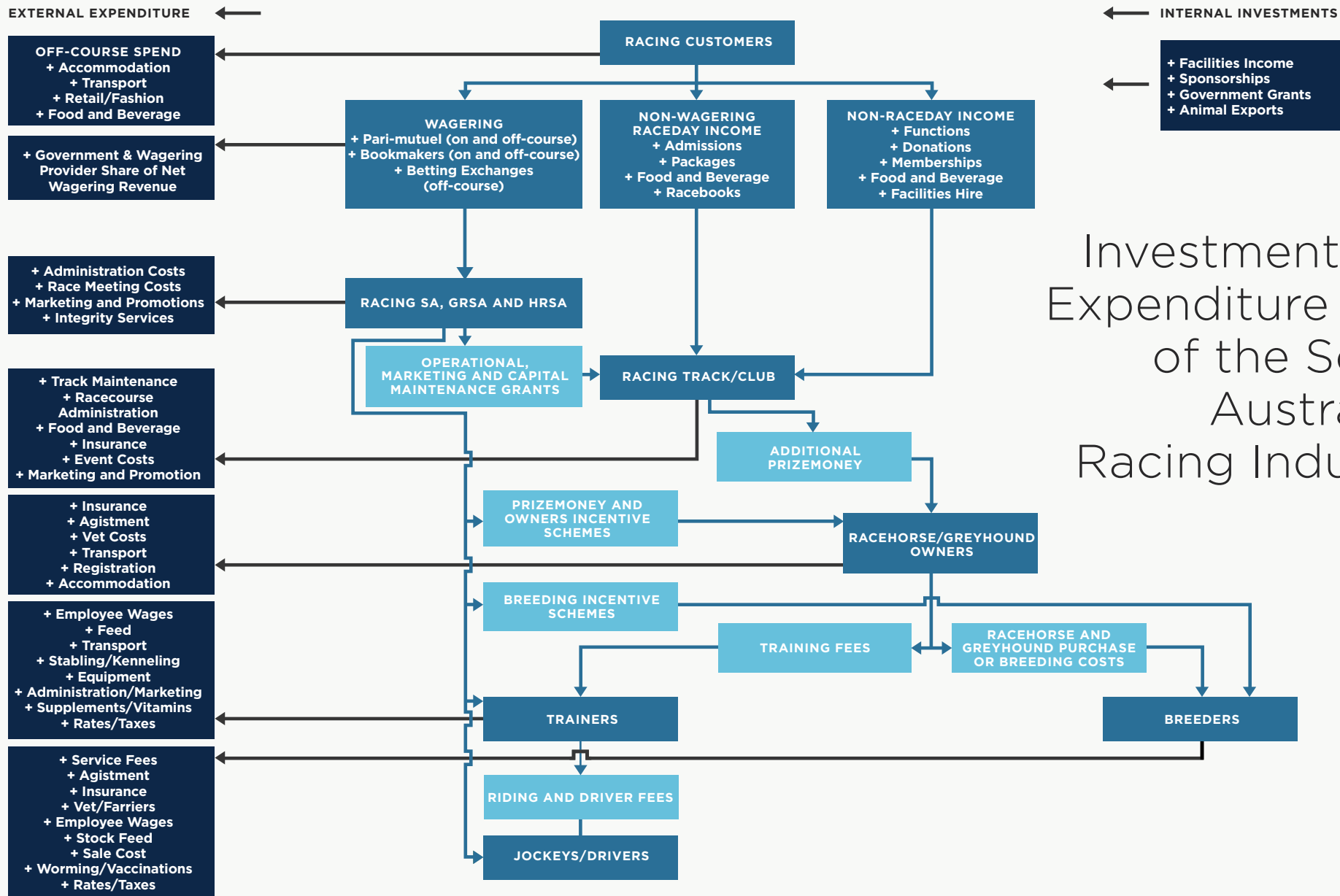
- a. R9114 - Sport and Physical Recreation Administration,
- b. R9121 - Horse and Dog Racing Activities,
- c. R9129 - Training and Racing Activities,
- d. R9209 - Other Gambling (Racing).

3 Economic modelling IER has utilised an input output methodology for the calculation of economic impacts associated with the racing industry in South Australia. The input output model provides direct and indirect impacts in relation to value added, income and employment.

Value added and employment are units of measurement that are based on economic multipliers derived from the national accounts. It is based on the level of value added and employment that is created within specific industry sectors in order to meet final demand expenditure.

In some regions, the report illustrates racing and economic activity despite the fact that one or more codes do not race in that region. This is generally a result of participation (i.e. ownership) and wagering occurring in those regions.

Please note: some tables in this report may not add up due to rounding.



Investment and Expenditure flow of the South Australian Racing Industry



Direct Spending by the South Australian racing industry

The calculation of economic impacts, as identified in this study, is predicated on determining the extent to which the South Australian racing industry contributes to the state economy. This is achieved by identifying the value of direct (or final) expenditures within the state as well as the subsequent direct and indirect flow-on impacts on the economy.

In 2022/23, the South Australian racing industry generated \$573.1 million in direct expenditure. The calculation of direct expenditure is based on the final expenditures of the racing industry

- or put another way - the point at which the expenditure leaves the internal racing industry and hits the broader economy. For instance, a raceday attendee who spends money at the bar at a racing event is generating expenditure within the racing industry. However, this expenditure is used by the racing club to fund its operations and it is at this level where final expenditures are captured (i.e. the customer funds the racing club's expenditure on wages, marketing and operations).

The South Australian racing industry is responsible for **generating \$573.1 million in expenditure** in South Australia. Close to 59% of this expenditure was **generated in metropolitan parts of the state.**

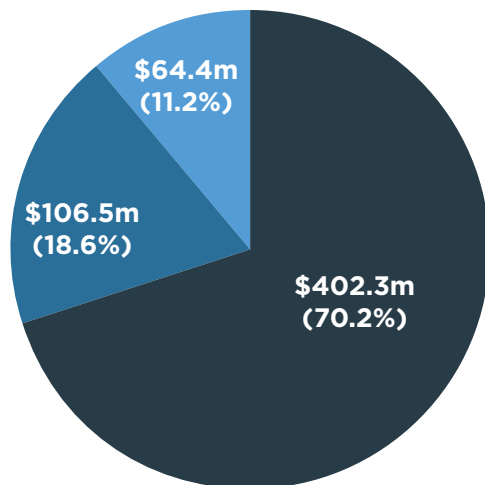
The breakdown of final expenditures is outlined below:

Sources of Final Expenditure	Funded by	Amount	% of Final Expenditure
Production of racing horses and greyhounds (Breeding)	+ Private investment + Service fees revenue + Industry bonuses & incentives	\$23.4m	4.1%
Preparation of racing horses and greyhounds (Training)	+ Private investment + Prizemoney + Industry bonuses & incentives	\$161.4m	28.2%
Racing Club & Industry Expenditure	+ Wagering product fees + Raceday revenues + Sponsorship & membership + Non-raceday revenues + Nominations	\$162.4m	28.3%
Other Wagering Operator Expenditure	+ Taxation on wagering revenue generated by the Racing South Australia product	\$194.0m	33.8%
Racing customer expenditure off-course	+ Private investment	\$31.9m	5.6%
Total		\$573.1m	

Thoroughbred racing is responsible for generating close to 70% of the final expenditures. Close to 58% of this expenditure was in metropolitan parts of the state. Greyhound racing is responsible for generating close to 19% of the final expenditures. Close to 62% of this expenditure is in metropolitan parts of the state. Harness racing is responsible for generating 11% of the final expenditures. Over 60% of this expenditure is in metropolitan parts of the state.

DIRECT SPENDING BY CODE (\$MIL)

- Thoroughbred
- Greyhound
- Harness



Economic Contribution of the Industry

The South Australian racing industry is responsible for generating a real gross value added contribution of \$669.7 million for the South Australian economy. Real gross value added is the generally accepted measure of the value of production from economic activity. It is the sum of value added by all industries in a region (in this case, all regions of South Australia). In any period of time, the value added contribution in an industry equates to the value of sales less the value of inputs used in production. This means value added is equal to the income (wages, salaries and profits) generated in the course of production.

The real gross value added calculation uses constant prices (prices in a selected year), hence it does not allow for general price level changes (inflation). Also, the calculation makes no allowance for capital used in production (depreciation).

ECONOMIC CONTRIBUTION OF THE INDUSTRY (\$MIL)





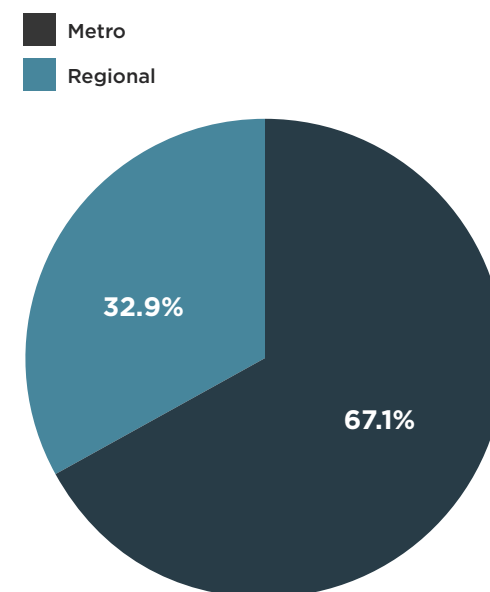
Generally, the level of economic activity will not always proportionally follow the final expenditures, as regional areas generally have higher import penetrations than metropolitan areas – i.e. a lot of the expenditure is on product imported from the metropolitan area. As such, the model takes into consideration these leakages between regions.

When considering the value added contribution of \$669.7 million generated by the South Australian racing industry, it is important to note that it is made up of:

- + Direct value added (\$211.8 million) - this represents the amount of income included in the direct in scope expenditure. It is the amount of gross wages and salaries in the racing industry and the direct provision of services to racing activity, plus the gross operating surplus (profits, interest payment and direct taxes) directly created in supply these services and product. This is also equal to the direct in scope expenditure less the purchases that the provider of the goods and services makes in providing the goods and services (both supplied from within the region, as well as externally (i.e. imported).
- + Indirect (Induced) value added (\$458.0 million) - represents the value added activity (wages, salaries and gross operating surplus) generated to support the purchases made in providing the inputs to the providers of the direct services, along with the value added impact in providing households with goods and services as they spend their wages, and the trickle on effect of this.

The direct value added impacts are calculated using the ratios within each of the relevant ANZIC Industry classification sectors identified within the input output table. The calculation of the indirect (induced) effects, which are allocated to the industry in which the impact occurs, is undertaken by running an impact assessment, and tracing the whole of economy effect of the expenditure patterns linked to the racing industry.

SOUTH AUSTRALIAN RACING INDUSTRY ECONOMIC IMPACT BY REGION



Participants in the South Australian racing industry

The concept of 'participation in racing' is broader than simply considering those employed in the industry. Participants include employees (full-time, part-time and casual employees of the industry), trainers, breeders, owners (as investors in the industry), jockeys, drivers, stablehands and volunteers who have varying levels of engagement, from occasional to full-time.

Participants are the lifeblood of the three codes of racing. For the majority of participants, involvement is part business and part hobby. Passion drives many to pursue the challenges and opportunities available in the racing industry. For some participants however, the racing industry is their livelihood - their occupation.

Many of these people find meaningful employment of their specific skillset where they may find it difficult otherwise. This is especially true in relation to the trainers, breeders and those skilled in preparing or caring for racing horses and greyhounds. Additionally, there are many supply businesses for whom the racing industry provides the market for which to sell their goods or services.

The ownership consideration across the codes is considered as per the below definitions:

- Thoroughbred - the number of individuals and syndicate members who own a horse and have raced during the defined period in South Australia.
- Harness - the number of individual owners, including syndicate or partnership members who own a horse that has raced in South Australia during the defined period.
- Greyhound - this is a count of SA owners (individual or syndicate) of a South Australia registered Greyhound valid during the specified date range.

Over 7,600 breeders, owners and trainers provide the capital and the skills to produce and prepare racing horses and greyhounds for racing. These participants drive a chain of activity which leads to the production of a racing product that is consumed by audiences on almost every day of the year.

There are 2,133 individuals who volunteer their time and skills in a variety of roles within

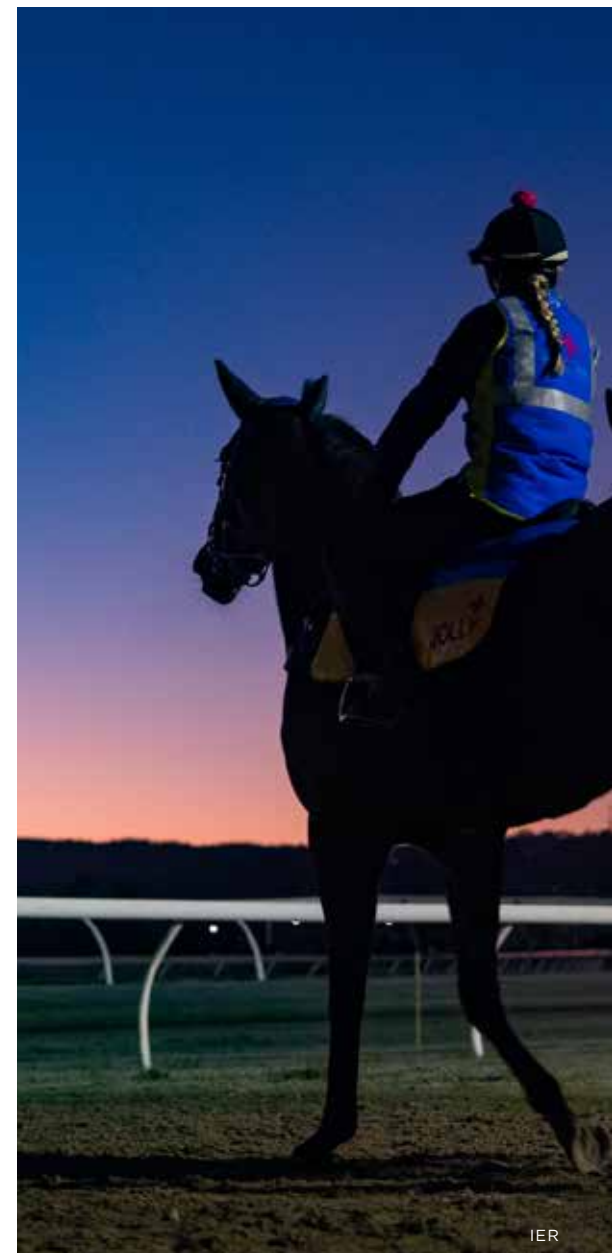
the industry. In the participant space, this often includes family members - for many of whom, this family connection goes back many generations.

In total, there are 12,259 roles occupied in the South Australian racing industry as a participant, employee or volunteer. Over 55% of the South Australian roles occupied are in regional parts of the State.

TOTAL ROLES OCCUPIED IN RACING

	Thoroughbred	Greyhound	Harness	Total
Breeders	265	118	119	502
Owners & Syndicate Members	4,703	1,052	666	6,421
Trainers	268	220	194	682
Racing Club & Industry Staff (FT, PT, Casual)	1,076	214	84	1,374
Breeders Staff	203	84	60	347
Stable/Kennel Employees	314	126	221	661
Jockeys & Drivers	47	0	92	139
Racing club volunteers	660	38	81	779
Volunteers assisting participants	746	202	407	1,355
Total	8,282	2,054	1,923	12,259

Note: There is some level of duplication in some of the participation categories resulting from an inability to de-duplicate individual databases.





TOTAL ROLES OCCUPIED IN RACING



*Some totals do not add due to rounding.



Employment Generated by Racing in South Australia

The South Australian racing industry, like racing jurisdictions all over Australia, relies on a large number of part-time and casual roles. As such, the FTE employment is significantly lower than the headcount of employees within the industry.

In 2022/23, the economic activity generated by the South Australian racing industry directly sustained 2,419 full-time equivalent positions in South Australia. In addition to the direct employment impact, the activities of the racing industry also help to sustain a further 2,552 FTE jobs in support industries. Therefore, the total direct and indirect employment impact generated by the South Australian racing industry was 4,971 FTE jobs.

The FTE positions that are sustained by the South Australian racing industry resulted in \$384.2 million in wages and salaries for the people employed directly within the industry as well as those employed in down the-line industries that receive increased demand as a result of racing activity. Some examples of the other industries that are stimulated by racing include; veterinary, feed, retail, tourism, accommodation, transport, manufacturing and construction.



*Some totals do not add due to rounding.

The Supplier Network

The South Australian racing industry is supported by a large supplier network in a mutually beneficial way. For many suppliers of goods and services, a strong racing industry forms an important part of the critical mass of their client base. Many offer specific skills, and customised products that are relevant only to this industry. The supplier network broadly contains those providing a direct service or product to the industry as well as those down-the-line businesses who provide the raw materials and manufacturing that drive the products on offer.

The South Australian racing industry generates some of its most significant impacts in the following industry sectors:

ANZSIC Sector	Key Impacts	Driven by
Ownership of dwellings	+ Total value added - \$64.9m + Total FTE jobs - 0	+ Farming/ Breeding properties
Professional, Scientific & Technology Services	+ Total value added - \$64.4m + Total FTE jobs - 593	+ Veterinary Services + Scientific Research Services + Management & Related Consulting Services
Finance & Insurance service	+ Total value added - \$51.0m + Total FTE jobs - 122	+ Finance and insurance activities





RACING'S PARTICIPANTS AND ANIMALS

The Breeding Industry



NUMBER OF BREEDERS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	78	36	56	169
Eyre	15	1	2	18
Murraylands	27	14	0	41
Northern	9	3	6	18
Outer Adelaide	84	50	20	154
South East	37	12	26	75
Yorke and Lower North	15	2	9	26
Total	265	118	119	502

*Includes part owners of broodmares/breeding females and stallions/sires

NUMBER OF STAFF EMPLOYED BY BREEDERS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	60	26	28	113
Eyre	12	1	1	13
Murraylands	21	10	0	31
Northern	7	2	3	12
Outer Adelaide	65	35	10	110
South East	28	9	13	50
Yorke and Lower North	12	1	5	18
Total	203	84	60	347

*Some totals do not add due to rounding.

There are **502 individuals** who either breed, or have an ownership interest in a broodmare, broodmatron, stallion or sire. They are supported by **347 employees and 646 volunteers** – meaning that the industry is supported by **close to 1,495 people directly involved in breeding activities** across the three codes

NUMBER OF BREEDERS



*Some totals do not add due to rounding.

NUMBER OF VOLUNTEERS ASSISTING BREEDERS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	116	29	72	218
Eyre	22	1	3	26
Murraylands	41	11	0	52
Northern	13	2	8	24
Outer Adelaide	126	40	26	193
South East	56	10	34	99
Yorke and Lower North	23	2	12	36
Total	398	94	155	646

*Some totals do not add due to rounding.

The breeding sector provides and replenishes the racing horses and greyhounds for the South Australian racing industry. There are 502 registered breeders in South Australia across the three codes of racing. 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 are a large number of hobby breeders also producing foals and pups.

Breeders include those whose core activity is to manage the breeding process as well as those whose involvement is as an investor (through part ownership of a broodmare, broodmatron, stallion or sire). It is important to note that it is possible that the number of breeders is likely to be understated given that only the syndicate member (of a breeding animal with shared ownership) is recorded as a registered breeder.

Breeders derive the majority of their income from service fees, agistment and the public and private sale of their stock. In the thoroughbred sector, breeders may occasionally also lease shares in their bloodstock. This particular sector of the industry has great potential to generate economic impacts for the state, as breeders often sell their stock to interstate and overseas buyers, at sales events – generating export revenue for the State. A strong racing industry is an important pre-cursor for a strong breeding sector.



Producing Racing Animals

NUMBER OF STALLIONS & SIRES

	Thoroughbred	Greyhound	Harness	Total
Adelaide	2	2	1	5
Eyre	1	0	0	1
Murraylands	1	2	1	4
Northern	0	0	0	0
Outer Adelaide	8	3	1	12
South East	1	0	2	3
Yorke and Lower North	2	0	0	2
Total	15	7	5	27





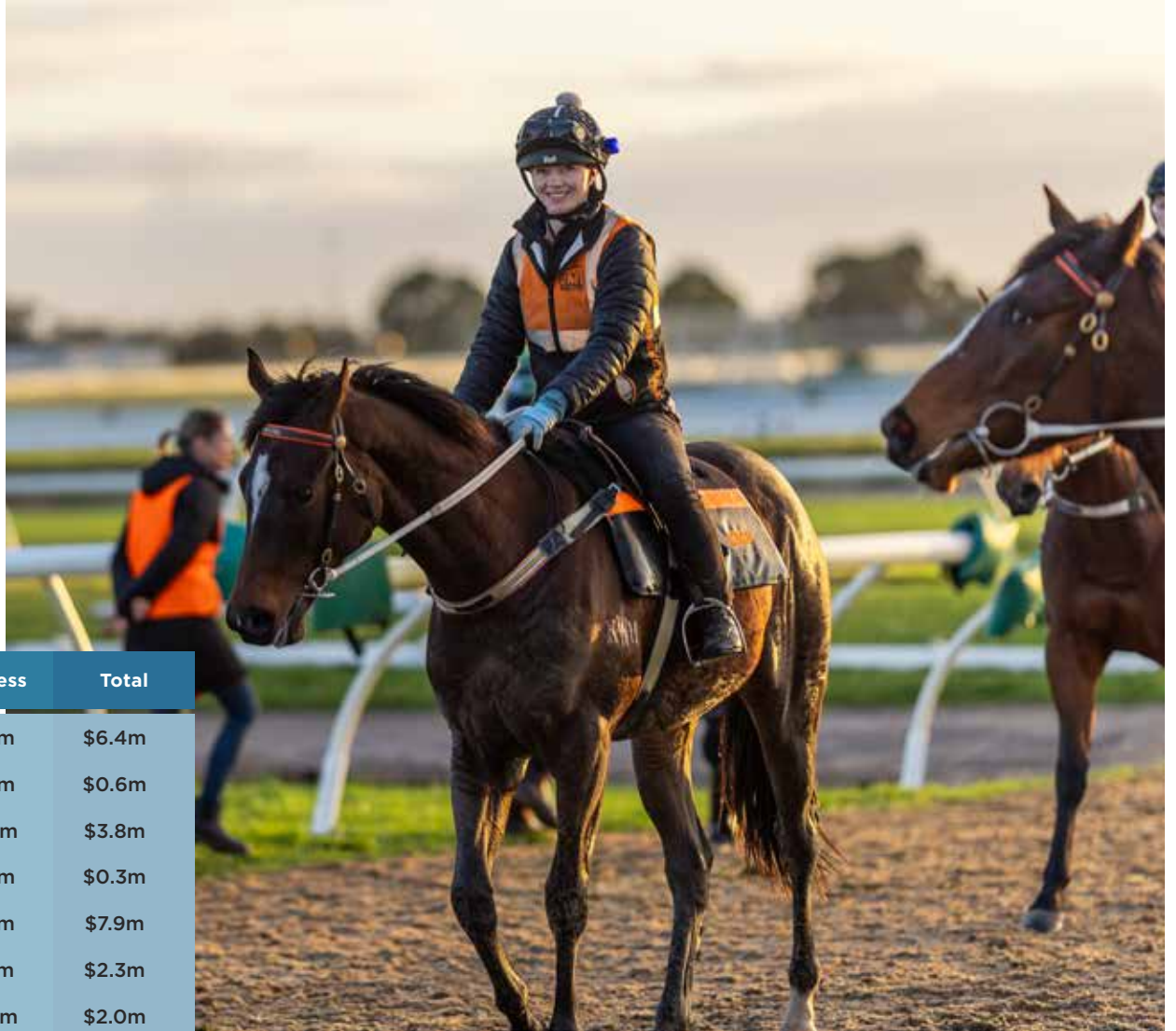
NUMBER OF BROODMARES/BREEDING FEMALES COVERED

	Thoroughbred	Greyhound	Harness	Total
Adelaide	206	10	10	226
Eyre	24	0	0	24
Murraylands	91	11	0	102
Northern	12	0	0	12
Outer Adelaide	229	37	22	288
South East	62	10	12	84
Yorke and Lower North	70	0	0	70
Total	695	68	44	807

NUMBER OF FOALS/PUPS PRODUCED

	Thoroughbred	Greyhound	Harness	Total
Adelaide	137	71	16	224
Eyre	16	0	0	16
Murraylands	61	77	0	138
Northern	8	0	0	8
Outer Adelaide	153	254	13	420
South East	41	74	9	124
Yorke and Lower North	47	0	0	47
Total	463	476	38	977

*Some totals do not add due to rounding.



COST OF PRODUCING RACEHORSES AND GREYHOUNDS (\$MIL)

	Thoroughbred	Greyhound	Harness	Total
Adelaide	\$5.5m	\$0.4m	\$0.4m	\$6.4m
Eyre	\$0.6m	\$0.0m	\$0.0m	\$0.6m
Murraylands	\$3.4m	\$0.4m	<\$0.1m	\$3.8m
Northern	\$0.3m	\$0.0m	\$0.0m	\$0.3m
Outer Adelaide	\$6.1m	\$1.4m	\$0.4m	\$7.9m
South East	\$1.6m	\$0.4m	\$0.2m	\$2.3m
Yorke and Lower North	\$2.0m	\$0.0m	<\$0.1m	\$2.0m
Total	\$19.7m	\$2.7m	\$1.0m	\$23.4m

*Some totals do not add due to rounding.

Economic Contribution of the Breeding Industry

In 2022/23, breeders in the South Australian racing industry spent more than \$23.4 million on the production of racing stock. In calculating the expenditure incurred by breeders, a number of factors must be considered.

Essentially, breeders incur costs on the maintenance of broodmares, broodmatrons, stallions and sires as well as in the process of breeding and care for foals and pups. In addition to this, breeders also incur costs for:

- + Sales commission on yearlings sold at auction
- + Bloodstock insurance
- + Business related expenditure
- + Sales and marketing related expenditure
- + Infrastructure and maintenance

In some instances, breeders incur all of these expenses themselves, whilst in other situations, breeders may send their foals or pups to professional service providers (such as those who provide whelping, foaling, education and yearling preparation services).

The expenditure figures outlined in this section have been derived through a combination of industry level consultation and primary research amongst breeders in each code across South Australia. For thoroughbreds and standardbreds, the cost of production is assessed for both a private breeder and a commercial farm in recognition of the fact that there are different expenditure profiles associated with both. Additional costs are taken into consideration for horses being prepared for a yearling sale.

From an industry perspective, it is important to acknowledge that there are different costs associated with broodmares and broodmatrons depending on their breeding activity in a given year. For example, mares and broodmatrons that are not bred with in a given year, still incur expenditure despite not producing a foal or pup, and as such need to be included in the assessment.

COST OF PRODUCING RACEHORSES & GREYHOUNDS (\$MIL)



*Some totals do not add due to rounding.

Over 87% of all breeding related expenditure occurs in four South Australia regions. The Outer Adelaide (33.9%), Adelaide (27.2%), Murraylands (16.3%) and South East (9.9%) regions are the most active breeding areas in the State.

From a racing code perspective, the most significant amount of breeding related expenditure is incurred in the following regions

THOROUGHBRED RACING

In 2022/23, there were 695 broodmares covered in South Australia, producing 463 foals. This thoroughbred breeding activity is responsible for generating more than \$19.7 million in the production and care of racing stock.

Outer Adelaide	\$6.1m (31.2%)
Adelaide	\$5.5m (28.1%)
Murraylands	\$3.4m (17.2%)

GREYHOUND RACING

In 2022/23, there were 68 breeding females covered in South Australia, producing 279 pups. This greyhound breeding activity is responsible for generating close to \$2.7 million in the production and care of greyhound racing stock.

Outer Adelaide	\$1.4m (53.5%)
Murraylands	\$0.4m (16.2%)
South East	\$0.4m (15.5%)

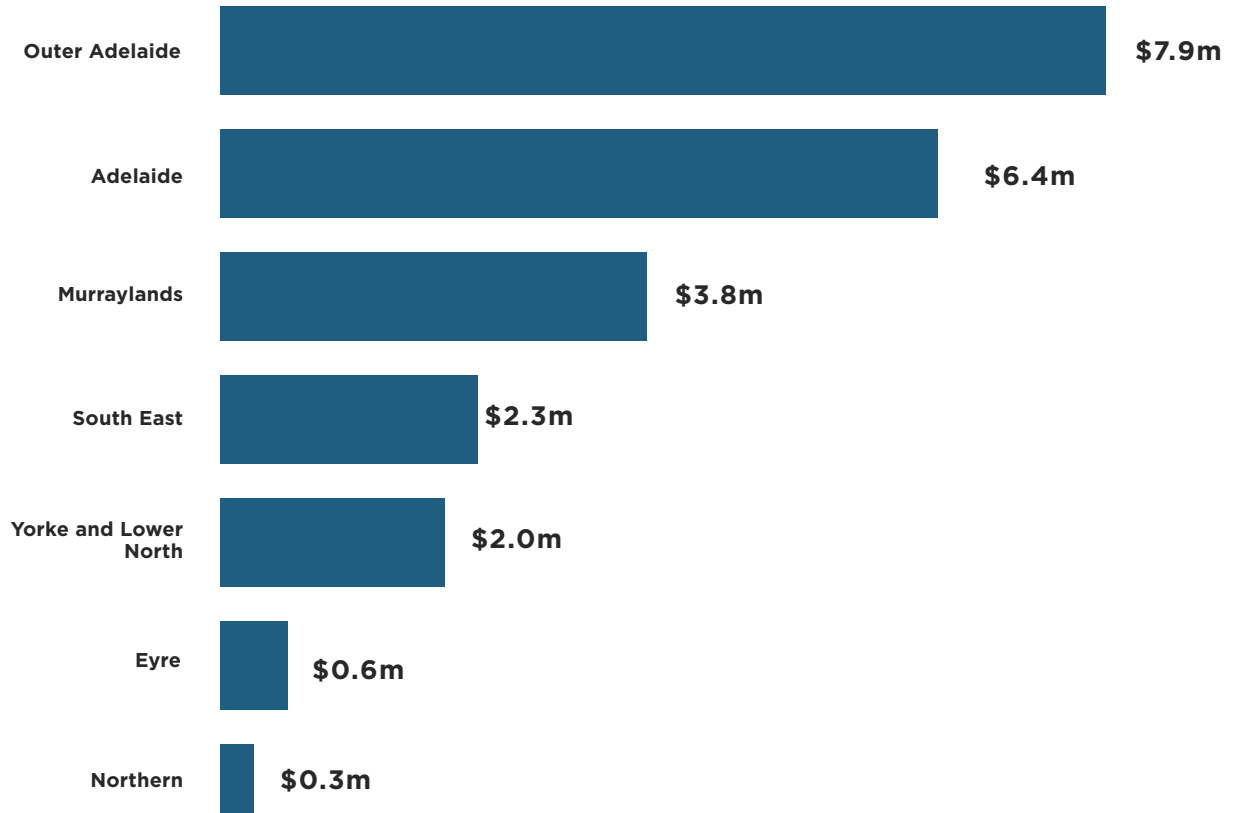
HARNESS RACING

In 2022/23 there were 44 broodmares covered in South Australia, producing 38 foals. This standardbred breeding activity is responsible for generating more than \$1.0 million in the production and care of broodmatrons and pups.

Adelaide	\$0.4m (41.3%)
Outer Adelaide	\$0.4m (34.8%)
South East	\$0.2m (23.7%)

The chart illustrates the total expenditure, by region, on thoroughbred, greyhound and harness breeding activities generated in South Australia.

EXPENDITURE BY THE BREEDING SECTOR





Case study

ASSISTANCE PACK MILESTONE FOR THOROUGH CARE SA

In 2023, Thorough Care SA distributed a milestone 500th Retired racehorse assistance package, the recipient being five-year old gelding Arther which raced under the name 'Friendly Ghost'. Arthurs's new owner Bella Masters has grand plans for the much loved ex-racehorse.

Bella, a prolific show jumper in her own right, plans to transition Arther into show jumping, something that he has taken to reasonably well following his racing career. Bella has high hopes for Arther who has plenty of experience being in the limelight and seems to be quite comfortable now participating in show jumping.

The assistance pack from Thorough Care SA includes, supplements, a rug, cryotherapy treatment, horse management software, and subsidised vet care, all aimed at helping new thoroughbred owners. Racing SA's Equine Welfare Coordinator, Keely Rayson, highlighted the increasing demand for this assistance since their launch two years ago.

The program has exceeded expectations, with applications coming in daily. Nearly 90% of retired thoroughbreds in South Australia have benefited from the support.

The initiative has not only provided education and products to new owners but has also facilitated the rehoming of ex-racehorses, contributing to their well-being and successful transition post-racing career.

The success and popularity of the Thorough Care program continues to grow, with many other similar stories to Arther's on the waitlist. The heartwarming success stories like Arthur finding a caring home with Bella highlight the program's impact in promoting the well-being and future prospects of retired racehorses.



Case study

THE EUREKA

The TAB Eureka launched in 2023 is the world's richest race in harness racing, with a grand prize of \$2.1 million. The Eureka is harness racing's foray into 'slot racing' which rapidly became the most innovative method of creating large events for big stakes, across all racing codes.

The inaugural running of this race received unprecedented national coverage and the strongest level of participation money could buy. South Australia was represented here by the lone mare in the field, Encipher, who was bred and raised in Kadina by Tyson Linke whose family have been involved in South Australian harness racing for generations.

The slot holders of Encipher added a further local flavour being South Australians Aaron Bain Racing & Summit Bloodstock. Encipher contended with an elite field including eventual runner-up Leap To Fame, regarded by many as the best pacer in the world, to claim a stunning victory.

Her 1:58.1sec mile rate for the 2,400m course broke Anntonia's world record by a mare by 1.1 seconds. She was also 0.3 seconds close to breaking Max Delight's all-time record.

This achievement highlighted that South Australian horses and participants are capable of competing and defeating the best on offer.



THE TRAINING INDUSTRY

The Training Industry

NUMBER OF TRAINERS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	66	70	95	231
Eyre	26	0	1	27
Murraylands	41	34	2	78
Northern	17	2	18	37
Outer Adelaide	74	83	41	198
South East	40	23	29	92
Yorke and Lower North	4	7	8	19
Total	268	220	194	682

NUMBER OF STABLE/KENNEL EMPLOYEES

	Thoroughbred	Greyhound	Harness	Total
Adelaide	114	40	115	270
Eyre	30	0	1	31
Murraylands	29	20	2	51
Northern	31	1	18	51
Outer Adelaide	65	48	39	152
South East	40	13	33	86
Yorke and Lower North	4	4	13	21
Total	314	126	221	661



NUMBER OF VOLUNTEERS ASSISTING TRAINERS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	85	34	123	243
Eyre	34	0	1	35
Murraylands	54	17	3	73
Northern	22	1	23	47
Outer Adelaide	96	41	53	190
South East	52	11	38	101
Yorke and Lower North	5	3	11	19
Total	348	108	252	708

*Some totals do not add due to rounding.

Trainers play an integral role in the racing 'service' industry. Training services generally incorporate pre-and race training, trailing and raceday 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.

During the 2022/23 racing season, there were more than 680 horse and greyhound trainers providing services to owners. Owners of horses and greyhounds can be based in South Australia, interstate or may reside overseas. These trainers were also supported by over 700 volunteers. The majority of these trainers operate in regional parts of the State.

Overall, there were over 6,200 racing horses and greyhounds in training in South Australia in 2022/23. Adelaide (39.4%), Murraylands (21.7%) and Outer Adelaide (21.1%) represent the largest areas of thoroughbred training activity.

In the Greyhound racing industry, Outer Adelaide (55.5%), Murraylands (15.2%) and Adelaide (14.4%) are the major regions in the Industry. As for the Harness racing industries, Adelaide (44.9%), Outer Adelaide (22.8%) and Northern (18.7%) make up most of the training activity.

NUMBER OF HORSES AND GREYHOUNDS IN TRAINING





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Ownership

OWNERS & SYNDICATE MEMBERS OF RACING HORSES AND GREYHOUNDS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	2,488	616	354	3,457
Eyre	251	5	5	261
Murraylands	257	88	7	353
Northern	277	53	74	404
Outer Adelaide	736	165	91	992
South East	511	87	108	705
Yorke and Lower North	184	38	27	249
Total	4,703	1,052	666	6,421

*Some totals do not add due to rounding.

NUMBER OF TAB RACE STARTS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	546	2,686	750	3,982
Eyre	94	0	0	94
Murraylands	185	1,131	0	1,316
Northern	58	0	118	176
Outer Adelaide	146	0	24	170
South East	201	1,193	50	1,444
Yorke and Lower North	121	0	0	121
Total	1,351	5,010	942	7,303



NUMBER OF NON-TAB RACE STARTS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	0	96	0	96
Eyre	31	0	0	31
Murraylands	0	0	0	0
Northern	28	0	0	28
Outer Adelaide	0	0	0	0
South East	0	0	0	0
Yorke and Lower North	0	0	0	0
Total	59	96	0	155

TOTAL RACE STARTS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	5,481	18,111	5,651	29,243
Eyre	1,185	0	0	1,185
Murraylands	2,089	7,071	0	9,160
Northern	730	0	828	1,558
Outer Adelaide	1,497	0	175	1,672
South East	1,907	7,577	319	9,803
Yorke and Lower North	1,299	0	0	1,299
Total	14,188	32,759	6,973	53,920

Owners race for more than \$62 million in prizemoney that is on offer across the three codes

Owners play a significant role in the funding model of the racing industry. They provide much of the capital outlay and day-to-day funding for the purchase and preparation of racing horses and greyhounds. In 2022/23 there were more than 6,421 individuals with an ownership interest in thoroughbred, harness and/or greyhound racing in South Australia. Close to 54% of South Australian owners reside in the metropolitan area within South Australia. Adelaide (53.8%) and Outer Adelaide (15.5%) are home to the largest portion of owners across the three codes.

The investment by owners provides a critical funding source for breeders and trainers and is critically important to a successful racing industry. It is important, however, to note that the social and competition elements are also a motivation for participation. Many owners are involved in the racing industry, at least in part, as a hobby or leisure pursuit. However, a strong industry provides owners with the opportunity to realise returns on their investment through the prizemoney on offer.

OWNERS OF RACING HORSES & GREYHOUNDS



South Australia owners and trainers spent **close to \$161.4 million** in 2022/23 preparing **racing horses and greyhounds for racing**. The regional areas account for **58% of this economic activity**.

Economic Contribution of the Training Industry

In 2022/23, owners of racehorses and greyhounds trained in South Australia spent close to \$161.4 million on the preparation of their horses and greyhounds for racing. The calculation of expenditure on the preparation of racehorses and greyhounds takes into account the various training and non-training related expenditures incurred by owners and trainers.

The development of expenditure profiles within each region is based upon the number of racehorses and greyhounds in training. It also takes into consideration the differing training costs at various stages of the lifecycle of the animal. For instance, expenditure during the education stage of a racehorse is different to expenditure on an established 3-year-old racehorse. It is also important that this assessment takes into consideration non-South

Australia owned racing horses and greyhounds which are trained in the state. Developing expenditure profiles on a 'per horse/ greyhound in training' basis, ensures that they are also included in the assessment.

The expenditure figures outlined in this section have been derived from a combination of industry level consultation and surveying of a sample of owners and trainers in South Australia. The analysis of the expenditure on the preparation of horses/greyhounds includes items such as training fees, insurance, vitamins and supplements, veterinarian fees, gear hire/ purchase and racing/ trialling fees, amongst others. It also picks up expenditure items incurred directly by owners that may not be covered on the trainers' bill.

* Note - This figure does not cover costs of breeding or acquiring racing animals





COST OF PREPARING RACEHORSES & GREYHOUNDS (\$MIL)



Overall, over 58% of the expenditure on training activities occurs in regional areas of the state. Regionally, Outer Adelaide (23.1%), Murraylands (15.7%) and South East (7.8%) make up the largest training areas outside of Adelaide (41.9%).

From a racing code perspective, the most significant amount of training related expenditure is incurred in the following regions:

THOROUGHBRED RACING

Thoroughbred training activity is responsible for generating more than \$115.4 million in expenditure impacts in South Australia.

Adelaide	\$51.1m (44.3%)
Murraylands	\$23.0m (19.9%)
Outer Adelaide	\$22.3m (19.3%)

GREYHOUND RACING

Greyhound training activity is responsible for generating more than \$13.7 million in expenditure impacts in South Australia.

Outer Adelaide	\$7.6m (55.5%)
Murraylands	\$2.1m (15.2%)
Adelaide	\$2.0m (14.4%)

HARNESS RACING

Standardbred training activity is responsible for generating close to \$32.3 million in expenditure impacts in South Australia.

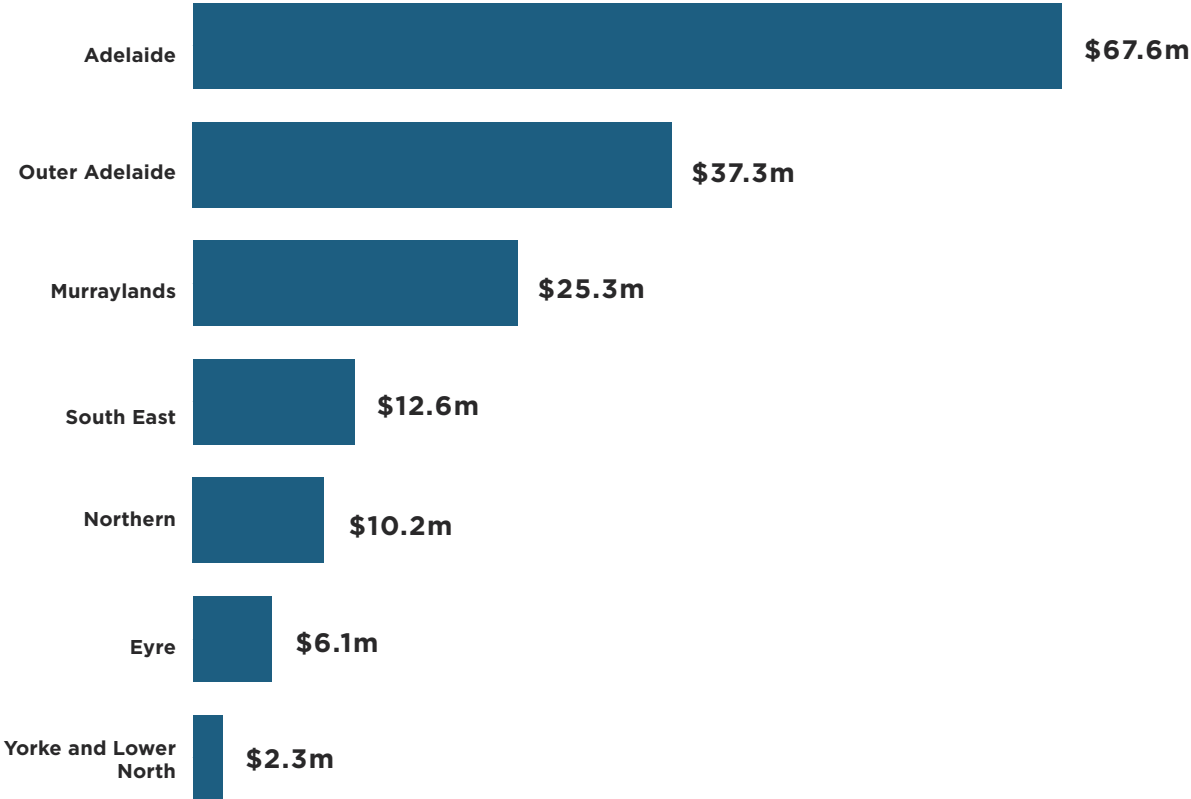
Adelaide	\$14.5m (44.9%)
Outer Adelaide	\$7.3m (22.8%)
Northern	\$6.1m (18.8%)





The chart illustrates the total expenditure, by region, on thoroughbred, harness and greyhound training activities generated in South Australia.

EXPENDITURE BY THE TRAINING SECTOR





Case study

FIRST RESPONDERS GIVEN PRIORITY ADOPTION ACCESS TO GREYHOUNDS AS PETS

First responders in South Australia are being prioritised for the adoption of greyhounds as pets through the 'Greyhounds as Mates' program. This has created an important partnership between emergency services unions and peak greyhound racing bodies.

The initiative, led by Greyhound Racing SA and supported by Greyhounds Australasia (GA), aims to provide police and firefighter union members with priority access to greyhounds through the GAP SA program, including waived adoption fees and additional support including three months of feed and veterinary care. The collaboration between the various organisations is expected to benefit both emergency workers and greyhounds in need of homes.

Notable figures like GA Chairman Rob Vellar and Police Association of South Australia (PASA) President Mark Carroll have expressed enthusiasm for the program, highlighting the comforting and stress-relieving aspects greyhounds can offer to first responders who deal with highly stressful circumstances on regular occasions.

Representatives from unions involved in the partnership have shown their confidence in the benefits their members will gain from this special adoption opportunity. The program is seen as a 'win-win' situation, providing loving homes to retired greyhounds while offering loyal companionship to those who dedicate their lives to protecting and serving others.

The successful partnership showcases the positive impact of collaborations between different sectors to address the well-being of both animals and individuals in demanding roles, recognising the value of supporting those who work tirelessly to keep communities safe.





Case study

GAP SA CELEBRATES 25TH BIRTHDAY WITH ADOPTION DAY

Greyhounds as Pets SA (GAP SA) commemorated its 25th Birthday with an adoption day. The event led to 24 greyhounds being adopted and finding new homes. The occasion was made even more special by a generous donation from GRSA of \$69,130 to the Little Heroes Foundation. This contribution directly supports initiatives to ensure the physical and mental well-being of children in South Australia and ensure they have access to the best care possible.

GRSA's CEO, Brenton Scott, expressed immense satisfaction with the event's outcome, emphasizing the organization's unwavering dedication to enhancing children's health. The longstanding partnership between GRSA and Little Heroes Foundation has been instrumental in providing crucial funding for youth mental health programs and aiding in the recruitment of a cancer research nurse at the Australian Bragg Centre for Proton Therapy and Research.

Chris McDermott, the Chief Executive of Little Heroes Foundation, extended deep appreciation for the ongoing partnership between Greyhounds as Pets and GRSA, recognising the profound impact of their contributions on the lives of children and families in need.

The 25th Birthday Adoption Day festivities also included a fancy dress competition for greyhounds, with plenty of families dressing up their beloved pets and making use of the photo booth. Eventgoers also made the most of pop-ups from Pups Kitchen and Greyhound Blankets by Becc, taking home yummy treats and cozy presents for their furry friends.

The event's success not only marked a milestone for GAP SA but also underscored the positive influence of collaborative efforts in supporting both animal welfare and charitable causes.

RACING CLUBS, ASSOCIATIONS AND AUTHORITIES



NUMBER OF TAB RACING CLUBS

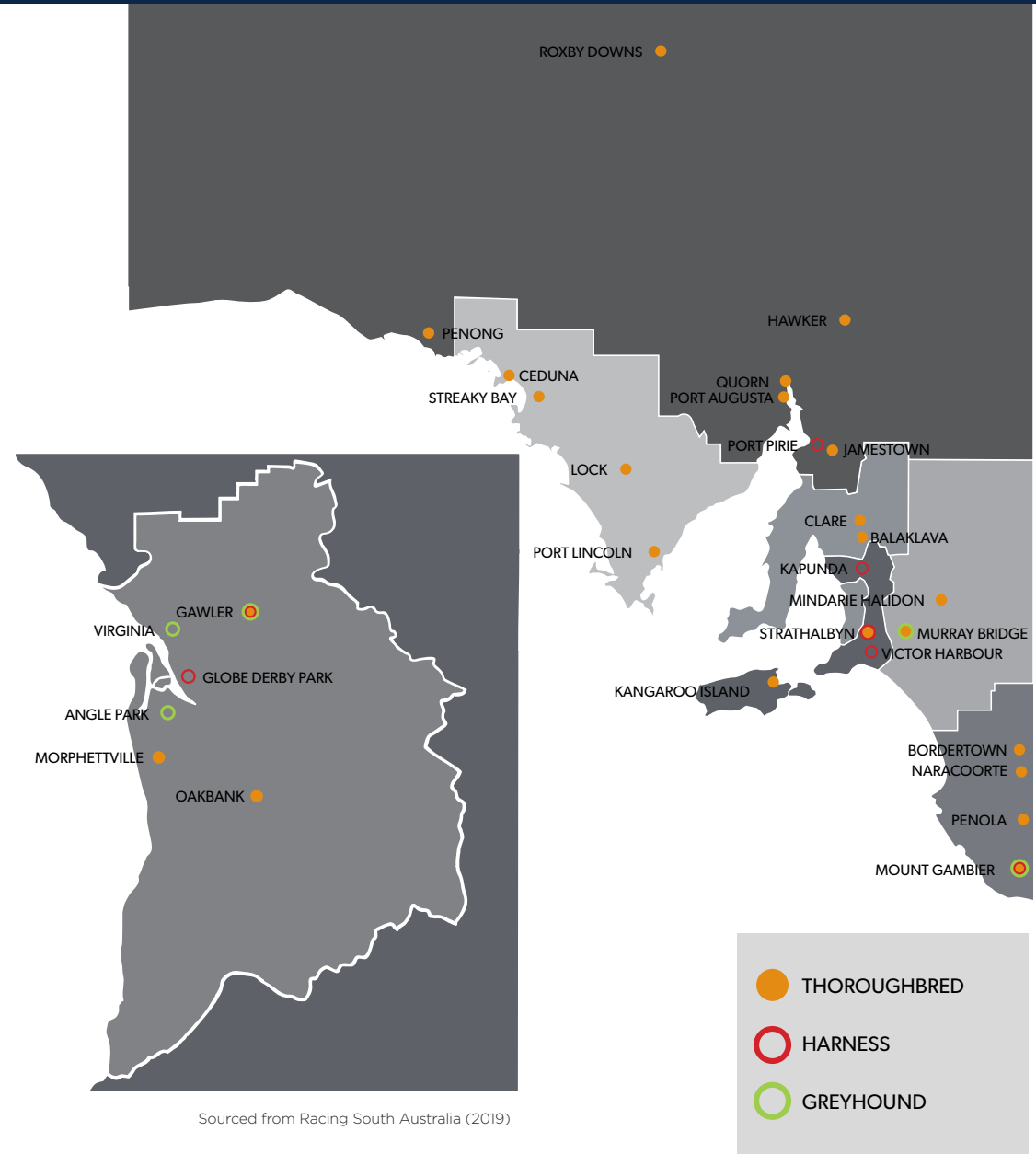
	Thoroughbred	Greyhound	Harness	Total
Adelaide	2	2	2	6
Eyre	1	0	0	1
Murraylands	2	1	0	3
Northern	1	0	1	2
Outer Adelaide	3	0	3	6
South East	5	1	1	7
Yorke and Lower North	2	0	1	3
Total	16	4	8	28

* Note - A TAB club is classified as holding TAB race meetings throughout the racing season.

NUMBER OF NON-TAB RACING CLUBS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	0	1	0	1
Eyre	4	0	0	4
Murraylands	0	0	0	0
Northern	5	0	0	5
Outer Adelaide	0	0	0	0
South East	0	0	0	0
Yorke and Lower North	0	0	0	0
Total	9	1	0	10

Race Track Locations

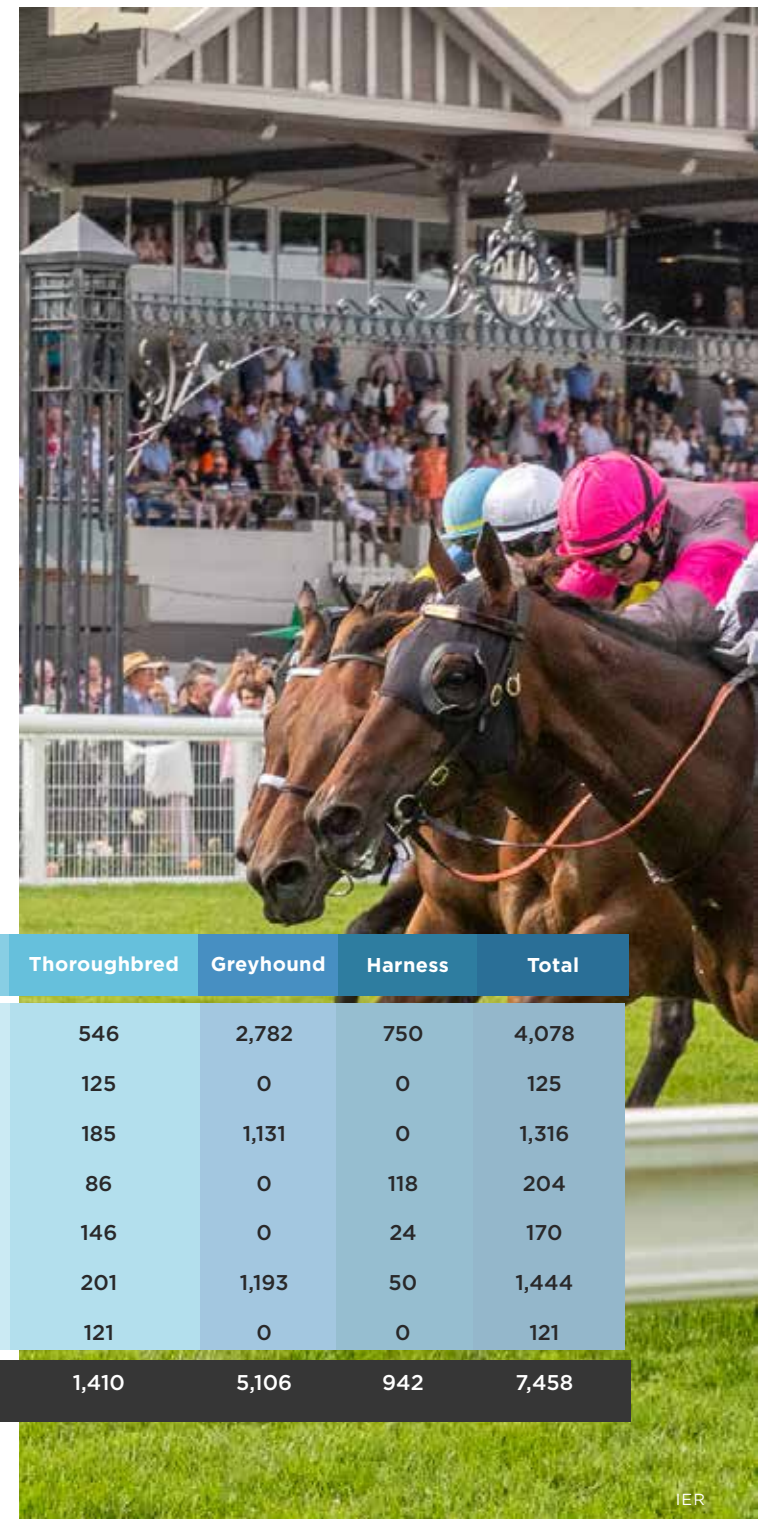


TOTAL RACE MEETINGS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	64	246	96	406
Eyre	16	0	0	16
Murraylands	23	100	0	123
Northern	13	0	18	31
Outer Adelaide	20	0	3	23
South East	28	102	8	138
Yorke and Lower North	16	0	0	16
Total	180	448	125	753

TOTAL RACES

	Thoroughbred	Greyhound	Harness	Total
Adelaide	546	2,782	750	4,078
Eyre	125	0	0	125
Murraylands	185	1,131	0	1,316
Northern	86	0	118	204
Outer Adelaide	146	0	24	170
South East	201	1,193	50	1,444
Yorke and Lower North	121	0	0	121
Total	1,410	5,106	942	7,458





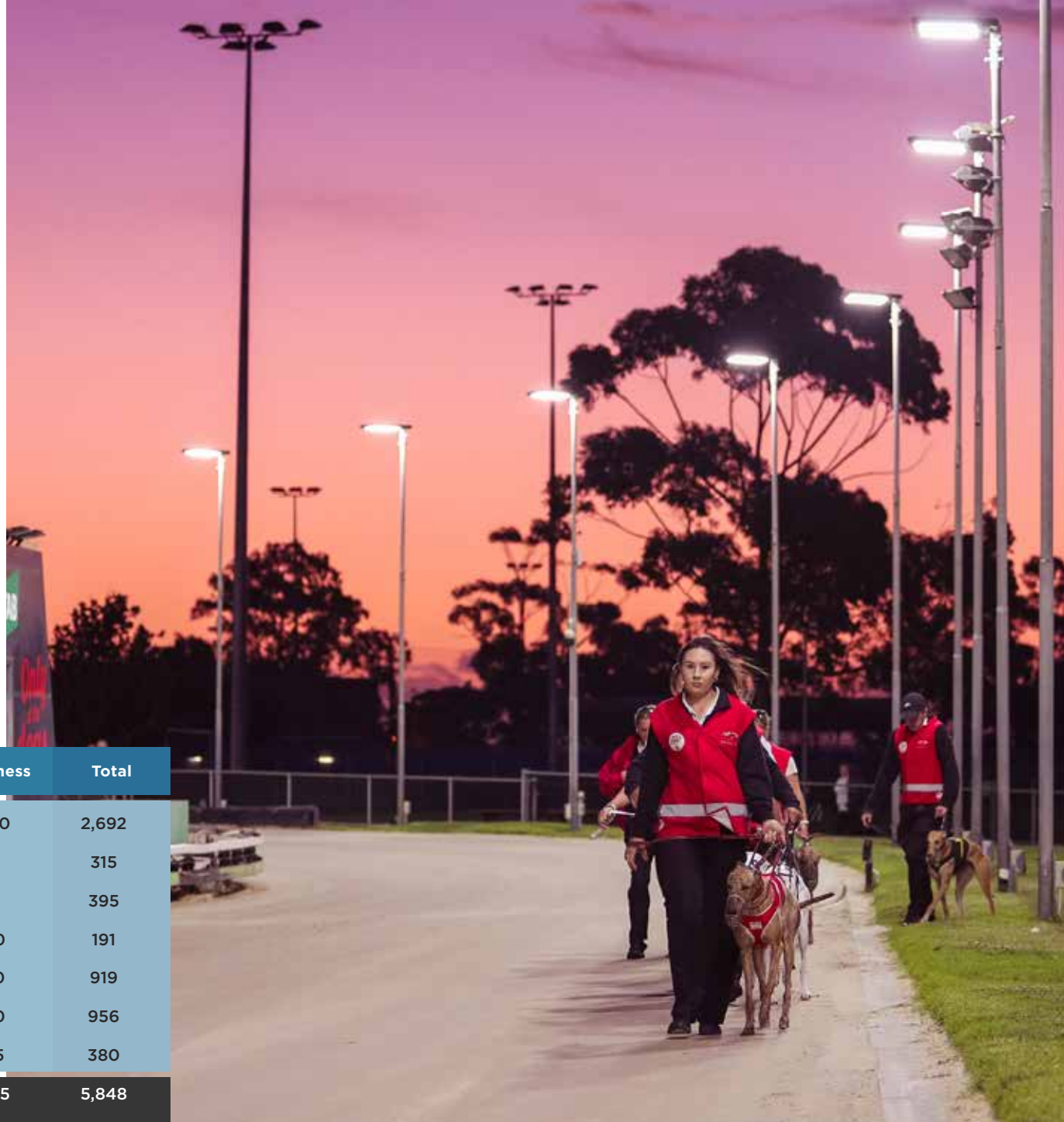
TOTAL ATTENDANCES

	Thoroughbred	Greyhound	Harness	Total
Adelaide	81,846	31,917	24,100	137,863
Eyre	11,959	0	0	11,959
Murraylands	17,354	8,523	0	25,877
Northern	9,433	0	3,600	13,033
Outer Adelaide	26,311	0	2,350	28,661
South East	11,337	25,800	2,400	39,537
Yorke and Lower North	10,222	0	0	10,222
Total	168,462	66,240	32,450	267,152

*Some totals do not add due to rounding.

NUMBER OF RACING CLUB MEMBERS

	Thoroughbred	Greyhound	Harness	Total
Adelaide	2,100	312	280	2,692
Eyre	315	0	0	315
Murraylands	280	115	0	395
Northern	131	0	60	191
Outer Adelaide	849	0	70	919
South East	780	126	50	956
Yorke and Lower North	345	0	35	380
Total	4,800	553	495	5,848





Racing Clubs

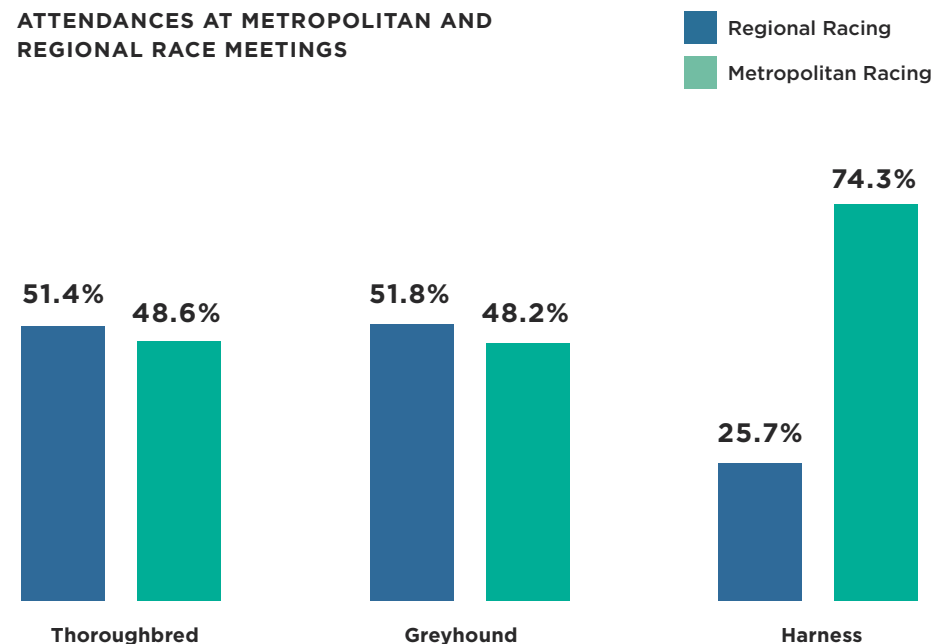
There are 38 racing clubs in South Australia across the three codes of racing. South Australia is unique in the Australian racing landscape with the majority of these racing clubs (28) running primarily TAB race meetings.

Racing clubs not only provide the opportunity for participants and spectators to participate in the sport of racing, they also provide an important social destination and in many regions, are an important part of the social fabric of the community.

In 2022/23, there were 731 TAB race meetings and a further 22 non-TAB race meetings. These race meetings attracted more than 267,150 attendances, 52% of which were in metropolitan areas. Thoroughbred race meetings, in South Australia, attracted a total of 168,462 attendances. Race meetings in Adelaide (81,846) and Outer Adelaide (26,311) were responsible for the largest attendance. Greyhound racing attracted attendance of 66,240 with race meetings in Adelaide (31,917) and South East (25,800) as the major regions. Harness race meetings attracted 32,450 attendances with race meetings in Adelaide (24,100) and Outer Adelaide (3,600) making up the majority of this amount.

The following chart illustrates the break-down of attendances at metropolitan and regional race meetings in South Australia

ATTENDANCES AT METROPOLITAN AND REGIONAL RACE MEETINGS



TOTAL ATTENDANCES





Customer Expenditure Generated by Racing Clubs and Events

In 2022/23 it is estimated that the total expenditure generated by racing customers was more than \$64.5 million, (excluding wagering on the races). Racing’s customers include attendees, sponsors, members, broadcast providers, community groups and participants. Racing customer expenditure can be broadly segmented into the following categories:

- + On-course raceday expenditure by customers (spending on on-course products, as well as yields from membership and sponsorship)
- + Off-course raceday expenditure by customers (spending incurred by customers as part of their attendance at the races, such as transport, retail, food etc.)
- + Non-raceday related expenditure (spending with racing clubs on non-racedays on items such as hiring arrangements for facility use, fundraising, investments, track fees, etc.)

On-course customer expenditure funds the administration, operation and other costs that racing clubs incur.

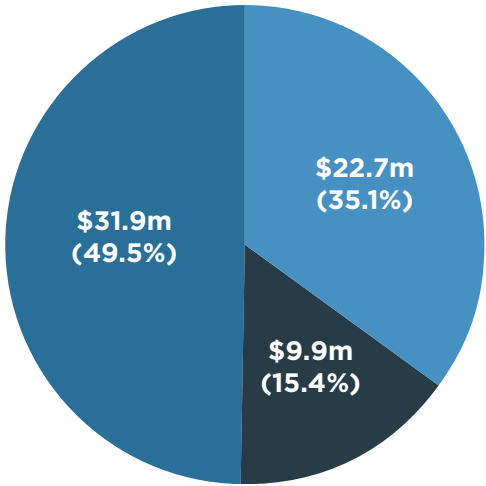
Off-course expenditure is primarily related to feature race meetings where the racing product extends out into the community both prior to and after the racing event. Major racing events have long proven their ability to extend the generation of economic stimulus into a broader cross-section of the local economy. It is important to note that on-course expenditure within this section does not include on-course wagering.

Whilst on-course wagering is the largest component of customer spend, it is analysed in the section relating to wagering.

The following chart illustrates the split of customer expenditure. It shows that for every dollar spent on-course by racing attendees, a further 50 cents is spent off-course. This is more heavily driven by feature race meetings where the links to fashion and retail, as well as larger travel distances for those attending the races, drive spending in the community.

BREAKDOWN OF RACING CUSTOMER SPENDING

- On-course Raceday
- Off-course Raceday
- Non Raceday







Expenditure by the Principal Racing Authority and Clubs

In 2022/23, Racing South Australia and the 38 thoroughbred, greyhounds and harness clubs combined to generate an expenditure impact of more than \$162 million in South Australia. This represents the expenditure incurred by these organisations in maintaining tracks, running race meetings, administration, marketing, cost of goods and prizemoney.

The majority of expenditure generated by the principal racing authorities and racing clubs is funded by racing customers.

This includes:

- + Spending by customers on-course when attending a racing event
- + Non raceday utilisations of racing industry assets
- + Sponsorship and membership associated with racing clubs
- + Racing industry share of off-course wagering revenue (pari-mutuel, corporate bookmakers & betting exchanges)
- + Government grants which come indirectly from license payments and taxes from wagering operators

The major areas of expenditure, in terms of racing industry operations, include:

- + Track repairs & facilities maintenance
- + Staff & personnel
- + Cost of goods
- + Marketing & promotions
- + Utilities

Close to 63% (\$103.0 million) of this expenditure impact occurred in metropolitan areas – a result largely driven by the presence of the largest racing clubs (in terms of size and financial impact) as well as the principal racing authorities.

FINAL CLUB & PRA EXPENDITURE IMPACT(\$MIL)





Case study

KANGAROO ISLAND RACING CLUB SUPPORTS BUSHFIRE APPEAL

Following the bushfires of 2020, the Kangaroo Island Racing Club decided to donate any profits the club made for the financial year to the Mayoral Bushfire Appeal. This together with a range of auctions and the assistance of Alliance Airlines saw a total of \$80,000 donated to the fund.

At the same time and while the fires were raging, the club used the stabling facilities to assist farmers to house their farm horses. The club assisted with feed donated from the mainland. The Australian army at one stage used the center of the course to house some of their heavy machinery used in the firefighting after they had to evacuate from the airport.

That year the club in conjunction with the Victoria Racing Club were also instrumental in providing a \$100,000 donation to the Royal Flying Doctor Service through their Melbourne Cup Sweepstake.

The Kangaroo Island Racing Club have for several years donated the total gate takings from its race meeting held in January to the Royal



Flying Doctor Service and more recently to the Kangaroo Island Cancer Support Group.

In addition to this, club supports a range of sporting clubs and charities. Pardana Sporting Club, Wisnager Sporting Club, Kangaroo Island Hunt Club, KI Lions Club, Western KI Lions Club, Lions Club of Kangaroo Island and Kangaroo Island Supporting Cambodia through donations for assistance in setting up for race meetings and cleaning up post races.

Recently the club assisted the Kangaroo Island Hunt Club when they held the State Hunt on Kangaroo Island with over 40 horses from the mainland stabled free on course for several days. The local pony club from time to time use the facilities for ride outs or camp outs.

The club itself injects over \$300,000 annually into the local community using local businesses, this together with over a million dollars injected into the local economy through tourism with patrons coming from all states of Australia to attend the carnival - the single biggest event held on the island each year.

The club also assists owners and trainers with free Sealink transport for over 140 horses coming from mainland SA and country Vic.





Case study

PACING FOR PINK

The Pacing for Pink campaign is a highlight of the harness racing calendar each year during a nominated month where drivers wear pink pants whilst racing to raise awareness for the McGrath Foundation. Additionally, each driver engages a local sponsor to further promote the cause, along with raffles, functions, merchandise, and other non-racing fundraising measures to raise awareness.

This initiative which runs throughout the month of May originally had support from one state and was primarily represented by females. Thanks to a nationally concerted effort through its participants and stakeholders Pacing For Pink has now expanded to an Australia-wide event, with many of the men also participating and showing their support. With South Australia being the home to several of the nation's leading female drivers, it has always been viewed as a purposeful occasion and one that has seen SA regularly contribute above expectations. The number of drivers and sponsors participating in South Australia has leaped to 26 (the vast majority of our regular drivers in the state) each with worthy local individuals and businesses connected to the industry partnering with support.

The money raised will help the McGrath Foundation place McGrath Breast Care Nurses in communities across Australia as well as increasing breast awareness in young people. McGrath Breast Care Nurses help families in Australia experiencing breast cancer by providing invaluable physical, psychological and emotional support from the time of diagnosis and throughout treatment. This support is provided free of charge and can be accessed through self-referral. With 177 McGrath Breast Care Nurses working right across the country and having supported more than 100,000 families - the McGrath Foundation are certainly on their way to achieving their goal. However there is more work to be done if the McGrath Foundation is to achieve its vision that every family experiencing breast cancer has access to a breast care nurse, no matter where they live or their financial situation.

In 2023, Pacing for Pink raised a total of \$126,000, an amount expected to increase into 2024 and beyond.

Community and Social Benefits

Thoroughbred, greyhound and harness racing in South Australia play an important role in the development and preservation of social and community benefits throughout the state. The majority of these social impacts are initiated through club activities, both on racedays and non-racedays, 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 regions and towns where racing exists.

The economic activity generated by the South Australian racing industry complements the social impacts, particularly in regional areas where racing events and 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 the racing industry throughout South Australia, where racing is a profession, sport, hobby and leisure activity.

The development of social and environmental initiatives also has a positive impact in terms of family socialisation and volunteerism. With this, racing also supports health, education, employment and environmental practices.

However, maintaining and building the trust and respect of the communities in which racing clubs operate 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 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.

This racing industry study incorporated a social impact survey which was completed by the racing clubs within each code. The information gathered from this survey provided valuable insights in determining the extent of the social and environmental benefits generated by the racing industry.





The evaluation highlighted the racing industry's significant role in the critical areas of:

- + **Community Building** Building inclusive and welcoming communities featuring powerful collaborative partnerships and relationships
- + **Family** Providing opportunities for family participation in racing and assisting in the development of stronger family relationships
- + **Education and Training** Supporting the education, training and development of participants and racing club staff and volunteers
- + **Health** Commitment to policies that support priority community health objectives and providing engagement and a sense of worth for volunteers within the industry
- + **Leisure** Providing enjoyable leisure opportunities for hobby owners, trainers and breeders, raceday/night customers and other racing club event attendees
- + **Employment** Creating a major source of employment and a variety of career opportunities for South Australian residents
- + **Environment** Adoption of many environmentally friendly practices that support government and community expectations relating to the protection of the South Australian environment

CAPACITY BUILDING

Most racing Clubs hire out on-course facilities for private or corporate use. The hire of these facilities serve events that support their local communities



CHARITABLE SUPPORT

More than 120 charitable organisations are supported by the racing industry. These charities receive direct funds, in addition to in-kind support



HISTORY

Racing in South Australia has a long and celebrated history dating back to the 1830s



More than 2,100 individuals provide their skills, time and support to the racing industry as a volunteer



FACILITY SHARING

More than 40 community and not-for-profit organisations share racing club facilities in South Australia



Racing clubs provide an important community for more than 6,600 members and volunteers who are actively engaged in their club. More than 267,150 attendances are recorded at South Australia race meetings.



COMMUNITY BUILDING

The three codes of racing in South Australia have each adopted practices that engage with individuals and build strong partnerships with organisations within their communities. This is particularly visible in terms of supporting charitable organisations, engaging volunteers and building community partnerships.

The survey results highlighted the following positive outcomes demonstrated by clubs:

- ▶ More than 120 community organisations or charities are assisted and supported by racing clubs
- ▶ More than 40 community organisations share racing club facilities and resources
- ▶ Racing in South Australia currently engage more than 2,100 volunteers who assist in various club, kindred body and industry related roles
- ▶ 5,848 people hold racing club memberships

Racing plays an important role in fostering a sense of worth and belonging to 1,889 people who provide volunteer time and services to racing clubs. Socially, volunteering is recognised as a means of enhancing the quality of life, particularly among the aged, whilst making an important contribution to the community.

Volunteers in racing assume roles in areas such as:

- ▶ Promotions and fundraising (e.g. Fashions on the Field, decorating, VIP marquee organiser, event management, grant writers, sponsorship, Emcee etc.)
- ▶ Photo finish, clerk of the course, barrier attendants, starters and judging, betting supervisors
- ▶ Preparing and maintaining the track and grounds

- ▶ Administration and finance duties
- ▶ Gate ticket sellers and parking attendants
- ▶ Operating food and beverage outlets
- ▶ Racing operations (gate attendants etc.)
- ▶ Fundraising
- ▶ Cleaning duties
- ▶ Repairs, maintenance of facilities and gardening
- ▶ Horse check in and distributing saddlecloths
- ▶ Operating trials

IER found that racing clubs financially assist and support 122 organisations and charities. Club organised functions raise significant funds for community organisations and charities through activities such as raffles and auctions.

Furthermore, many clubs engage local community organisations and charities to undertake such activities as supplying food and beverages, operational duties (e.g. gate attendants) and racecourse cleaning – sometimes in exchange for a share of revenues from those activities.

Just some of the organisations supported by racing include:

- ▶ Cancer Charities (e.g. Cure Cancer, Prostate Cancer Foundation, Mount Gambier Breast Cancer Awareness Group, Childhood Cancer, Kangaroo Island Cancer support group)
- ▶ Children's Charities (e.g. Cows 4 Kids, The Smith Family, Tuesday Foundation)
- ▶ Sporting Clubs (e.g. Local football clubs, Riding, Cricket clubs, Netball,

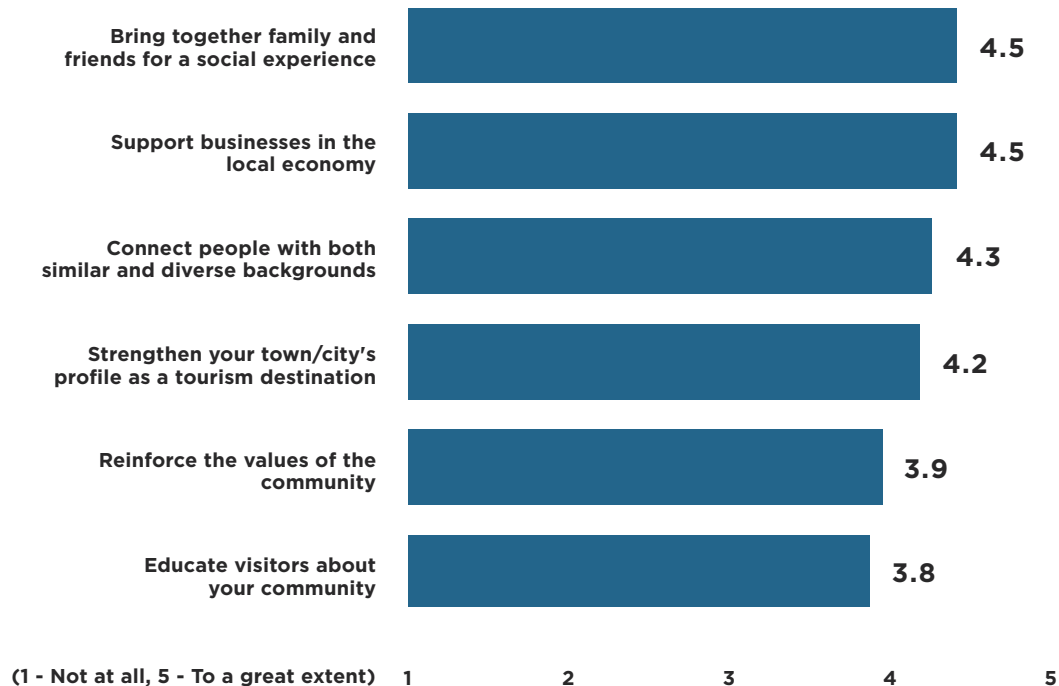


- Polocrosse, archery, bowls)
- ▶ Rotary, Lions and Variety Clubs
- ▶ Hospitals and Health Organisations (e.g. St John First Aid, Mount Gambier Men's Shed)
- ▶ General Charities (e.g. Salvation Army, Riding for the Disabled, Neighbourhood Watch)
- ▶ Emergency Services (e.g. Flying Doctor Service, Regional CFS)
- ▶ Scouts and Girl Guides, Rural Show Societies
- ▶ Ronald McDonald House SA
- ▶ Novita
- ▶ Little Hero's Foundation

The economic research in this study clearly demonstrates how racing supports businesses in the local economy, from both the production and preparation of racing animals through to consumer spending. In addition to this, attendee research conducted at many metropolitan and regional racing events supports the racing industry's ability to bring people together for a social experience. The research demonstrates that a key motivation to attending racing events is the opportunity to socialise with friends and family.

The social impact survey asked clubs how much they believed racing in their town or city has the ability to engage with the community from a social cohesion, education and business perspective. As the chart illustrates, all indicators were positive, particularly significant in the areas of racing's ability to 'bring together family and friends for a social experience' (4.5), to 'support businesses in the local economy' (4.5) and to 'connect people with both similar and diverse backgrounds' (4.3). These indicators illustrate the position that racing clubs see themselves as integral to the fabric of the local community.

COMMUNITY ENGAGEMENT WITH RACING IN SOUTH AUSTRALIA





SUPPORTING FAMILY RELATIONSHIPS

The three codes of racing in South Australia are very proactive in engaging with families with many cup days and themed events providing a strong link to the community. Many participants in racing (such as owners and trainers) operate within a family business/hobby structure. The survey identified that racing clubs have increasingly developed activities and facilities that enable families to enjoy a social day at the races. Many clubs actively promote services and amenities which are conducive to bringing families together to build stronger relationships.

In regional areas, many of the feature racedays form a venue or 'meeting place' for families and friends to socialise. This is especially prevalent at smaller clubs who host only their annual race meeting on cup day. For many rural populations, these race meetings represent something that is not only part of the region's history, but also part of their own family history. Some of these racedays have an underlying 'back to' theme, where people who once resided in that region make the journey back to see family members and friends. Many of these feature regional race meetings also form part of a broader community festival – such as Penong, Cenduna, Streaky Bay and Hawker Cups.

Racing clubs themselves have increasingly developed activities and on-course facilities that enable families to enjoy a social day at the races.

Many clubs actively promote services and amenities for families including the provision of parent rooms, baby change tables, kids' clubs, playgrounds and dedicated children's zones. The survey revealed a number of positive initiatives which have been developed by clubs. All clubs offer attractions or services that support attendance by children. The survey revealed that:

- + All clubs have complimentary entry and offer some level of free activities for children
- + Close to 91% of clubs offer events for families and children on special racedays
- + Over 57% of clubs actively involve people from culturally diverse backgrounds

In addition to this, some of the specific raceday initiatives undertaken by racing clubs in South Australia include:

- + Animal farms
- + Jumping castles, water slides and rock climbing
- + Christmas and Easter promotions
- + Kid's fashions on the field
- + Permanent play areas and kid zones
- + Arts and Crafts activities
- + Sack races egg and spoon, Gold coin dig
- + Face painting
- + Children's rides and amusements
- + Fancy dress themes for children
- + RICE (Remote isolated Children's event)
- + Hobby horse races

SHARING FACILITIES WITHIN THE COMMUNITY

Racing clubs, in particular regional racing clubs, have a limited requirement to use their facilities for racing purposes and therefore look to assist and support the community by providing these facilities and resources for use on a temporary and permanent basis. The majority of racing clubs engage with community groups including sporting clubs, Rotary and Lions clubs, emergency services and show societies to share their facilities and resources. This is particularly evident in rural and regional areas where facilities have been used extensively for community, public and crisis use.

Some of the 44 organisations which share facilities and resources with clubs include:

- + Arts groups
- + Animal clubs (equestrian, pony, polocrosse, hunt)
- + Dance studios and Gymkhana clubs
- + Rotary, Lions and Scout groups
- + Show Societies (regional agricultural societies)
- + Shire Councils
- + Local schools and Kindergartens
- + Sporting clubs (football, netball, bowls, cricket, archery)
- + St John's First Aid and Regional CFS
- + Novita





EDUCATION AND TRAINING

Education and training is vitally important for the continued growth and success of all three codes of racing across South Australia.

Education and training programs also work to support communities through various avenues. Metropolitan hubs and regional areas alike feel the positive impact provided by community partnerships, training programs and welfare initiatives provided by the three racing codes. Racing in South Australia incorporates a wide variety of education and training courses to both help better equip those within the industry to further their professional or tertiary development, and to assist those looking for opportunities to enter the industry.

As a Registered Training Organisation, Racing South Australia has the responsibility for the delivery of training and currently offers nationally recognised programs through traineeship and apprenticeship arrangements, for stablehands, track work riders/jockeys and sports turf management. These opportunities provide practical access and theoretical knowledge to many aspects of professional racing in South Australia.

Racing clubs and participants directly employ staff on a full-time, part-time and casual basis. Club employees are involved in administration, which includes the conduct of raceday and other non-raceday tasks. As part of their commitment to delivering an enjoyable experience for racing

participants and customers, racing clubs have adopted a number of initiatives.

- + 34% of clubs have at least one member of their staff currently participating in further education, career development and training programs each year
- + All racing clubs encourage responsible gambling
- + 18% of clubs have partnerships with primary, secondary, trade and tertiary institutions



PROMOTING HEALTHY RACING CLUB ENVIRONMENTS

Racing clubs in South Australia have developed and applied a number of initiatives to improve the raceday and non-raceday experience for attendees, participants, staff, partners and the broader community. These initiatives have arisen in response to changing consumer needs and community values.

Racing clubs play an active role in providing healthy environments for their customers and racing participants. Some examples include:

- + The provision of healthy choice options for both racing participants and customers
- + Clubs have policies & practices in place to encourage responsible consumption of alcohol
- + Clubs have trained on-site medical staff available to assist participants, volunteers, staff and customers if required

Racing clubs manage major facilities and events involving large numbers of customers. Many of these events relate to non-raceday functions and events run by other community groups or individuals. Community and Government expectations of racing clubs, relating to environmentally friendly practices and policies, have led to the adoption of a number of important initiatives that have a positive impact on the South Australia environment.

Racing clubs are actively implementing policies and practices in key areas that impact on the environment. A quarter (25%) of all clubs have policies in place to save water or to re-use or recycle water. Examples include:

- + Use of bore water and council treatment plants
- + Effluent water usage
- + Timed and low flow irrigation (watering at nights)
- + Water turned off at mains following race meetings
- + Rain storage tanks, dams and storm water feeds
- + Water saving devices for cisterns and tap wear (e.g. shower heads)

Almost 40% of clubs have programs in place to utilise solar energy or save electricity. Examples include:

- + Installation of panels for solar generation
- + Lighting and power programming to save energy
- + Energy efficient light fittings (LED)

Over 21% have policies and programs to develop native flora and fauna. Examples include:

- + Beautification of the racing grounds with native plants that also establishes habitat for protecting birdlife
- + Development of nurseries on-course
- + Tree planting programs in open areas (also to provide shade on racedays)



CLUB HISTORY AND HERITAGE

Thoroughbred, greyhound and harness racing in South Australia has a long and celebrated history, having been recorded for over 180 years. The historical elements of racecourses in South Australia are an important part of the fabric of many local communities and many clubs actively promote past sporting participants, racing identities and special anniversaries.

Thoroughbred History

Going back to 1838, the first race meeting commenced on the 1st and 2nd of January to celebrate South Australia Proclamation Day. It was in 1864 that the first Adelaide Cup was held at Thebarton Racecourse, with Colonel William Light as one of the first-ever Stewards. Along with twelve other horses, Falcon competed in the First Adelaide Cup on 21st April in a two-mile race. Owned by P. Dowling, Falcon went on to win the race in 1864, and continued to win several major races in the future. The names of many streets in the Thebarton Racecourse area commemorate famous horses who ran on the course in the beginnings of the sport, including Falcon, Cowra, Tarragon, Roebuck, Lurline, and Ebor.

Now, 160 years after the first Adelaide Cup, many South Australian thoroughbred horses, trainers, and jockeys have made names for themselves within the sport.

Some famous jockeys include John Letts, who holds the record for the most Goodwood wins by a jockey, and Clare Lindop, the first female to win a Victoria Derby and also known as one of the most successful female riders.

Only three South Australian trainers have officially been inducted into the Australian Racing Hall of Fame. One of the best known is Colin Hayes, who trained over 5,000 winners, one of whom was perhaps his best ever galloper Dulcify.

Dulcify was a champion in the late 1970s having won an Australian Derby, Australian Cup, Turnbull Stakes, Mackinnon Stakes and Cox Plate all in 1979. Hayes also won 28 Adelaide trainers' premierships and 13 Melbourne trainers' premierships.

Another 'legend' trainer is Bart Cummings, also known as 'The Cups King', thanks to his Melbourne Cup exploits. Cummings hold the record for the number of victories in Australia's greatest race - 13. In his storied career he claimed 246 Group 1 victories and is part of the Sport Australia Hall of Fame. He trained Galilee, which he referred to as the best horse he'd ever prepared. In the 1966/67 season Galilee became the only horse to win the Caulfield, Melbourne, and Sydney Cups in a single season.

Greyhound History

Dating back to the 1860's, South Australian greyhound racing has a long history. In 1940, the Adelaide Greyhound Racing Club (AGRC) was formed, providing greyhound racing in non-betting venues from 1947, later introducing races to betting venues in the early 1970's.

As hobbyists began competing with their greyhounds in venues like Thebarton Oval and Waterloo Corner, the rules and procedures for the sport were further developed and refined. The very first race meeting was then presented at Angle Park on 20th April 1972 to an audience of 15,000 people.

Greyhound racing continued to grow in popularity, resulting in additional racetracks in venues Strathalbyn, Gawler, and Mount Gambier, among others. As the sport continued to professionalise, a rationalisation phase saw a reduction in racing venues, but the number of race meetings still continued to increase. Today,

greyhound racing enthusiasts and the race-going public are greeted with first-class facilities at Angle Park, Gawler, Murray Bridge and Mount Gambier, where over 400 race meetings and 5,000 races are staged annually. South Australia has and continues producing some of Australia's most famous greyhounds, including the South Australian-owned Brett Lee (Australia's fastest ever greyhound, long-time Angle Park track record holder), Kate's A Scandal, and Bayroad Queen. Doug Payne, a 12-time South Australian training premiership winner, is the most famous modern South Australian trainer. Payne also trained four Adelaide Cup winners, and was inducted into the Australian Greyhound Racing Hall of Fame in 2010.

Harness History

In November 1889, organised trotting races were reported as having been held along the roads of Port Adelaide. The first country trotting club to feature in South Australia, the Millcent TC held their first meeting on a new course at the Recreation Reserve on 24 June 1895.

Aside from becoming Adelaide's premier metropolitan track under lights for a period approaching forty years, Wayville Showgrounds has played host to various outdoor events such as the Royal Adelaide Show. It was known as Speedway Royale between 1926 and 1934 when used for sidecar & motorcycle racing, the main arena hosts the Adelaide leg of the annual Big Day Out music festival, as well as Monster Trucks and Motocross events such as the Supercross Masters. The South Australian Trotting Club held its first Inter Dominion at Wayville in 1937. Many prominent horses graced the Wayville track : Minor Derby, Aachen, Van Nut, Adios Court, Bylaw, Gramel, Merchant being a small sample.

Globe Derby Park (GDP) has been known as the home of harness racing in South Australia for close to fifty years, the track named after one of Australasia's most influential stallions. Home track and flagship venue for the South Australian Harness Racing Club (SAHRC). The highlight of racing over the years at Globe Derby Park has been the Interdominions. Large crowds were always a feature although televised racing reduced numbers to a degree. GDP has hosted five Inter Dominion Championships — the premier harness racing series in Australia and New Zealand.

Close to 60% of Racing Clubs throughout South Australia actively promote the history and heritage elements of their Club. This is an important aspect of racing as many of the Clubs have a long and rich history.

The initiatives that Clubs have adopted record the history and convey the excitement of racing in their community to both visitors and locals.

A number of examples include:

- + Hall of Fames to acknowledge horses/ greyhounds, participants and associates
- + Promoting Club anniversaries e.g. 150 years of racing at Penola Racing Club, Angle 50 years
- + Restoration and maintenance of racecourse buildings
- + Restoration of memorabilia
- + Club historians
- + Permanent displays for visitors on both racedays and non-racedays (inc. bus tours)
- + Special racedays - "Legends and Reunion Day"
- + Promotion through local papers, radio and websites
- + Record-keeping of events and race performances
- + Black Caviar Exhibition at Adelaide Town Hall
- + Compiling Club histories.

REGIONAL SUMMARIES

Adelaide

- + The population of the Adelaide region is 1,348,270 (Australian Bureau of Statistics).
- + There are a total of seven (7) racing clubs operating in the region, two (2) thoroughbred, three (3) greyhound and two (2) harness clubs.
- + The racing industry in the Adelaide region is responsible for generating more than \$449.2 million in value added contribution to Gross State Product. This equates to 67.1% of the total impact generated by the South Australian Racing Industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 3,275 full-time equivalent (FTE) jobs in the region.
- + There are 5,500 roles occupied in the racing industry in Adelaide.

The racing industry in the **Adelaide region is responsible for generating \$449.2 million in value added** contribution to gross state product. This represents **67.1% of the industry total.**

RACING CLUBS IN THE REGION

Thoroughbred

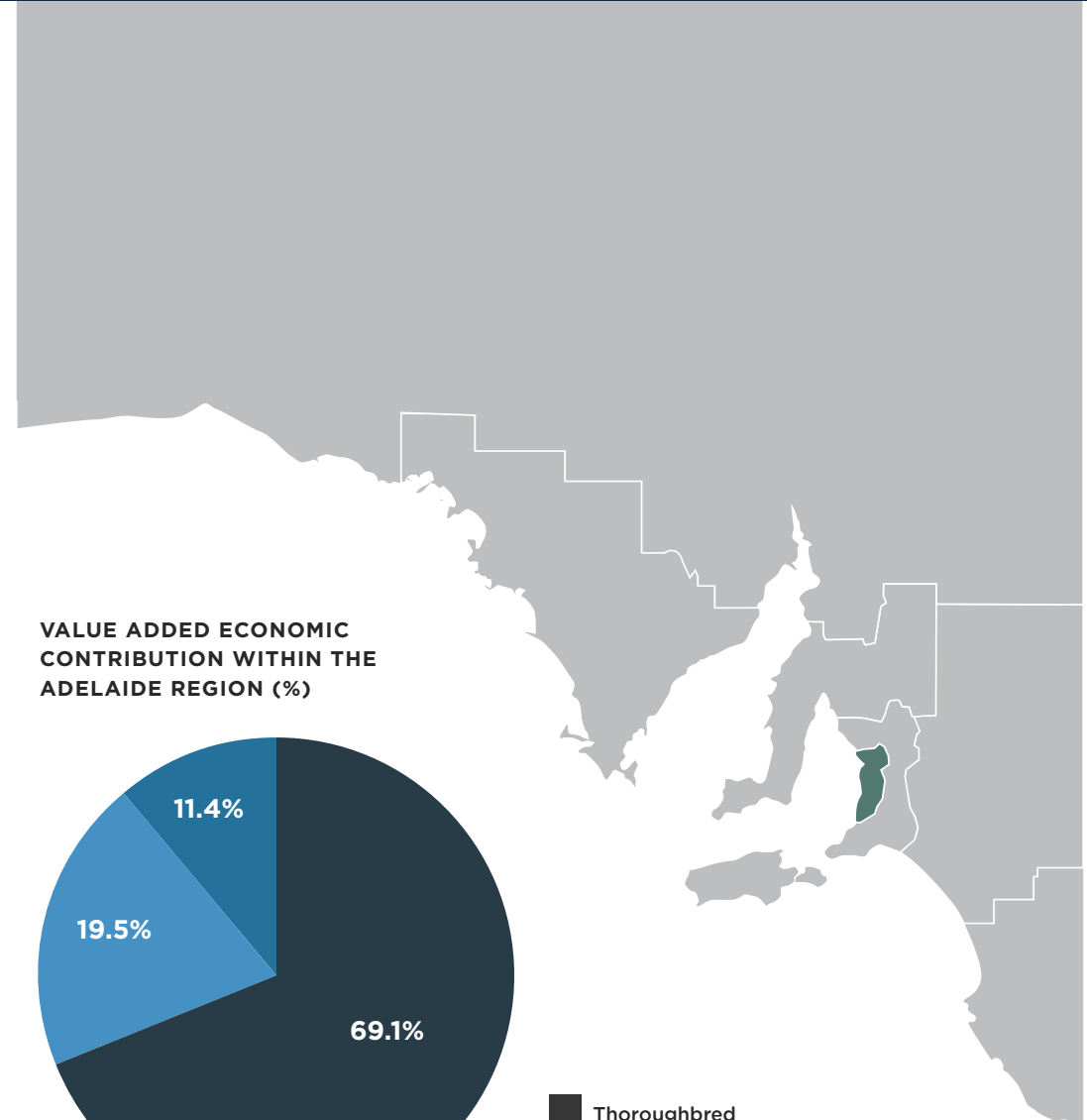
- + Gawler & Barossa Jockey Club
- + Morphettville Racing Club

Greyhound

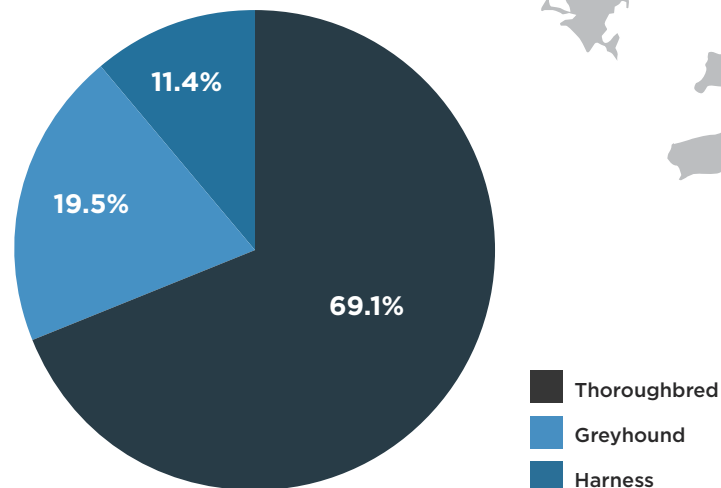
- + Gawler Greyhound Racing Club
- + Adelaide Greyhound Racing Club
- + Virginia Greyhound Racing Club

Harness

- + Globe Derby Park
- + Gawler Harness Racing Club (GHRC)



VALUE ADDED ECONOMIC CONTRIBUTION WITHIN THE ADELAIDE REGION (%)



ECONOMIC IMPACTS

	Thoroughbred	Greyhound	Harness	Total
Total direct expenditure	\$233.6m	\$65.8m	\$38.9m	\$338.2m
Total value added	\$310.2m	\$87.7m	\$51.3m	\$449.2m
Full-time equivalent employment	2,266	633	376	3,275

ANIMALS

	Thoroughbred	Greyhound	Harness	Total
Pups/Foals produced	137	71	16	224
Horses and greyhounds in training	1,206	279	544	2,029

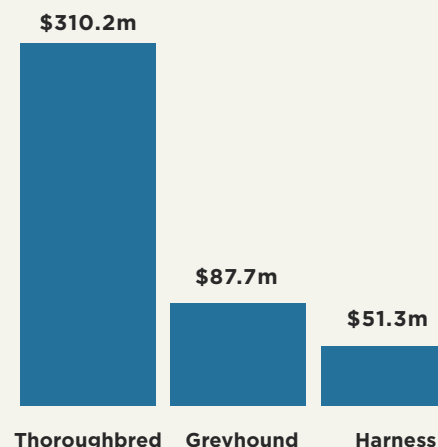
TOTAL ROLES OCCUPIED IN RACING

	Thoroughbred	Greyhound	Harness	Total
Breeders	78	36	56	169
Owners & Syndicate Members	2,488	616	354	3,457
Trainers	66	70	95	231
Breeders staff	60	26	28	113
Stable/Kennel employees	114	40	115	270
Racing Club & industry staff (FT, PT, casual)	414	178	67	659
Jockeys, drivers & apprentices	30	0	49	79
Racing club volunteers	4	30	27	61
Volunteers assisting participants	202	63	196	461
Total participants in the Adelaide region	3,455	1,059	987	5,500

*Some totals do not add due to rounding.

Race meetings in the Adelaide region attracted attendances of **137,863** or **51.6% of total attendances** at race meetings in South Australia.

VALUE ADDED GENERATED BY EACH CODE WITHIN THE ADELAIDE REGION



AT A GLANCE

7 Racing Clubs

THOROUGHBRED	2
GREYHOUND	3
HARNESS	2

406 Race Meetings

THOROUGHBRED	65
GREYHOUND	246
HARNESS	96

4,078 Races

THOROUGHBRED	546
GREYHOUND	2,782
HARNESS	750

2,692 Racing Club Members

THOROUGHBRED	2,100
GREYHOUND	312
HARNESS	280

137,863 Attendances

THOROUGHBRED	81,846
GREYHOUND	31,917
HARNESS	24,100

*Some totals do not add due to rounding

Eyre

- + The population of the Eyre region is 36,423 (Australian Bureau of Statistics).
- + There are a total of five (5) thoroughbred racing clubs operating in the region.
- + The racing industry in the Eyre region is responsible for generating close to \$15.2 million in value added contribution to Gross State Product. This equates to 2.3% of the total impact generated by the South Australian racing industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 117 full-time equivalent (FTE) jobs in the region.
- + There are 617 roles occupied in the racing industry in Eyre.

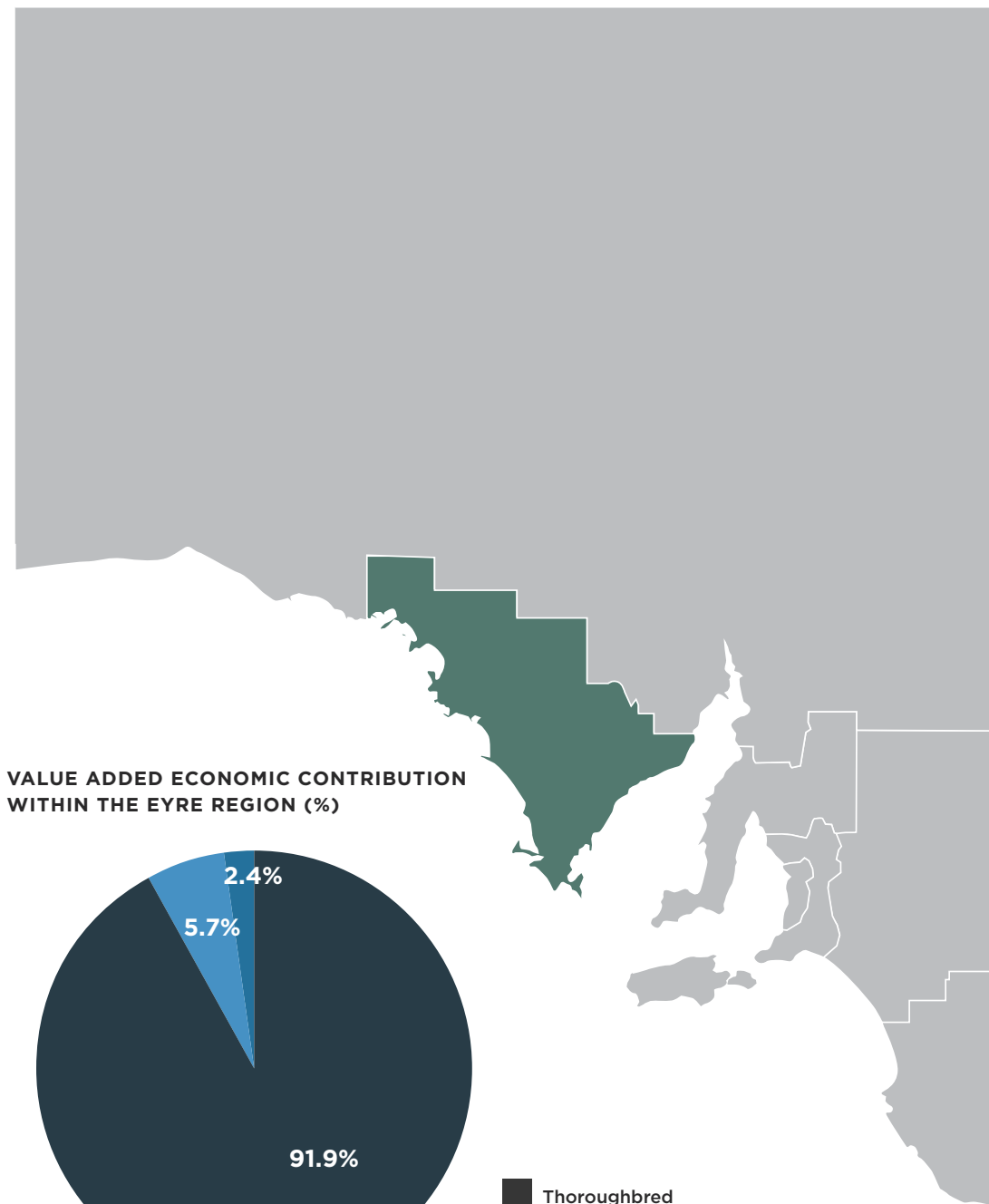
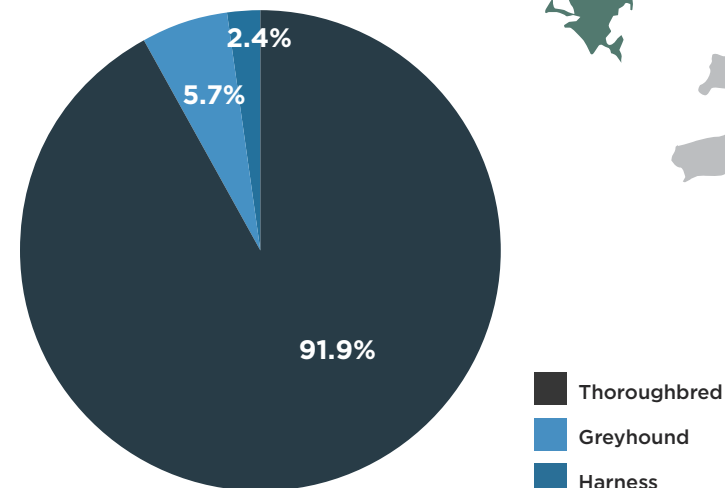
RACING CLUBS IN THE REGION

Thoroughbred

- + Ceduna Racing Club
- + Lock Racing Club
- + Kimba Racing Club
- + Port Lincoln Racing Club
- + Streaky Bay Racing Club

The racing industry in the **Eyre region is responsible for generating \$15.2 million in value added** contribution to gross state product. This represents **2.3% of the industry total.**

VALUE ADDED ECONOMIC CONTRIBUTION WITHIN THE EYRE REGION (%)



ECONOMIC IMPACTS

	Thoroughbred	Greyhound	Harness	Total
Total direct expenditure	\$14.8m	\$1.1m	\$0.4m	\$16.3m
Total value added	\$14.0m	\$0.9m	\$0.4m	\$15.2m
Full-time equivalent employment	108	7	3	117

ANIMALS

	Thoroughbred	Greyhound	Harness	Total
Pups/Foals produced	16	0	0	16
Horses and greyhounds in training	172	0	3	175

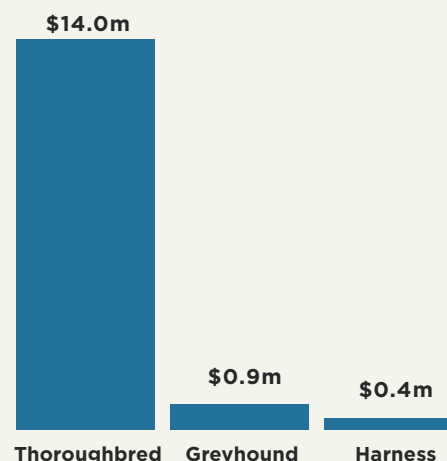
TOTAL ROLES OCCUPIED IN RACING

	Thoroughbred	Greyhound	Harness	Total
Breeders	15	1	2	18
Owners & Syndicate Members	251	5	5	261
Trainers	26	0	1	27
Breeders staff	12	1	1	13
Stable/Kennel employees	30	0	1	31
Racing Club & industry staff (FT, PT, casual)	44	1	0	45
Jockeys, drivers & apprentices	0	0	0	0
Racing club volunteers	162	0	0	162
Volunteers assisting participants	56	1	4	61
Total participants in the Eyre region	595	8	14	617

*Some totals do not add due to rounding.

Race meetings in the Eyre region attracted attendances of **11,959** or **4.5%** of total attendances at race meetings in South Australia.

VALUE ADDED GENERATED BY EACH CODE WITHIN THE EYRE REGION



AT A GLANCE

5 Racing Clubs

THOROUGHBRED 5

16 Race Meetings

THOROUGHBRED 16

125 Races

THOROUGHBRED 125

315 Racing Club Members

THOROUGHBRED 315

11,959 Attendances

THOROUGHBRED 11,959

*Some totals do not add due to rounding

Murraylands

- + The population of the Murraylands region is 73,771 (Australian Bureau of Statistics).
- + There are three (3) racing clubs operating in the area, two (2) thoroughbred racing clubs and one (1) greyhound club.
- + The racing industry in the Murraylands region is responsible for generating close to \$55.5 million in value added contribution to Gross State Product. This equates to 8.3% of the total impact generated by the South Australian racing industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 428 full-time equivalent (FTE) jobs in the region.
- + There are 847 roles occupied in the racing industry in Murraylands.

The racing industry in the **Murraylands region is responsible for generating \$55.5 million in value added** contribution to gross state product. This represents **8.3% of the industry total.**

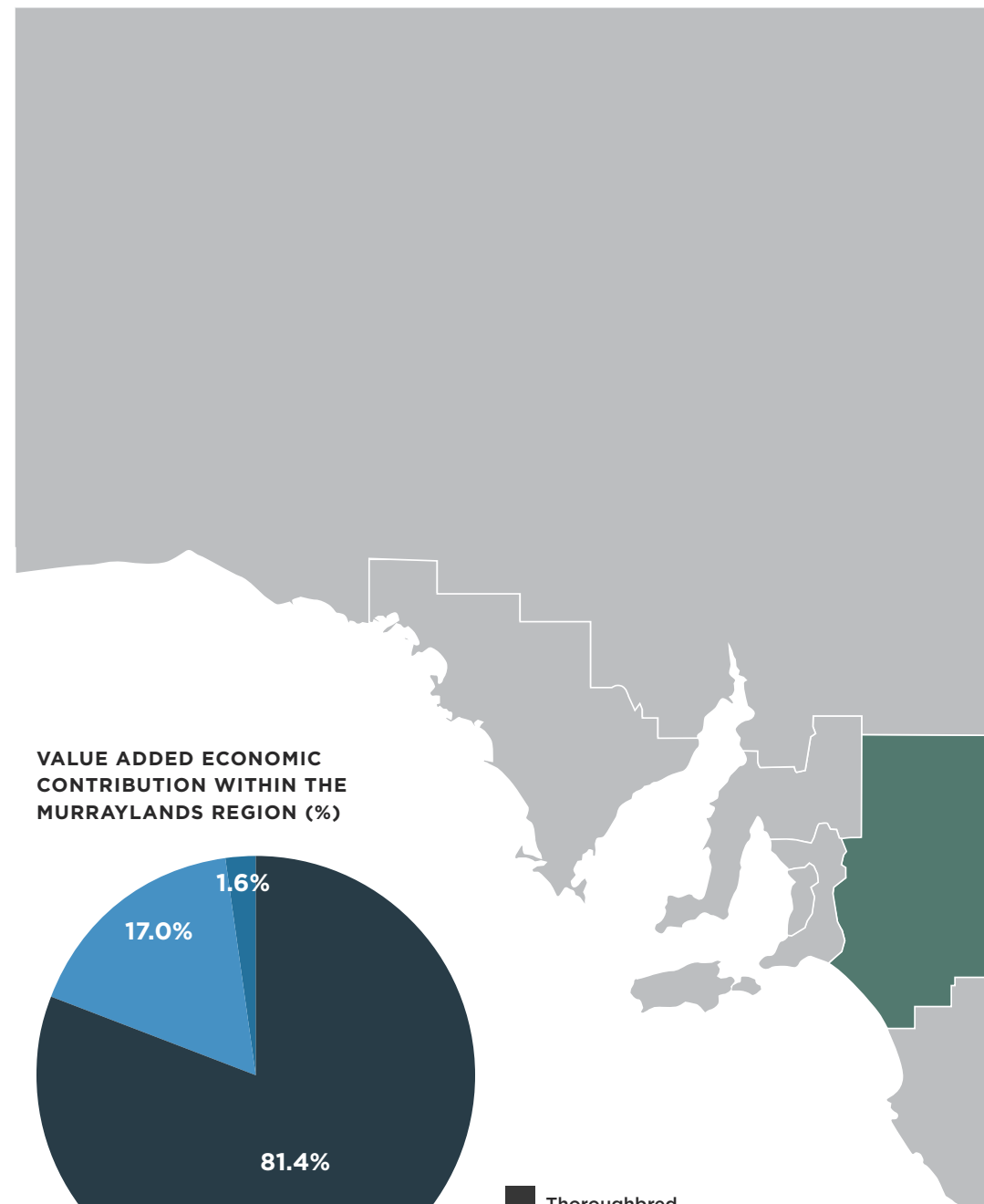
RACING CLUBS IN THE REGION

Thoroughbred

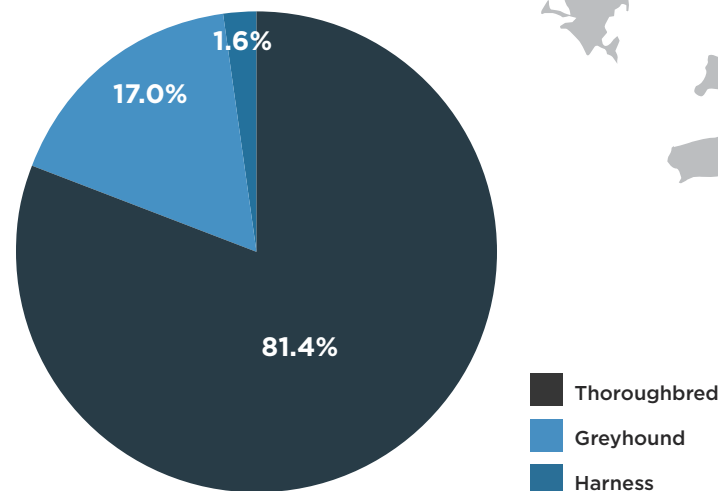
- + Mindarie-Halidon Racing Club
- + Murray Bridge Racing Club

Greyhound

- + Murray Bridge Greyhound Racing Club



VALUE ADDED ECONOMIC CONTRIBUTION WITHIN THE MURRAYLANDS REGION (%)



ECONOMIC IMPACTS

	Thoroughbred	Greyhound	Harness	Total
Total direct expenditure	\$44.5m	\$9.3m	\$1.0m	\$54.8m
Total value added	\$45.2m	\$9.4m	\$0.9m	\$55.5m
Full-time equivalent employment	348	73	7	428

ANIMALS

	Thoroughbred	Greyhound	Harness	Total
Pups/Foals produced	61	77	0	138
Horses and greyhounds in training	666	293	10	969

TOTAL ROLES OCCUPIED IN RACING

	Thoroughbred	Greyhound	Harness	Total
Breeders	27	14	0	41
Owners & Syndicate Members	257	88	7	353
Trainers	41	34	2	78
Breeders staff	21	10	0	31
Stable/Kennel employees	29	20	2	51
Racing Club & industry staff (FT, PT, casual)	88	1	1	90
Jockeys, drivers & apprentices	6	0	1	7
Racing club volunteers	60	5	7	72
Volunteers assisting participants	94	28	3	125
Total participants in the Murraylands region	624	200	23	847

*Some totals do not add due to rounding.

Race meetings in the Murraylands region attracted attendances of **25,877** or **9.7%** of total attendances at race meetings in South Australia.

VALUE ADDED GENERATED BY EACH CODE WITHIN THE MURRAYLANDS REGION



AT A GLANCE

3 Racing Clubs

THOROUGHBRED	2
GREYHOUND	1

123 Race Meetings

THOROUGHBRED	23
GREYHOUND	100

1,316 Races

THOROUGHBRED	185
GREYHOUND	1,131

395 Racing Club Members

THOROUGHBRED	280
GREYHOUND	115

25,877 Attendances

THOROUGHBRED	17,354
GREYHOUND	8,523

*Some totals do not add due to rounding

Northern

- + The population of the Northern region is 77,145 (Australian Bureau of Statistics).
- + There are seven (7) racing clubs operating in the area, six (6) thoroughbred racing clubs and one (1) harness club.
- + The racing industry in the Northern region is responsible for generating more than \$22.7 million in value added contribution to Gross State Product. This equates to 3.4% of the total impact generated by the South Australian racing industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 176 full-time equivalent (FTE) jobs in the region.
- + There are 778 roles occupied in the racing industry in Northern.

The racing industry in the **Northern region is responsible for generating \$22.7 million in value added** contribution to gross state product. This represents **3.4% of the industry total.**

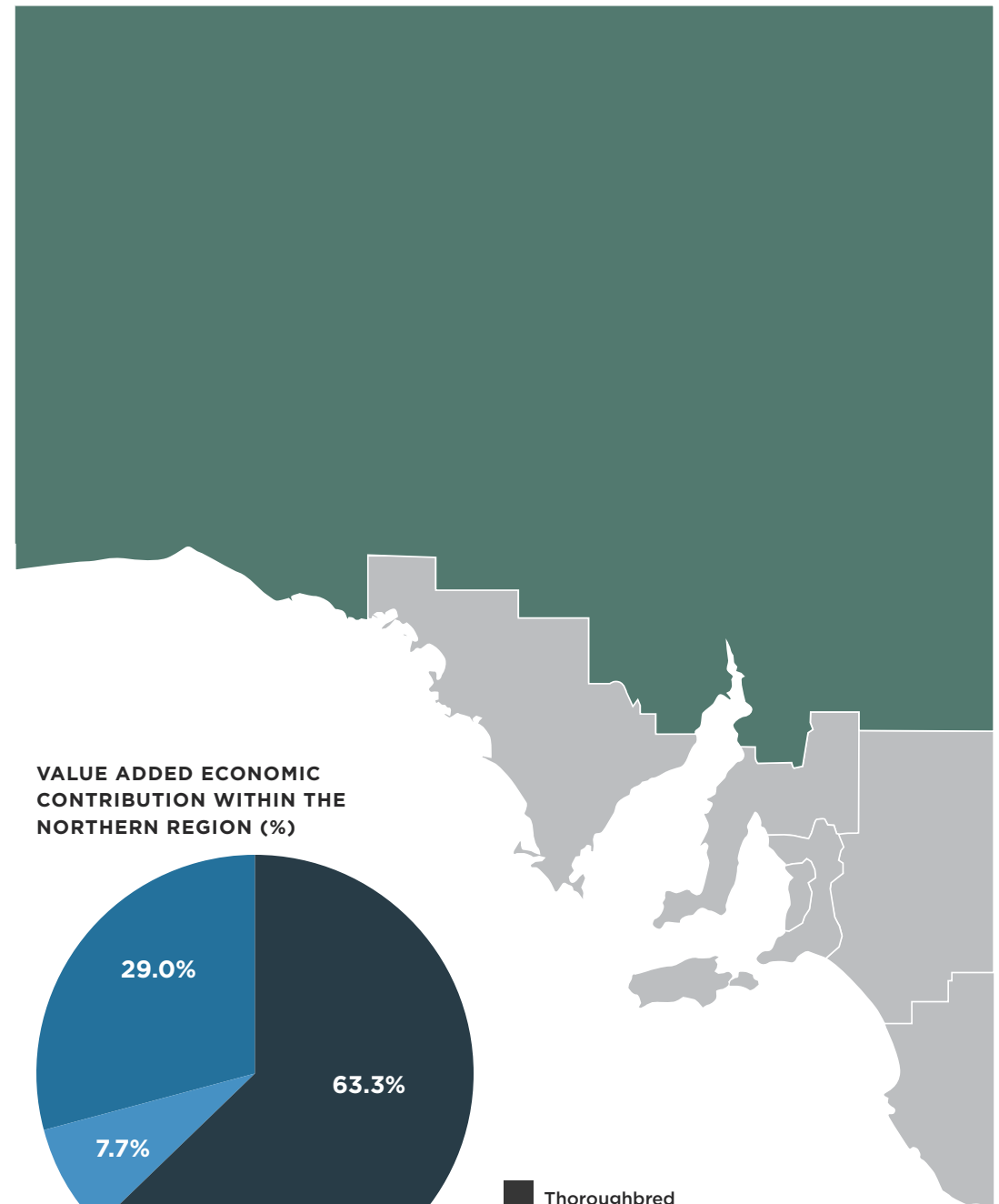
RACING CLUBS IN THE REGION

Thoroughbred

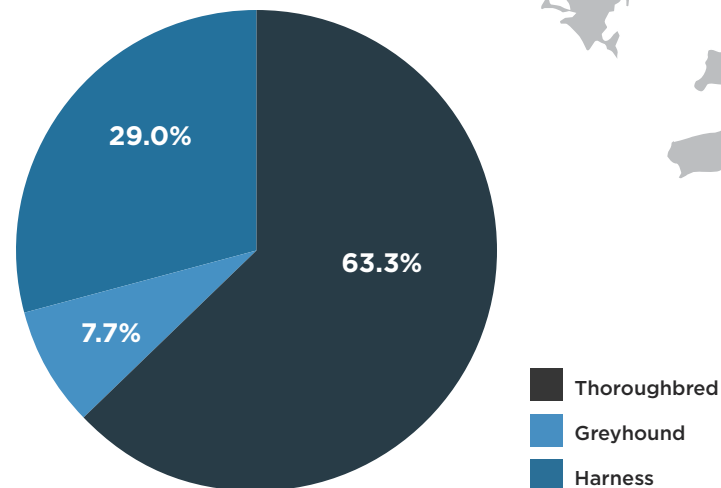
- + Hawker Racing Club
- + Jamestown Racing Club
- + Penong Racing Club
- + Port Augusta Racing Club
- + Quorn Jockey Club
- + Roxby Downs and Districts Racing Club

Harness

- + Port Pirie Racing Club (PPHRC)



VALUE ADDED ECONOMIC CONTRIBUTION WITHIN THE NORTHERN REGION (%)



ECONOMIC IMPACTS

	Thoroughbred	Greyhound	Harness	Total
Total direct expenditure	\$16.5m	\$2.3m	\$7.6m	\$26.5m
Total value added	\$14.4m	\$1.7m	\$6.6m	\$22.7m
Full-time equivalent employment	114	13	49	176

ANIMALS

	Thoroughbred	Greyhound	Harness	Total
Pups/Foals produced	8	0	0	8
Horses and greyhounds in training	116	9	227	352

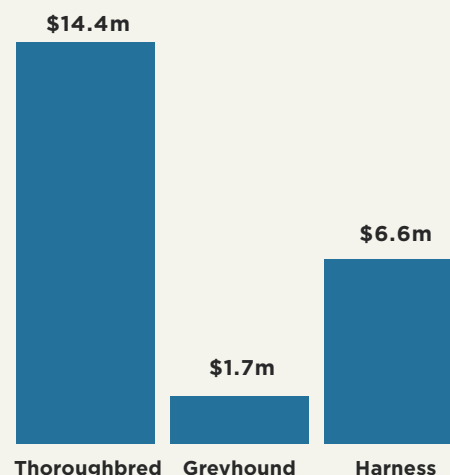
TOTAL ROLES OCCUPIED IN RACING

	Thoroughbred	Greyhound	Harness	Total
Breeders	9	3	6	18
Owners & Syndicate Members	277	53	74	404
Trainers	17	2	18	37
Breeders staff	7	2	3	12
Stable/Kennel employees	31	1	18	51
Racing Club & industry staff (FT, PT, casual)	41	1	7	49
Jockeys, drivers & apprentices	0	0	5	5
Racing club volunteers	116	0	16	132
Volunteers assisting participants	36	3	31	70
Total participants in the Northern region	534	66	178	778

*Some totals do not add due to rounding.

Race meetings in the Northern region attracted attendances of **13,033** or **4.9%** of total attendances at race meetings in South Australia.

VALUE ADDED GENERATED BY EACH CODE WITHIN THE NORTHERN REGION



AT A GLANCE

7 Racing Clubs

THOROUGHBRED	6
HARNESS	1

31 Race Meetings

THOROUGHBRED	13
HARNESS	18

204 Races

THOROUGHBRED	86
HARNESS	118

191 Racing Club Members

THOROUGHBRED	131
HARNESS	60

13,033 Attendances

THOROUGHBRED	9,433
HARNESS	3,600

*Some totals do not add due to rounding

Outer Adelaide

- + The population of the Outer Adelaide region is 196,372 (Australian Bureau of Statistics).
- + There are a total of six (6) racing clubs operating in the region, three (3) which are thoroughbred clubs and three (3) harness clubs.
- + The racing industry in the Outer Adelaide region is responsible for generating close to \$77.3 million in value added contribution to Gross State Product. This equates to 11.5% of the total impact generated by the South Australian racing industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 586 full-time equivalent (FTE) jobs in the region.
- + There are 2,237 roles occupied in the racing industry in Outer Adelaide.

The racing industry in the **Outer Adelaide region** is responsible for generating **\$77.3 million** in value added contribution to gross state product. This represents **11.5% of the industry total**.

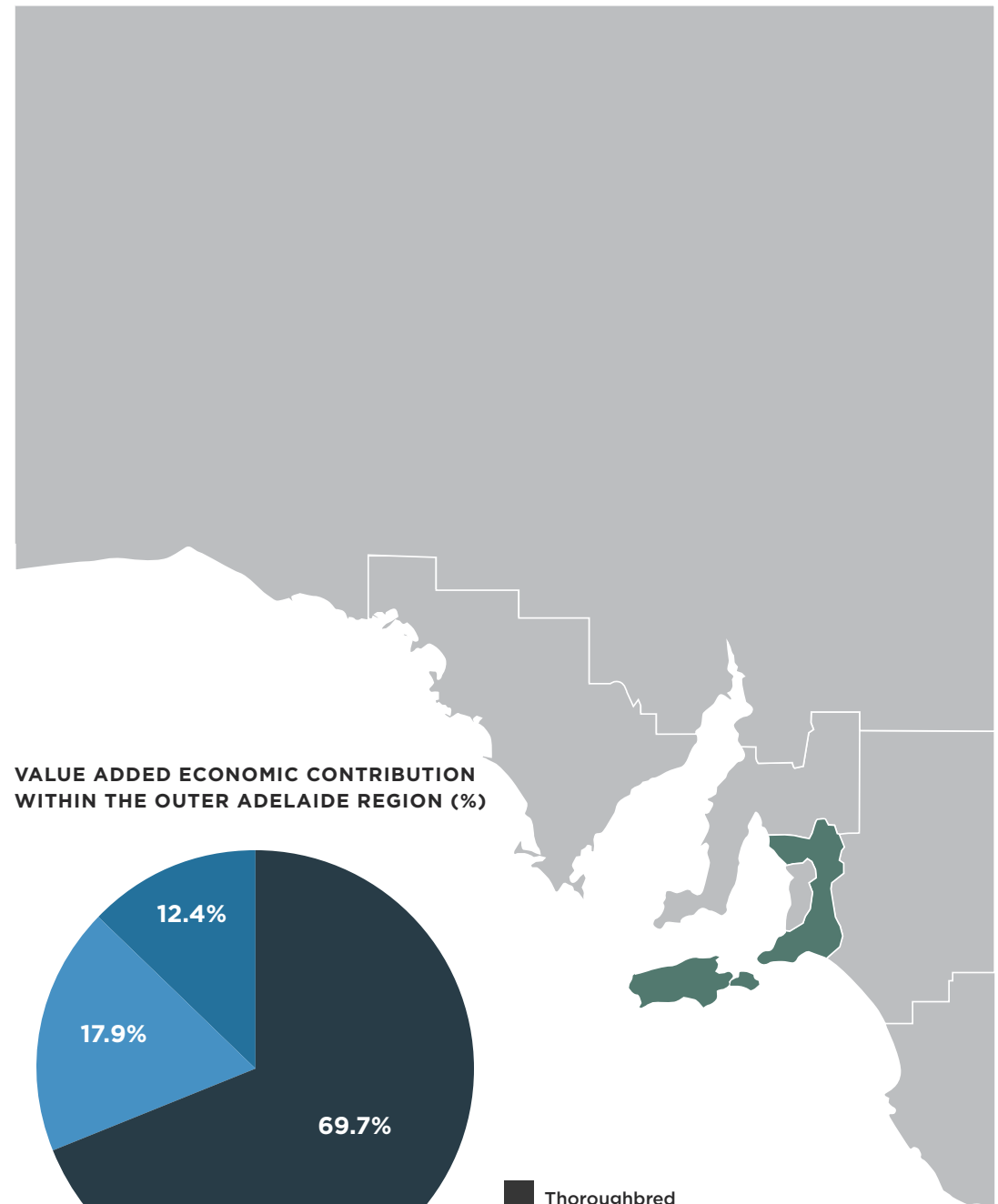
RACING CLUBS IN THE REGION

Thoroughbred

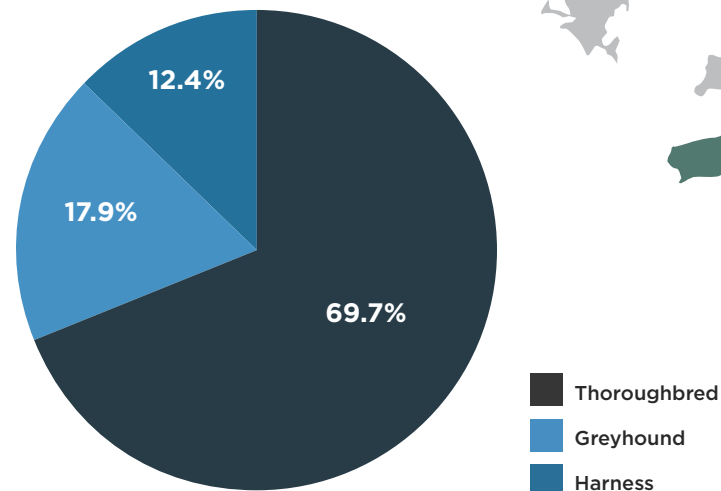
- + Kangaroo Island Racing Club
- + Oakbank Racing Club
- + Strathalbyn Racing Club

Harness

- + Strathalbyn Harness Racing Club (SHRC)
- + Victor Harbour Harness Racing Club (VHHRC)
- + Kapunda Harness Racing Club (KHRC)



VALUE ADDED ECONOMIC CONTRIBUTION WITHIN THE OUTER ADELAIDE REGION (%)



ECONOMIC IMPACTS

	Thoroughbred	Greyhound	Harness	Total
Total direct expenditure	\$55.6m	\$14.8m	\$10.2m	\$80.7m
Total value added	\$53.9m	\$13.8m	\$9.6m	\$77.3m
Full-time equivalent employment	411	102	72	586

ANIMALS

	Thoroughbred	Greyhound	Harness	Total
Pups/Foals produced	153	254	13	420
Horses and greyhounds in training	647	1,072	276	1,995

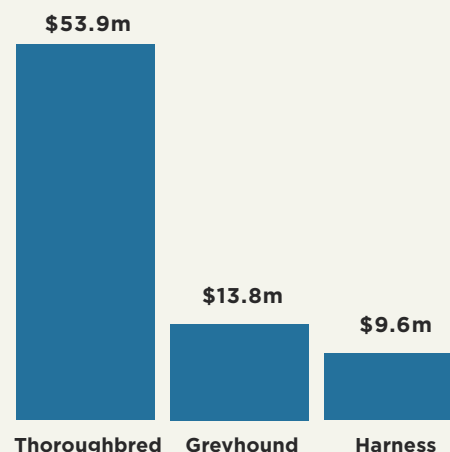
TOTAL ROLES OCCUPIED IN RACING

	Thoroughbred	Greyhound	Harness	Total
Breeders	84	50	20	154
Owners & Syndicate Members	736	165	91	992
Trainers	74	83	41	198
Breeders staff	65	35	10	110
Stable/Kennel employees	65	48	39	152
Racing Club & industry staff (FT, PT, casual)	130	3	3	136
Jockeys, drivers & apprentices	9	0	19	29
Racing club volunteers	68	0	14	82
Volunteers assisting participants	223	81	79	383
Total participants in the Outer Adelaide region	1,455	466	317	2,237

*Some totals do not add due to rounding.

Race meetings in the Outer Adelaide region attracted attendances of **28,661** or **10.7%** of total attendances at race meetings in South Australia.

VALUE ADDED GENERATED BY EACH CODE WITHIN THE OUTER ADELAIDE REGION



AT A GLANCE

6 Racing Clubs

THOROUGHBRED	3
HARNESS	3

23 Race Meetings

THOROUGHBRED	20
HARNESS	3

170 Races

THOROUGHBRED	146
HARNESS	24

919 Racing Club Members

THOROUGHBRED	849
HARNESS	70

28,661 Attendances

THOROUGHBRED	26,311
HARNESS	2,350

*Some totals do not add due to rounding

South East

- + The population of the South East region is 69,137 (Australian Bureau of Statistics).
- + There are at total of seven (7) racing clubs operating in the region, five (5) thoroughbred clubs, one (1) greyhound club and one (1) harness club.
- + The racing industry in the South East region is responsible for generating more than \$34.8 million in value added contribution to Gross State Product. This equates to 5.2% of the total impact generated by the South Australian racing industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 273 full-time equivalent (FTE) jobs in the region.
- + There are 1,538 roles occupied in the racing industry in South East.

The racing industry in the **South East region is responsible for generating \$34.8 million in value added** contribution to gross state product. This represents **5.2% of the industry total.**

RACING CLUBS IN THE REGION

Thoroughbred

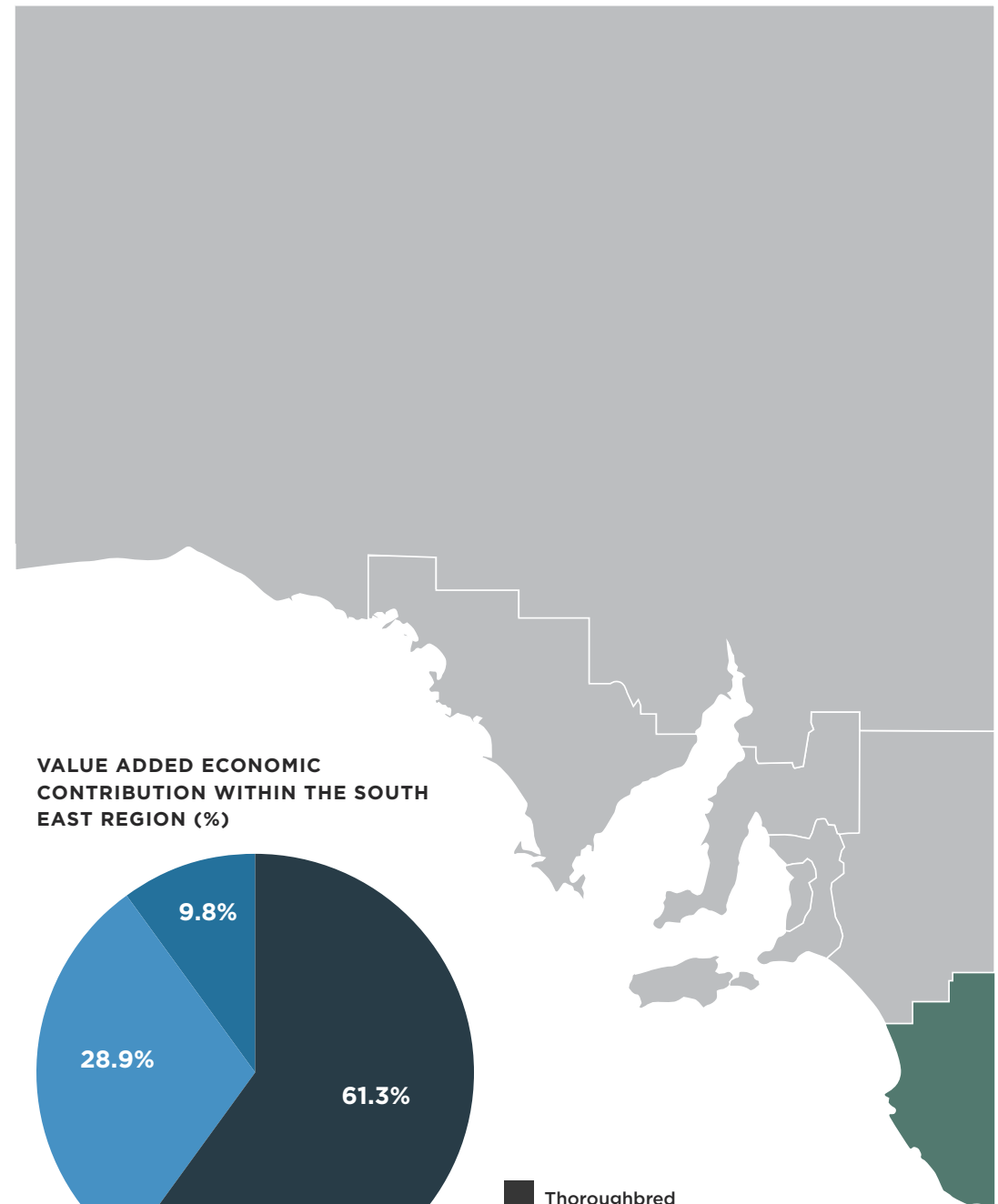
- + Bordertown Racing Club
- + Millicent Racing Club
- + Mount Gambier Racing Club
- + Naracoorte Racing Club
- + Penola Racing Club

Greyhound

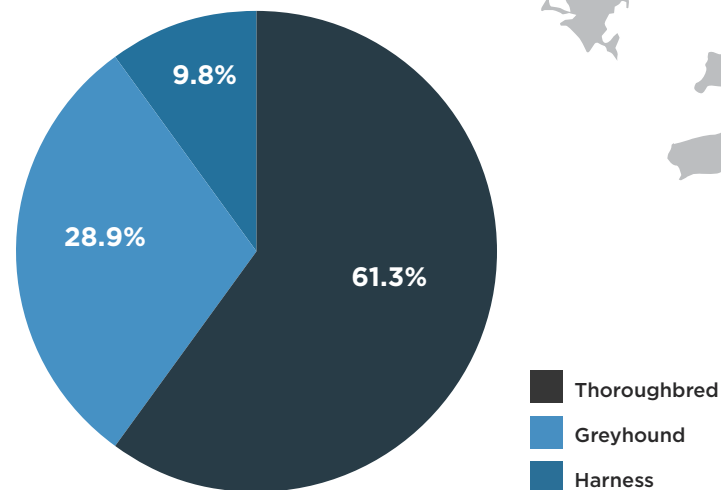
- + Mount Gambier Greyhound Racing Club

Harness

- + Mount Gambier Harness Racing Club (MGHRC)



VALUE ADDED ECONOMIC CONTRIBUTION WITHIN THE SOUTH EAST REGION (%)



ECONOMIC IMPACTS

	Thoroughbred	Greyhound	Harness	Total
Total direct expenditure	\$24.7m	\$11.4m	\$4.1m	\$40.2m
Total value added	\$21.3m	\$10.1m	\$3.4m	\$34.8m
Full-time equivalent employment	167	80	26	273

ANIMALS

	Thoroughbred	Greyhound	Harness	Total
Pups/Foals produced	41	74	9	124
Horses and greyhounds in training	244	239	91	574

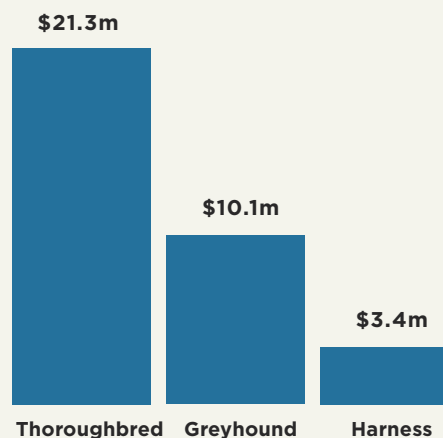
TOTAL ROLES OCCUPIED IN RACING

	Thoroughbred	Greyhound	Harness	Total
Breeders	37	12	26	75
Owners & Syndicate Members	511	87	108	705
Trainers	40	23	29	92
Breeders staff	28	9	13	50
Stable/Kennel employees	40	13	33	86
Racing Club & industry staff (FT, PT, casual)	118	29	3	151
Jockeys, drivers & apprentices	2	0	11	13
Racing club volunteers	152	3	10	165
Volunteers assisting participants	108	21	72	200
Total participants in the	1,036	197	305	1,538

*Some totals do not add due to rounding.

Race meetings in the South East region attracted attendances of **39,537** or **14.8% of total attendances** at race meetings in South Australia.

VALUE ADDED GENERATED BY EACH CODE WITHIN THE SOUTH EAST REGION



AT A GLANCE

7 Racing Clubs

THOROUGHBRED	5
GREYHOUND	1
HARNESS	1

138 Race Meetings

THOROUGHBRED	138
GREYHOUND	8

1,444 Races

THOROUGHBRED	201
GREYHOUND	1,193
HARNESS	50

956 Racing Club Members

THOROUGHBRED	780
GREYHOUND	126
HARNESS	50

39,537 Attendances

THOROUGHBRED	11,337
GREYHOUND	25,800
HARNESS	2,400

*Some totals do not add due to rounding

Yorke and Lower North

- + The population of the Yorke and Lower North region is 51,166 (Australian Bureau of Statistics).
- + There are a total of three (3) racing clubs operating in the region, two (2) of which are thoroughbred clubs and one (1) harness club.
- + The racing industry in the Yorke and Lower North region is responsible for generating more than \$15.1 million in value added contribution to Gross State Product. This equates to 2.2% of the total impact generated by the South Australian racing industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 116 full-time equivalent (FTE) jobs in the region.
- + There are 741 roles occupied in the racing industry in Yorke and Lower North.

RACING CLUBS IN THE REGION

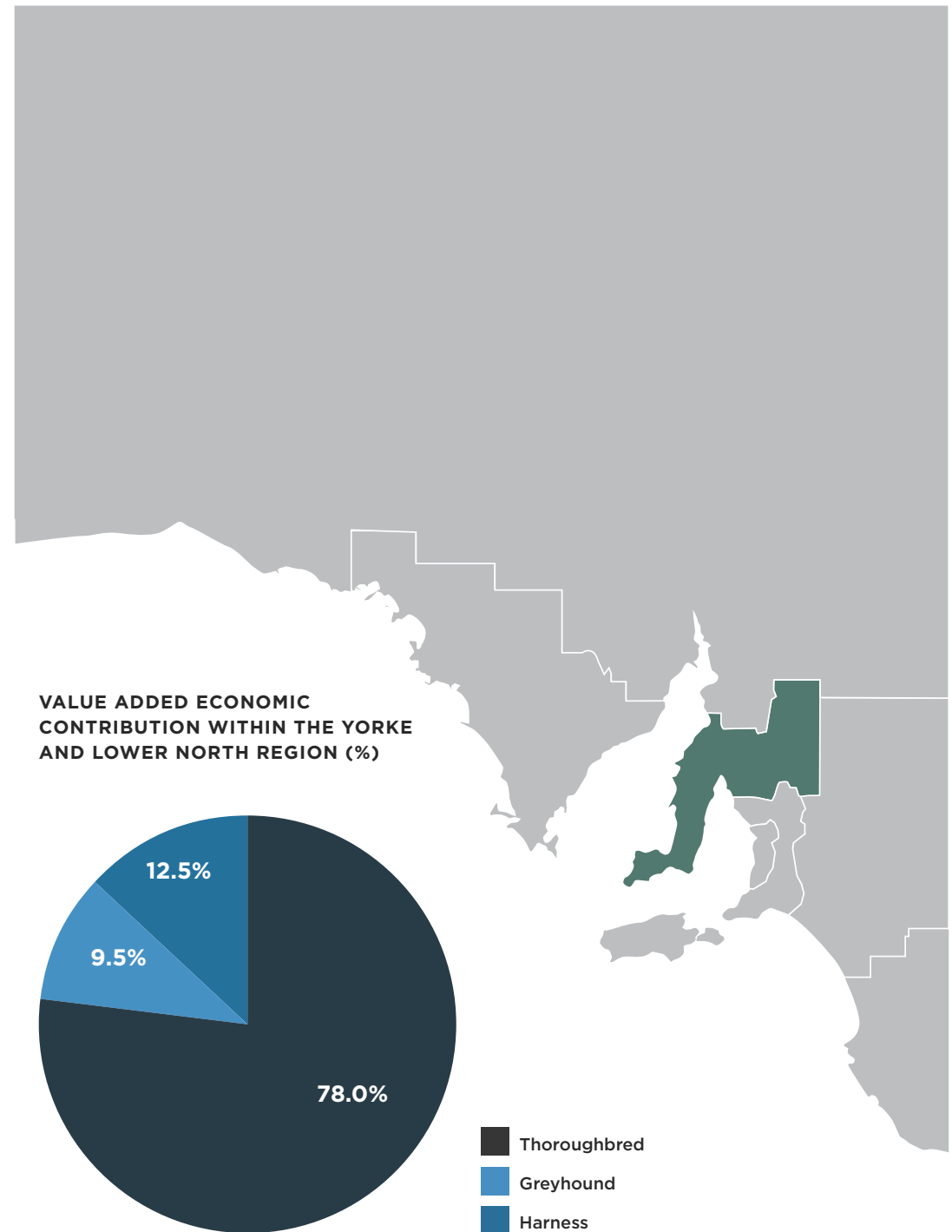
Thoroughbred

- + Balaklava Racing Club
- + Clare Valley Racing Club

Harness

- + Yorke Peninsula Harness Racing Club (YPHRC)

The racing industry in the **Yorke and Lower North region is responsible for generating \$15.1 million in value added contribution to gross state product. This represents 2.2% of the industry total.**



ECONOMIC IMPACTS

	Thoroughbred	Greyhound	Harness	Total
Total direct expenditure	\$12.5m	\$1.8m	\$2.2m	\$16.5m
Total value added	\$11.7m	\$1.4m	\$1.9m	\$15.1m
Full-time equivalent employment	92	11	14	116

ANIMALS

	Thoroughbred	Greyhound	Harness	Total
Pups/Foals produced	47	0	0	47
Horses and greyhounds in training	13	40	60	113

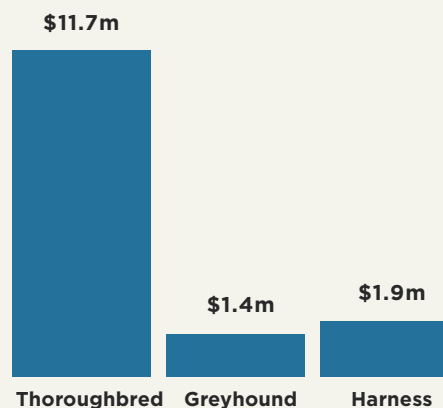
TOTAL ROLES OCCUPIED IN RACING

	Thoroughbred	Greyhound	Harness	Total
Breeders	15	2	9	26
Owners & Syndicate Members	184	38	27	249
Trainers	4	7	8	19
Breeders staff	12	1	5	18
Stable/Kennel employees	4	4	13	21
Racing Club & industry staff (FT, PT, casual)	242	1	1	244
Jockeys, drivers & apprentices	0	0	6	6
Racing club volunteers	95	0	7	102
Volunteers assisting participants	28	5	23	55
Total participants in the Yorke and Lower North region	583	58	99	741

*Some totals do not add due to rounding.

Race meetings in the Yorke and Lower North region attracted attendances of **10,222** or **3.8%** of total attendances at race meetings in South Australia.

VALUE ADDED GENERATED BY EACH CODE WITHIN THE YORKE AND LOWER NORTH REGION



AT A GLANCE

3 Racing Clubs

THOROUGHBRED	2
HARNESS	1

16 Race Meetings

THOROUGHBRED	16
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121 Races

THOROUGHBRED	121
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380 Racing Club Members

THOROUGHBRED	345
HARNESS	35

10,222 Attendances

THOROUGHBRED	10,222
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*Some totals do not add due to rounding

About IER

IER is a leading strategic consulting business specialising in the sports, racing and entertainment 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, greyhound and harness racing industry in South Australia.

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 three principal racing authorities 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:

- + New Zealand racing industry (3 codes)
- + Australian greyhound racing industry
- + Australian thoroughbred racing industry
- + New South Wales greyhound racing industry
- + New South Wales harness racing industry
- + Tasmanian racing industry (3 codes)
- + Northern Territory thoroughbred racing industry
- + Queensland racing industry (3 Codes)
- + Australian Football League
- + Western Australian 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.

Barry has undertaken a significant range of studies on special events, with some specific examples including:

- + Size and scope of the New Zealand racing industry (2024)
- + Size and scope of the Queensland racing industry (2023)
- + Size and scope study of the Tasmanian racing industry (2021)
- + Size and scope of the Tasmanian racing industry (2023)
- + Size and scope of the New South Wales harness racing industry (2023)
- + Size and scope of the Australian Football League (2022)
- + Size and scope of Thoroughbred racing industry in the Northern Territory (2022)
- + Size and scope of the Victorian racing industry (2022)
- + Size and scope of the Western Australian racing industry (2021)
- + Size and scope of the Asian Racing Federation (2020)
- + Size and scope of the South Australian racing industry (2019)
- + Economic and social impact study of harness racing in Australia (2012)

Barry provides the economic modelling and advisory services to IER.

This report (Report) has been produced independently by IER as requested by Racing SA, GRSA and HRSA. The report has been prepared to meet the requirements set out by the three codes of racing within the terms of reference. The information, statements, statistics and commentary (together the 'Information') contained in this Report have been prepared by IER from a combination of publicly available material, data from various stakeholder organisations and from confidential discussions held with participants of the industry. IER has prepared this Report on the information that was received or obtained, on the basis that such information is accurate and, where it is represented to IER as such, complete. The Information contained in this Report has not been subject to an audit.

Economic Methodology

The purpose of this study is to measure the contribution made by the three codes of racing towards the South Australian economy. In this way, it is a generalised measure of the industry's contribution to the State's economy.

BASIS OF EVALUATION

This study is based on a consistent methodology to that used by IER in the evaluation of the contribution of racing industry's in other states and regions. The modelling is based on assessing the way in which expenditures that underpin the racing industry impact in a 'whole of economy context' through the creation of jobs and incomes.

More specifically, the economic contribution of an industry to the region in which it operates represents the contribution that the industry makes in terms of the generation of gross state (or regional product), household income and the employment these incomes support. The racing industry does this in two ways

- ✦ Through the employment and activity, it supports directly within racing (including the impact on the industries that depend on it as a customer); and
- ✦ The flow on effects of that which filters through the economy as a result of this activity

The importance of the expenditures generated by an industry, in the production process, is that they will sustain turnover in local industry, and specifically this will support local jobs and incomes. It is the jobs and incomes that are taken to be the measure of economic impact or benefit, netting out leakages such as expenditure on imports etc.

In terms of determining average costs of producing a horse/greyhound (breeding) and preparing a horse/greyhound (training) for racing, IER consults with South Australian Thoroughbred, Greyhound and Harness breeders and trainers. The focus is to determine an average cost of breeding and training at the different lifecycle stages. Data collected in similar jurisdictions is sometimes used to make comparisons and determine per horse/greyhound expenditures.

In addition to the jobs created with direct suppliers of services to the racing industry, economic activity produces a broader effect throughout the community, due to supply chain linkages and the impact of the spend of wage - extending the spend effect and the impact through various layers of the economy. This is known as the flow on or induced impact.

The result of an unconstrained whole of economy or general equilibrium model underpinned by input output tables, is a prominent process for translating direct created expenditure (a final demand stimulus) of industries or projects into jobs and incomes, and for establishing the extent of the flow on impact. There is some level of academic argument about appropriate models for converting increases in external expenditure (final demand) into regional economic impacts. The critics of using unconstrained models such as input output tables often argue that they overstate the value of an industry - and reference that "multiplier" impacts are taken as method of ratcheting up the stated value (noting that this study uses an impact assessment rather than multipliers per se). This criticism would be valid when analysts applied turnover multipliers but is not the case

with the more appropriate use of value added multipliers - which translate the expenditure estimates to national accounting framework measure with a whole of economy context.

Indeed, value added multipliers (the value added impact (direct and induced) relative to a dollar of created expenditure) are often less than 1. It is further noted that the constraints that are applied in more complex economic models do not tend to be substantial at the state and regional level in a longer term context (labour flows from state to state and region to region and capital can also flow freely).

Used correctly, a whole of economy approach provides a more appropriate measure of economic impact than expenditure. In short, use of input output based models allow for reporting with respect to the estimated outcomes of the industry in terms of:

- ✦ The effect of expenditure or turnover on value added or incomes across a State/regional economy; and
- ✦ In terms of job creation

These measures ensure that the analysis is consistent with national accounting frameworks.

It should be emphasised that this methodology includes the identification and inclusion of local (South Australia) expenditure associated with racing. The economic impacts determined by this approach do not represent the value that would be lost to the State if the industry did not exist. Generally, when considering expenditure by locals it is often held that substitution is a significant factor in whether that spending would be lost to the economy. Taking the racing industry as an

example, it is likely (under a scenario where it no longer existed) that much of the local resident spend would substitute to other activities. Depending on where this spending occurs the overall economic impact of that spending could be higher or lower than what it was when spent on racing.

What this study calculates is the level of direct and induced employment and income that is linked to people choosing to spend their entertainment dollar on racing (after allowing for imports which are used in the production process). This could be considered the gross economic impact of the sector and is therefore a measure of its significance generally. If a similar gross impact was calculated for every other sector of the economy, then the sum of the impacts would be considerably greater than the size of the economy in total. An alternative methodology would be to measure the net economic impact. Such a study would represent the extent to which this industry expenditure is supported by revenues that can be considered new to the state or region. This would include the supply of services by the local industry to racing activities interstate. It would also include the spending made by tourists or visitors to the state whose main reason for visiting is to attend/participate in the races and wagering by out-of-state residents on local racing product. Finally, it would include industry revenues that locals spend where they would not spend it in the state but for their involvement in the activities of racing. It would also reasonably be expected that some race attendees would attend events interstate if they were not available in South Australia, and that some operators would base their operations interstate if this was the case. The information required for this assessment is not available, and as such is out of the scope of this analysis.

ESTIMATES OF EXPENDITURE BY THE INDUSTRY

This study of the South Australian racing industry is undertaken by firstly identifying the expenditures generated by the industry and then applying this expenditure to state input output model. The State input output model has been prepared using the latest ABS national input output table (2020-21) as a base and has been created using the location quotient method and using state labour force and national accounts data and updated to the relevant year for inflation. The model condenses the industry structure of the national input output table to a 26 industry sector level focusing on industries more directly impacted by production activity in the racing industry. The approach identifies the structural context of expenditure and then applies this to industry sectors from which point it is assumed that the general industry production function can be applied.

The estimated racing industry expenditure is determined at two levels. Firstly, the industry expenditure generated within each code of racing is identified, as well as the region in which this spend occurs. Secondly, final expenditures are allocated to the model's industry sectors. Expenditure on labour in the racing sector itself is allocated to the sport and recreation sector. By allocating these expenditures in this way, the imports required to support racing industry activity can be estimated for the production function of respective industry sectors and excluded as they represent a leakage from the state economy.

From an industry classification perspective, whilst "sport and recreation" is the dominant sector, there are significant purchases made from other sectors such as agriculture, business services, property services etc., while racing events include spend on food and beverage services and other general consumer spend.

ADJUSTMENT OF EXPENDITURES

The expenditure data is converted from purchasers' prices to basic prices, as the final expenditure data includes margins, taxes and subsidies and all monetary values in the input output model are expressed as basic values. The prime differences between purchaser prices and basic prices are that:

- ✦ Basic values exclude the cost of transport and wholesale and retail trade embedded in the purchase price (and allocate these to the transport and trade sectors).
- ✦ GST will be allocated to Gross Operating Surplus. In the modelling herein this is then considered to support Government expenditure (an implied revenue neutral situation).

The core assumptions to make the adjustments from purchaser price distributions to basic values are:

- ✦ The average value added in each of the industry sectors is extracted and then the GST component (at 10% - which is only paid on the value added) is deducted and separately identified. It is assumed that the value added coefficient for the arts and recreation sector understates that of the spend for the racing industry as the cultural industry will be dominated by public sector institutions and not for profits - whereas the recreation sector is more commercial.
- ✦ The purchaser price is adjusted for the average margin for wholesale, retail and transport sectors, as identified in the national input output tables.

DISTRIBUTION TO REGIONS

The final expenditures outlined within this study has been allocated to regions across South Australia. The level of economic activity will not proportionally follow the expenditure, as regional areas generally have higher import penetrations than metropolitan areas (i.e. regional areas have a higher likelihood of needing to import products and services from the metropolitan area).

This study develops a regional input output model for each of the nominated regions. These regional models are created from the underlying state table and again using the location quotient method based on regional employment estimates for each region from the latest data available through the ABS Census. Outcomes for the regions are adjusted for feedback impacts to be consistent with the state level modelling results, with much of the feedback being assumed to occur within the greater Adelaide area.

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- ✦ Racing South Australia
- ✦ Greyhound Racing South Australia
- ✦ Harness Racing South Australia
- ✦ Participants who provided detailed financial data on training and breeding racing animals
- ✦ South Australian Thoroughbred, Greyhound & Harness racing clubs
- ✦ Responsible Wagering Australia
- ✦ Tabcorp

Definitions

The following terms have been used throughout the study and are defined as follows:

+ Direct Expenditure - is defined as expenditure associated with producing racing animals (breeding and rearing), preparing racing animals (training), racing customer expenditure and expenditure by South Australian PRAs and racing clubs on operating the industry. Direct expenditure is counted at the point at which it leaves the racing industry and hits the broader economy

+ Direct Economic Impact (value added) - represents the amount of income included in the direct in-scope expenditure, and therefore is the amount of wages and salaries plus gross operating surplus directly created in supply these services and product, which is also equal to the direct in scope expenditure less the purchases the provider of the goods and services makes in providing the goods and services

+ Indirect Economic Impact (flow-on) - represents the value added activity generated to support the purchases made in providing the inputs to the providers of the direct services, along with the value added impact in providing households with goods and services as they spend their wages, and the trickle on effect of this

+ Total Value Added - is the sum of the direct value added plus the flow on impact. It therefore represents the contribution to Gross State Product resulting from the events and activities of the South Australian racing industry

+ Full-time Equivalent Employment - is a unit that indicates the workload of an employed person in a way that makes workloads or class loads comparable across various contexts. An FTE of 1.0 is equivalent to a full-time worker (i.e. 38 hours), while an FTE of 0.5 signals half of a full work load (i.e. 19 hours)

+ Household Income - is defined as being wages and salaries (before tax) earned from employment generated by the racing industry

+ Participants in Racing - is defined as being the number of employees (full-time, part-time and casual), participants and volunteers directly involved in the racing industry. Does not include down-the-line suppliers of goods and services

+ Input Output Modelling - is the economic modelling used to determine the economic outputs within this study. It is an economy wide model, which shows the inter-linkages between industry sectors in the economy. Therefore, the change in economic circumstances (specifically a change in final demand), for one sector of the economy can be traced though to its effect on other sectors



2



FOCUSED THINKING



RACING
SA



Greyhound
RACING SA



HARNESS
RACING SA