

SIZE AND SCOPE OF THE

Victorian Racing Industry



Focused Thinking

Prepared by IER / 2013





Key Impacts

THE JOBS & PARTICIPANTS

	Thoroughbred	Harness	Greyhound	Non-code specific	2013 Total	2006 Total
Participants in racing						
Racing club volunteers	1,600	200	200		2,000	6,200
Owners	50,000	7,800	14,000		71,800	37,700
Breeders	1,800	3,000	700		5,500	4,900
Trainers	1,000	2,100	2,600		5,700	5,700
Total participants in racing	54,400	13,100	17,500		85,000	54,500
Employed directly in racing						
Employed by racing clubs/industry	10,700	1,400	1,300	3,500	16,900	12,600
Employed by participants	6,900	4,100	1,200		12,200	13,900
Total employed directly in racing (1)	17,600	5,500	2,500	3,500	29,100	26,500
Total jobs & participants directly involved in racing	72,000	18,600	20,000	3,500	114,100	81,000
Employed in support industries (2)	18,600	6,500	3,600		28,700	25,900
Total jobs & participants	90,600	25,100	23,600	3,500	142,800	106,900
Total employed directly and in support industries (1) & (2)						
	36,200	12,000	6,100	3,500	57,800	52,400

MORE THAN 114,100 PEOPLE ARE DIRECTLY INVOLVED IN THE RACING INDUSTRY AS AN EMPLOYEE, VOLUNTEER OR PARTICIPANT - 60.9% RESIDE IN REGIONAL VICTORIA



RACE MEETINGS IN VICTORIA
ATTRACT ATTENDANCES OF
MORE THAN 1.8 MILLION

THE VRI CONTRIBUTES MORE
THAN \$2.8 BILLION IN REAL
GROSS VALUE ADDED TO THE
VICTORIAN ECONOMY



THE ECONOMIC IMPACT

	2013	2006
Economic value of racing	\$2.8 bil	\$2.1 bil
Total jobs & participants	142,800	106,900
FTE employment in racing	26,600	18,700
Household income generated	\$1.6 bil	\$1.1 bil

THE RACING INDUSTRY IS DIRECTLY
RESPONSIBLE FOR SUSTAINING MORE
THAN 26,600 FULL TIME EQUIVALENT
(FTE) JOBS IN THE VICTORIAN ECONOMY

RACING'S CUSTOMERS

	2013	2006
Overseas viewers	750 mil	700 mil
Australian viewers of Melbourne Cup Carnival	6.3 mil	6.0 mil
Attendances at Victorian race meetings	1.8 mil	2.1 mil
Racing club members	67,050	60,000
Victorians (18+) participating in race wagering annually	831,800	N/A
Spring Racing Carnival attendances	706,800	730,000
SRC attendances by out-of-state visitors	165,400	101,600
Total attendances by out-of-state visitors to Victorian racing	207,500	162,400

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Introduction & background

The three codes of racing, through their peak racing bodies (Racing Victoria, Harness Racing Victoria and Greyhound Racing Victoria) and the Victorian Government have commissioned a study into the size and scope of the racing industry in Victoria. This study represents an update to the previous report completed in 2006 (which was based on the 2004/05 racing season). The 2006 study found that the three codes of racing in Victoria generated \$2.1 billion in value-added contribution to Gross State Product.

PURPOSE OF THE STUDY

The primary purpose of this study is to determine the economic contribution made, to the Victorian economy, by the three codes of racing in Victoria. In addition to this, the study also aims to determine the following outcomes:

- + The number of jobs and level of full time equivalent employment generated by racing industry activities in Victoria
- + The number of participants in racing industry related pursuits, both professional and non-professional
- + The social and community importance of the Victorian Racing Industry
- + The economic value of the racing industry within each of the statistical divisions in Victoria

Disclaimer:

IER has prepared this report for RV, HRV and GRV, for its sole use and within the scope of work set out in the project terms of reference. Much of the data provided by the industry, in particular the Racing clubs, has been accepted without audit and in good faith. The study is based on the 2010/11 racing season thus providing the best opportunity to gather consolidated financial information from the industry, racing clubs and participants. In some instances, it was more appropriate to show data relating to the 2012/13 racing season. However all data relating to the economic impact calculations is sourced from the 2010/11 racing season. We do not assume or accept or owe any responsibility or duty of care to any person other than these three peak racing bodies. We did not, and do not by consenting to publication of this report, assume or accept or owe any responsibility or duty of care to any other person.

In assessing the size and scope of the industry, the study will take into account a number of the traditional measures adopted by the racing industry such as foal and pup production, attendances, horse and greyhound training activities and wagering activities. For the purpose of this study, thoroughbred, harness and greyhound racing in Victoria is defined as covering the full spectrum of activities associated with the conduct of the racing industry within these codes. This study does not include other 'horse/ greyhound related industries' outside of the racing industry such as equestrian horses and hobby horses.

captured in other parts of this study. As such, its inclusion would amount to double counting of some expenditure impacts.

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 groups. The majority of expenditures are classified within their relevant ANZSIC codes. A number of horse and greyhound racing activities are contained within ANZSIC classification segment 91 – Sports and Recreation Services.

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

PERIOD OF REPORTING

This report is based on the 2010/11 racing season. More recent code specific information is available at:

- + www.racingvictoria.net.au
- + www.hrv.org.au
- + www.grv.org.au

The data that underpins this study has been gathered from a number of sources. Peak racing bodies provided data related to registered participants and wagering. Racing clubs provided a considerable amount of data relating to their club and raceday operations. Existing customer research was synthesised with club financial data in order to estimate racing customer expenditure impacts whilst a sample of breeders, trainers and owners were interviewed in order to build a profile of the cost of production and preparation of racehorses and greyhounds.

Throughout the report, data has been presented at the State and regional level. The regional level analysis is based on twelve key areas taken from the statistical division framework within the Australian Bureau of Statistics geographical classification structure.

ECONOMIC METHODOLOGY




The development of an economic model of the racing industry requires a strong understanding of the internal and external flows of money. In developing the model, duplicate expenditures have been identified within the monetary framework and excluded from the total expenditure calculations.

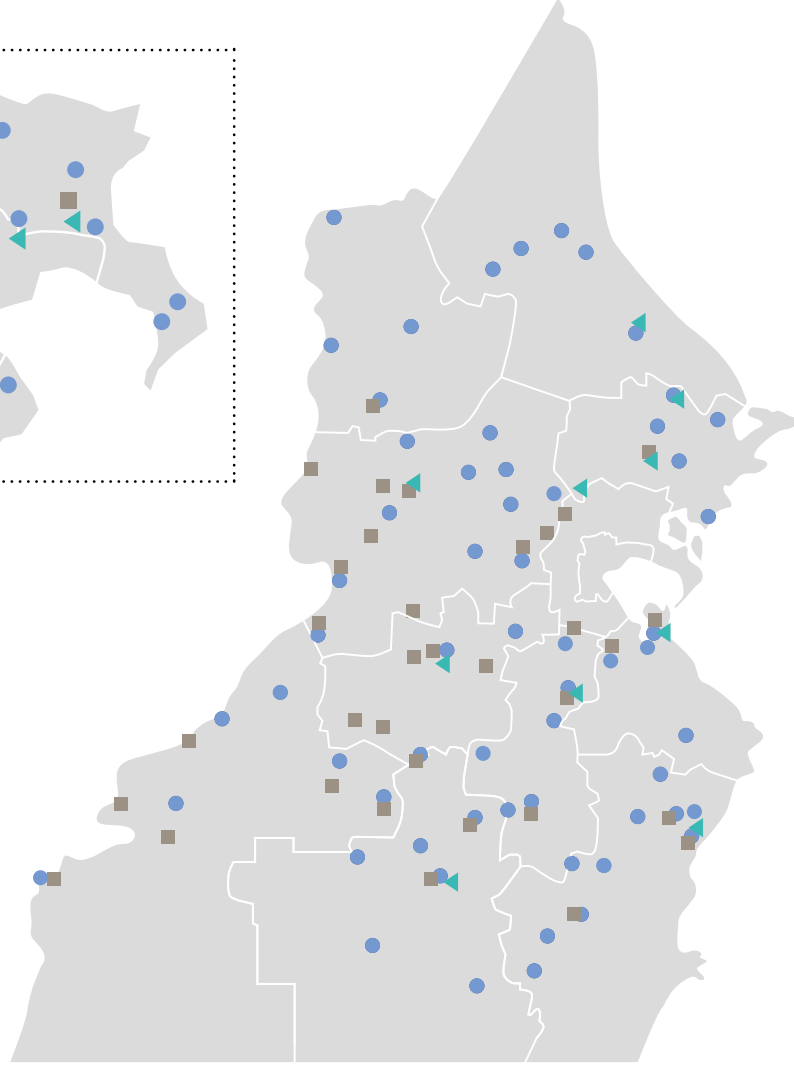
This study measures the economic contribution made by the three codes of racing in Victoria. The expenditure profile of the racing industry is based on the following segments:

- + Production (breeding related activities) of racehorses and greyhounds – the expenditure generated by the breeding sector in maintaining breeding animals and producing foals and pups
- + Preparation of racehorses and greyhounds for racing (training related activities) – the expenditure by owners on training services as well as other non-training related expenses such as major veterinary, transport etc.
- + Net revenues generated by wagering related activities – this includes net wagering revenues generated from TAB wagering as well as product fees from interstate totalisators, corporate bookmakers and betting exchanges
- + On-course non-raceday customer expenditure – the expenditure generated on-course by attendees at race meetings
- + Off-course raceday customer expenditure – the expenditure generated in the community by racing customers as part of their raceday attendance
- + On-course raceday customer expenditure – the expenditure generated at non raceday facilities and venues owned by racing clubs in Victoria

The study also excludes major capital expenditure items that have been incurred during the assessment period. It is assumed that the majority of capital expenditure is funded using revenue that is

Racing clubs in Victoria

-  **THOROUGHBRED CLUBS**
-  **HARNESS CLUBS**
-  **GREYHOUND CLUBS**



- | | | |
|---------------------------------------|------------------------------------|-------------------------|
| THOROUGHBRED | + Kyneton & Hanging Rock RC | + Yarra Valley Racing |
| BARWON | MALLEE | + Yarrambat HRC |
| + Ballan JC | + Donald & District RC | OVENS - MURRAY |
| + Colac RC | + Kerang TC | + Wangaratta HRC |
| + Geelong RC | + Manangatang RC | WESTERN DISTRICT |
| + Geelong St Patrick's RC | + Mildura RC | + Hamilton HRC |
| CENTRAL | + Mt Wycheproof & District RC | + Terang HRC |
| HIGHLANDS | + Swan Hill JC | + Warrnambool HRC |
| + Ararat TC | METROPOLITAN | WIMMERA |
| + Avoca Shire TC | MELBOURNE | + Horsham HRC |
| + Ballarat TC | + Melbourne RC | + St Arnaud HRC |
| + Burrumbeet Park & Wimmera RC | (Caulfield & Sandown) | + Stawell HRC |
| + Great Western RC | + Moonee Valley RC | GREYHOUND |
| EAST GIPPSLAND | + Victoria RC | BARWON |
| + Bairnsdale RC | OUTER MELBOURNE | + Geelong GRC |
| + Buchan & Gelantipy Picnic RC | + Balharring Picnic RC | CENTRAL |
| + Omeo & District | + Cranbourne TC | HIGHLANDS |
| + Picnic RC | + Healesville Picnic RC | + Ballarat GRC |
| + Sale TC | + Melbourne RC | EAST GIPPSLAND |
| + Tambo Valley Picnic RC (Mornington) | + Pakenham Picnic RC | + Sale & District GRC |
| GIPPSLAND | + Werribee RC | GIPPSLAND |
| + Drouin Picnic RC | + Yarra Valley RC | + Trairagol GRC |
| + Latrobe Valley RC | OVENS - MURRAY | + Warragul GRC |
| + Moe RC | + Dederang Picnic RC | GOULBURN |
| + Stony Creek RC | + Towong TC | + Shepparton GRC |
| + Woolamai & District Picnic RC | + Wangaratta TC | LODDON |
| GOULBURN | + Wodonga & District TC | + Bendigo GRA |
| + Alexandra Picnic RC | WESTERN DISTRICT | METROPOLITAN |
| + Benalla RC | + Camperdown TC | MELBOURNE |
| + Echuca RC | + Casterton RC | + Melbourne GRA |
| + Gunbower RC | + Coleraine RC | (The Meadows) |
| + Kilmore RC | + Dunkeld RC | + Sandown GRC |
| + Mansfield & District Picnic RC | + Hamilton RC | OUTER MELBOURNE |
| + Merton Picnic RC | + Mortlake RC | + Cranbourne GRC |
| + Seymour RC | + Penhurst & District RC | + Healesville GA |
| + Tatura & Shepparton RC | + Terang & District RC | WESTERN DISTRICT |
| + Yea Picnic RC | + Warrnambool RC | + Warrnambool GRC |
| + Yea St Pat's Picnic RC | + Woodford RC | WIMMERA |
| LODDON | WIMMERA | + Horsham GRC |
| + Bendigo JC | + Apsley RC | |
| | + Edenhope RC | |
| | + Cranbourne HRC | |
| | + Harness Racing Victoria (Melton) | |

EXTERNAL EXPENDITURE ←

OFF-COURSE SPEND
 + Accommodation + Transport
 + Retail/Fashion
 + Food & Beverage

+ TAB/Government
 share of NWR

+ Administration Costs
 + Race Meeting Costs
 + Marketing & Promotions
 + Integrity Services

+ Track Maintenance
 + Racecourse Administration
 + Food & Beverage
 + Insurance + Event Costs
 + Marketing & Promotion

+ Insurance + Agistment
 + Vet Costs + Transport
 + Registration
 + Accommodation

+ Employee Wages
 + Stock/Greyhound Feed
 + Transport + Stabling
 + Saddles, Sulkies, Equipment
 + Administration/Marketing
 + Supplements, Vitamins
 + Rates/Taxes

+ Service Fees + Agistment
 + Insurance + Vet/Farrriers
 + Employee Wages
 + Stock/Greyhound Feed
 + Sale Cost
 + Worming/Vaccinations
 + Rates/Taxes

← INTERNAL INVESTMENTS

+ Facilities Income
 + Sponsorships
 + Government Grants
 + Animal Exports
 + VRIF Funding

RACING CUSTOMERS
 NON-RACEDAY INCOME
 + Gaming + Functions
 + Donations + Memberships
 + Food & Beverage
 + Facilities Hire

WAGERING
 + Pari Mutuel (on & off-course)
 + Bookmakers (on & off-course)
 + Betting Exchanges
 (off-course)

TAB DISTRIBUTIONS
 & WAGERING
 PRODUCT FEES

VICTORIAN RACING
 INDUSTRY
 RV / HRV / GRV

OPERATIONAL,
 MARKETING & CAPITAL
 MAINTENANCE
 GRANTS

ADDITIONAL
 PRIZEMONEY

PRIZEMONEY &
 OWNERS INCENTIVE
 SCHEMES

BREEDING INCENTIVE
 SCHEMES

TRAINING FEES

RIDING OR
 DRIVING FEES

JOCKEYS/DRIVERS

ANIMAL PURCHASE
 OR BREEDING COSTS

BREEDERS

RACEHORSE/
 GREYHOUND
 OWNERS

Investment and
 expenditure flow
 of the Victorian
 racing industry

Overview of key results

DIRECT SPENDING IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Spent on producing foals & greyhounds	\$162.7m	\$54.1m	\$28.7m	\$245.5m
Spent on preparing racehorses & greyhounds	\$320.9m	\$120.9m	\$65.3m	\$507.1m
Total Direct Expenditure ¹	\$1,566.7m	\$317.9m	\$234.4m	\$2,119.0m

The racing industry in Victoria contributes more than \$2.8 billion in real gross value-added to the Victorian economy. Just over \$1.0 billion constitutes the direct value-added impact on the economy.

When flow-on impacts are considered, the total impact rises to \$2.8 billion.

The economic output generated by the racing industry in Victoria is responsible for sustaining nearly 26,620 full time equivalent jobs in the State.

The racing industry in Victoria contributes most significantly to the following sectors:

- + Arts & Recreational Services – 8.04% of sector GSP
- + Agriculture, Forestry & Fishing – 1.35%
- + Accommodation & Food Services – 0.58%

Just over 46.5% of the total value-added impact occurs in Regional Victoria, with the Outer Melbourne (13.3%), Goulburn (8.0%) and Loddon (5.9%) regions making up the largest portions. Thoroughbred racing is responsible for generating more than 73.9% of this impact, with harness racing (14.9%) and greyhound racing (11.2%) generating the remainder. The goods and services tax (GST) generated by the racing industry in Victoria represents 5.47% of direct expenditure – close to \$116 million.

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Total Value-added ²	\$2,089.0m	\$421.8m	\$315.2m	\$2,826.0m
% of Industry Value-added	73.9%	14.9%	11.2%	
Total Household Income ³	\$1,117.7m	\$226.2m	\$172.2m	\$1,516.1m
Total FTE Employment	19,613	3,991	3,015	26,619

¹ Direct expenditure is defined as expenditure associated with producing foals & pups (breeding & rearing), preparing racehorses and greyhounds (training), wagering related revenues, racing customer expenditure and non race-day revenues.

² Value-added is defined as the value of sales less the value of inputs used in production, ie 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



THE VICTORIAN RACING INDUSTRY IS RESPONSIBLE FOR GENERATING MORE THAN \$2.8 BILLION IN REAL GROSS VALUE-ADDED TO THE VICTORIAN ECONOMY

At a glance

5,525 Breeders

THOROUGHBRED 1,748
HARNESS 3,049
GREYHOUND 728

11,713 Pups and Foals produced

THOROUGHBRED 3,336
HARNESS 2,133
GREYHOUND 6,244

71,848 Owners and Syndicate Members

THOROUGHBRED 50,005
HARNESS 7,850
GREYHOUND 13,993

5,658 Trainers

THOROUGHBRED 1,005
HARNESS 2,068
GREYHOUND 2,585

22,736 Horses and Greyhounds in Training

THOROUGHBRED 9,966
HARNESS 3,576
GREYHOUND 9,194

1,048 Jockeys, Drivers and Apprentices

THOROUGHBRED 205
HARNESS 843



Participants are the lifeblood of the racing industry. They provide the investment, time, skills and passion that underpins racing in this State.

In total, there are nearly 114,100 individuals who are employed or are direct participants in the Victorian racing industry. Nearly 21% of these participants fulfil roles relating to the production and/or preparation of racehorses and greyhounds. Many of these people find gainful employment of their specific skillset where they may find limited opportunities otherwise - particularly in the horse and greyhound related disciplines. Many participants hold more than one role within the industry. This is generally more prominent within the harness and greyhound racing industries.

Owners are a key participant group, as they provide much of the investment from which the chain of activity follows. There are more than 71,800 people who have an ownership interest in Victoria in a racehorse or greyhound. Many of these owners are involved in the industry as part of a group ownership initiative such as syndication or partnership.

THE JOBS & PARTICIPANTS

	2013	2006
Employed directly in racing		
Employed by racing clubs/industry	16,900	12,600
Employed by participants	12,200	13,900
Total employed directly in racing	29,100	26,500
Participants in racing		
Racing club volunteers	2,000	6,200
Owners	71,800	37,700
Breeders	5,500	4,900
Trainers	5,700	5,700
Total participants in racing	85,000	54,500
Total jobs & participants directly involved in racing	114,100	81,000
Employed in support industries	28,700	25,900
Total jobs & participants	142,800	106,900

At a glance

122 Racing clubs

THOROUGHBRED 71
HARNESS 38
GREYHOUND 13

1,979 Race Meetings

THOROUGHBRED 546
HARNESS 500
GREYHOUND 933

18,899 Races

THOROUGHBRED 4,286
HARNESS 4,006
GREYHOUND 10,607

67,050 Racing Club Members

THOROUGHBRED 62,008
HARNESS 3,303
GREYHOUND 1,739

1,842,367 Attendances

THOROUGHBRED 1,516,696
HARNESS 160,400
GREYHOUND 165,271

Racing clubs facilitate the race meetings at which racehorses and greyhounds compete. Through the addition of other event elements, racing is also positioned as an entertainment pursuit for the public.

In 2010/11, thoroughbred, harness and greyhound race meetings in Victoria attracted more than 1.8 million attendances. These attendances are split relatively evenly between metropolitan (48.9%) and regional (51.1%) race meetings. The table (below right) illustrates the total attendances at race meetings, for each code within each region.

Racing customers are responsible for generating more than \$394 million in spending – more than 56% of which occurs outside the racecourse. Overall, it is estimated that for every dollar spent on-course by racing customers, a further \$1.29 is spent off-course. Retail, fashion, food & accommodation are particular beneficiaries of this expenditure.

\$172.2 ml Raceday Customer Spending On-Course

THOROUGHBRED \$163.6 MIL
HARNESS \$4.9 MIL
GREYHOUND \$3.7 MIL

\$222.2 ml Raceday Customer Spending Off-Course

THOROUGHBRED \$213.3 MIL
HARNESS \$6.7 MIL
GREYHOUND \$2.2 MIL

RACING'S CUSTOMERS

	2013	2006
Overseas viewers	750 mil	700 mil
Australian viewers of Melbourne Cup Carnival	6.3 mil	6.0 mil
Attendances at Victorian race meetings	1.8 mil	2.1 mil
Racing club members	67,050	60,000
Victorians (18+) participating in race wagering annually	831,800	N/A
Spring Racing Carnival attendances	706,800	730,000
SRC attendances by out-of-state visitors	165,400	101,600
Total attendances by out-of-state visitors to Victorian racing	207,500	162,400

TOTAL ATTENDANCES AT RACE MEETINGS IN VICTORIA

	Thoroughbred	Harness	Greyhound
Barwon	56,530	7,342	2,864
Central Highlands	37,272	19,202	10,701
East Gippsland	31,425	-	27,740
Gippsland	47,888	3,011	18,078
Goulburn	63,935	31,242	8,381
Loddon	49,595	40,772	9,329
Mallee	31,696	22,889	-
Ovens-Murray	31,376	1,532	-
Western District	67,045	10,773	10,509
Wimmera	21,108	4,731	4,048
Outer Melbourne	203,958	18,906	15,894
Metropolitan Melbourne	874,868	-	57,727
Total	1,516,696	160,400	165,271

At a glance - social and community impacts

The three codes of racing in Victoria play an important role in the development and preservation of social capital within regional and metropolitan communities. These social and community impacts are initiated through racing activities on both race day and non-racedays. This contribution to community social benefit enhances both individual and community well-being throughout regional and metropolitan Victoria.

The development of social and environmental initiatives has had a positive impact within the communities where racing exists in terms of family socialisation, and with regard to supporting 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 survey results revealed the following positive initiatives highlighted by clubs:

COMMUNITY BUILDING

- + Close to 630 community organisations or charities are assisted financially by racing clubs
- + Over 430 community organisations share racing club facilities and resources
- + Racing clubs currently engage more than 2,000 volunteers who assist in various club and industry related roles
- + 67,050 people hold racing club memberships.

SUPPORTING FAMILY RELATIONSHIPS

- + Over 41% of clubs offer special discounts for family group attendance and nearly all clubs have free entry for children.
- + Over 28% of clubs offer events for families and children on non-racedays (e.g. Little Athletics and fun runs, camping, Christmas parties, fireworks shows, community days, children's fairs, awards ceremonies, playgrounds, family BBQ nights etc.)

SHARING FACILITIES WITHIN THE COMMUNITY

- + Racing clubs share their facilities with more than 430 organisations throughout Victoria. Some examples include Rotary, emergency services, car clubs and education institutes

CLUB HISTORY & HERITAGE

- + Close to 55% of racing clubs throughout Victoria actively promote the history and heritage elements of their club.

EDUCATION & TRAINING

- + On average, each club has approximately three members of their staff participating in further education, career development and training programs each year
- + 31% of clubs have partnerships with primary, secondary, trade and tertiary institutions
- + More than half of clubs (54%) have placements available for work experience students

PROMOTING HEALTHY RACING CLUB ENVIRONMENTS

Racing clubs play an active role in providing healthy environments for their customers and racing participants. The initiatives undertaken by racing clubs include healthy choice options for both racing participants and customers:

- + Customers are not able to bring alcohol on-course when attending the races
- + Clubs provide RSA training for all bar staff as well as providing low-alcohol alternatives to racegoers
- + Clubs have trained on-site medical staff available to assist participants, volunteers, staff and customers if required

ENVIRONMENTAL AWARENESS

- + Close to 70% of all clubs have policies in place to save water and re-use or recycle water
- + One in five clubs (20%) have policies and programs to develop native flora and fauna

Direct spending

The calculation of economic impacts, as identified in this study, is predicated on determining the value of direct (or final) expenditures within the state.

This study aims to determine the extent to which the Victorian racing industry contributes to the state economy by calculating the expenditures and subsequent direct and indirect impacts on the Victorian economy.

Consider prizemoney by way of example. It is largely sourced from net wagering revenues; it flows to trainers, owners and jockeys/drivers and, depending on the origins of the winning connections, may or may not eventually settle in Victoria. However, we can quantify the expenditure incurred by trainers and owners in Victoria in producing and preparing racehorses and greyhounds (and thereby chasing after their share of the prizemoney on offer). As such, the cost of producing and preparing racehorses in Victoria represents a more appropriate source of final expenditure (rather than prizemoney) on which to base the economic impact calculation.

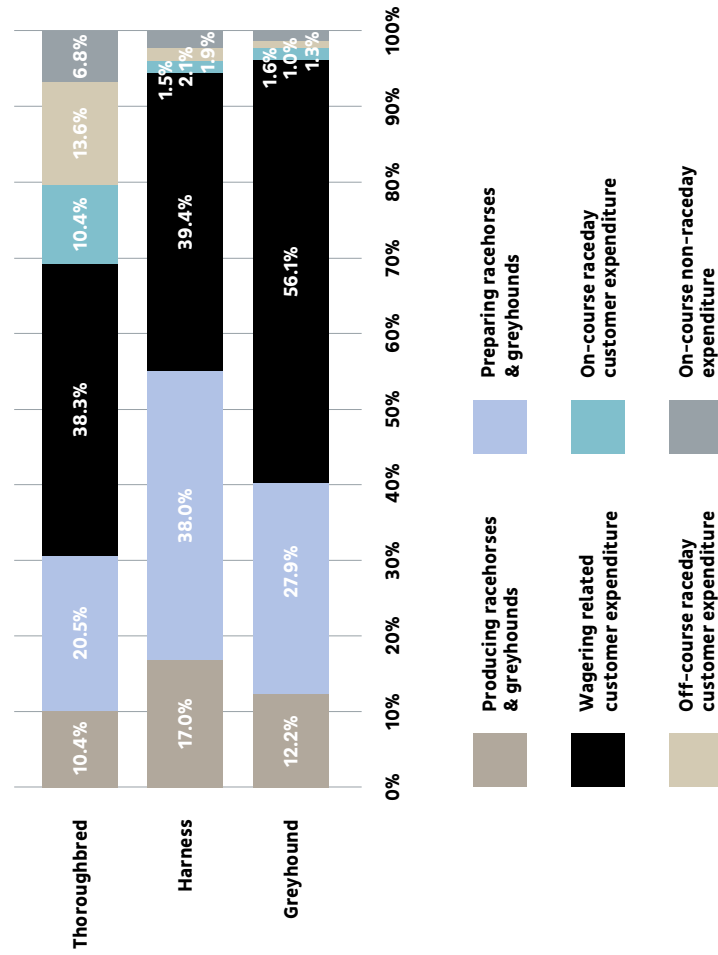
In 2010/11, the racing industry in Victoria generated nearly \$2.1 billion in direct expenditure. Revenues generated from wagering are the most significant driver of the industry's expenditure profile, comprising more than 40% of the total. Wagering is a particularly strong driver of the greyhound racing industry's expenditure profile with 60.7% of its total spending generated from this segment of its racing activity.

Each of the key areas of racing industry expenditure assessed within this study is defined as follows:

- + Producing animals - includes all expenditure on the production of foals and pups, the maintenance of sires and broodmares/broodbitches and the preparation of yearlings/greyhounds for sale
- + Preparing animals - includes all expenditure on the breaking-in and training of racehorses/greyhounds (including spelling)
- + Wagering revenues & product fees - includes net wagering revenues from the Tabcorp joint venture and share of product fees
- + Raceday customer spend (on-course) - includes all expenditure generated from on-course activities (raceday only) such as sponsorship, catering, admission and raceday functions. It does not include wagering as this is covered in 'wagering revenues and product fees'
- + Raceday customer spend (off-course) - includes all expenditure generated outside the racecourse as part of attending the races. This includes transport, accommodation, retail etc.
- + Non-raceday customer spend - includes spending on non-raceday functions, facility hire, gaming, membership and at other venues associated with the racing industry

The chart opposite illustrates the proportional breakdown of direct expenditure within Victoria:

PROPORTIONAL EXPENDITURE BY CODE



Overall, revenues from wagering expenditure make up a large portion of the total direct expenditure impact of the racing industry in all jurisdictions. Fundamentally, this is a reflection of the size and importance of the wagering function within the sport of racing.

The thoroughbred racing industry is responsible for more than \$1.5 billion (73.9%) of this recurrent expenditure. Whilst wagering related expenditure makes up the largest proportion of the industry's expenditure profile (38.3%), nearly a quarter of total expenditure is generated from the raceday product.

The harness racing industry is responsible for more than \$0.3 billion (15.0%) of this recurrent expenditure. As with the thoroughbred racing sector, wagering related expenditure makes up the largest proportion of the industry's expenditure profile (39.4%) however the preparation of racehorses (38.0%) makes up a similarly large proportional component of expenditure. Raceday related impacts are quite small within the overall expenditure profile of this sector.

The greyhound racing industry is responsible for more than \$0.2 billion (11.1%) of this recurrent expenditure. More than 56.1% of the industry's expenditure impact is generated from wagering related expenditure.

This is largely a reflection of the greyhound racing industry's positioning as a wagering product.

DISTRIBUTION TO REGIONS

The direct expenditure has been allocated to regions across Victoria. The level of economic activity will not proportionally follow the expenditure, as regional areas generally have higher import penetrations than metropolitan areas. That is, a proportion of the expenditure is on product imported from the metropolitan area. This study has employed a 'top-down' distribution model that recognises that where regional input-output tables exist, direct industry ratios of value-added, employment etc. are generally similar between the state and sub-regional table, but regionally induced impacts are on average in the order of 50% of the state-induced impacts. This will vary from industry sector to industry sector, and from region to region, but this observation has been used as a basis for distributing the state level impacts to regions. That is, the direct impacts have been distributed proportionally, while the induced impacts have been distributed with a 50% discount, and the balance is distributed to the metropolitan area.

In summary, the impact at the regional level is about 40% of the state impact in terms of the expenditure and slightly less than that in terms of initial or direct

impact. This is after allowing for the leakages from the regional area in terms of induced impacts, which have about 30% of the total level of activity.

ADJUSTMENT OF EXPENDITURES

The aggregated data is converted from purchaser prices to basic prices, as the raw data includes margins, taxes and subsidies. All monetary values in the Victorian input-output models are expressed as basic values. The prime differences between purchaser prices and basic values are that:

- + Basic values exclude the cost of transport and wholesale and retail trade which are embedded in the purchase price (and allocate these to the transport and trade sectors)
- + GST will be allocated to Gross Operating Surplus

The Victorian model adopted in this study has been developed using a location quotient approach based on the national 2008/09 table (ABS) and employment data from the 2006 and 2011 census. It is assumed there have been limited labour productivity gains since that time. The core assumptions in making 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% and only paid on the value-added) is deducted and separately identified
- + The purchaser price is adjusted for the average margin for wholesale, retail and transport sectors, as identified in the national input-output tables

GOOD AND SERVICES TAX

The GST generated by the racing industry in Victoria represents 5.47% of direct expenditure or close to \$116 million. It is assumed that GST revenue is directed back to the state and used to fund items such as government administration, health and education.

EXPENDITURE AREA

(\$MIL)	Expenditure on Producing Racehorses & Greyhounds	Expenditure on Preparing Racehorses & Greyhounds	Wagering Related Customer Expenditure	On-course Raceday Customer Expenditure	Off-course Raceday Customer Expenditure	On-course Non Raceday Expenditure	Total
Thoroughbred	\$162.7	\$320.9	\$599.3	\$163.6	\$213.3	\$106.9	\$1,566.7
Harness	\$54.1	\$120.9	\$125.1	\$4.9	\$6.7	\$6.2	\$317.9
Greyhound	\$28.7	\$65.3	\$131.5	\$3.7	\$2.2	\$3.0	\$234.4
Total	\$245.5	\$507.1	\$855.9	\$172.2	\$222.2	\$116.1	\$2,119.0

INSET - GREATER MELBOURNE

OUTER MELBOURNE
Thoroughbred \$234.4
Harness \$73.3
Greyhound \$68.0
TOTAL \$375.7

MELBOURNE METRO
Thoroughbred \$1,236.8
Harness \$142.2
Greyhound \$131.5
TOTAL \$1,510.4

MALLEE
Thoroughbred \$27.5
Harness \$30.0
Greyhound \$0.7
TOTAL \$58.2

LODDON
Thoroughbred \$101.3
Harness \$50.2
Greyhound \$14.7
TOTAL \$166.1

WIMMERA
Thoroughbred \$22.1
Harness \$10.3
Greyhound \$4.7
TOTAL \$37.0

CENTRAL HIGHLANDS
Thoroughbred \$59.9
Harness \$20.0
Greyhound \$16.5
TOTAL \$96.4

WESTERN DISTRICT
Thoroughbred \$75.1
Harness \$14.6
Greyhound \$10.4
TOTAL \$100.1

BARWON
Thoroughbred \$73.7
Harness \$15.9
Greyhound \$17.1
TOTAL \$106.7

GOULBURN
Thoroughbred \$155.3
Harness \$58.1
Greyhound \$14.0
TOTAL \$227.4

GOULBURN

OVENS-MURRAY
Thoroughbred \$35.8
Harness \$2.7
Greyhound \$0.7
TOTAL \$39.2

OVENS-MURRAY

GIPPSLAND
Thoroughbred \$35.5
Harness \$4.5
Greyhound \$19.6
TOTAL \$59.6

MELBOURNE

GIPPSLAND

EAST GIPPSLAND
Thoroughbred \$31.8
Harness \$0.1
Greyhound \$17.4
TOTAL \$49.3

Gross Value-Added

The racing industry in Victoria is responsible for generating \$2.8 billion in real gross value-added to the Victorian 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, regions of Victoria). In any period of time, the value-added in an industry is essentially, 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 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).

As illustrated earlier, the level of economic activity will not proportionally follow the expenditure, 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.

By way of definition, the direct impacts are the value-added, household income and employment in the industries supplying the racing industry and within the industry itself. The VRI is estimated to have generated \$1.0 billion in direct value-added impact.

The calculation of the induced (also known as indirect or flow-on) effects is undertaken by running an impact assessment, and tracing the whole of economy effect of the expenditure patterns linked to the racing industry. In the case of the VRI expenditure, it's flow-on impact through the economy amounts to an induced impact of \$1.8 billion.

The sum of these two measures provides the total value-added impact - \$2.8 billion.

TOTAL VALUE-ADDED (\$MIL)
*Some totals may not add due to rounding

The primary economic impacts associated with the VRI are outlined below:

- + The industry's expenditure is responsible for producing \$1.0 billion in direct value-added (or wages income plus gross operating surplus) including wages and salaries of approximately \$619.0 million. This economic activity is directly responsible for more than 12,500 full time equivalent employment positions within the Victorian economy.

- + However the flow on effects linked to this expenditure more than double the size of the contribution the sector makes. Including the flow on effects, the total contribution of the VRI is estimated at \$2.8 billion value-added (or wages income plus gross operating surplus), including wages and salaries of approximately \$1.6 billion. The total value of economic activity generated by the Victorian Racing Industry is responsible for sustaining more than 26,600 full time equivalent employment positions within the Victorian economy

When the direct value-added impacts are assessed by industry sector, the Victorian racing industry contributes most significantly to the following sectors:

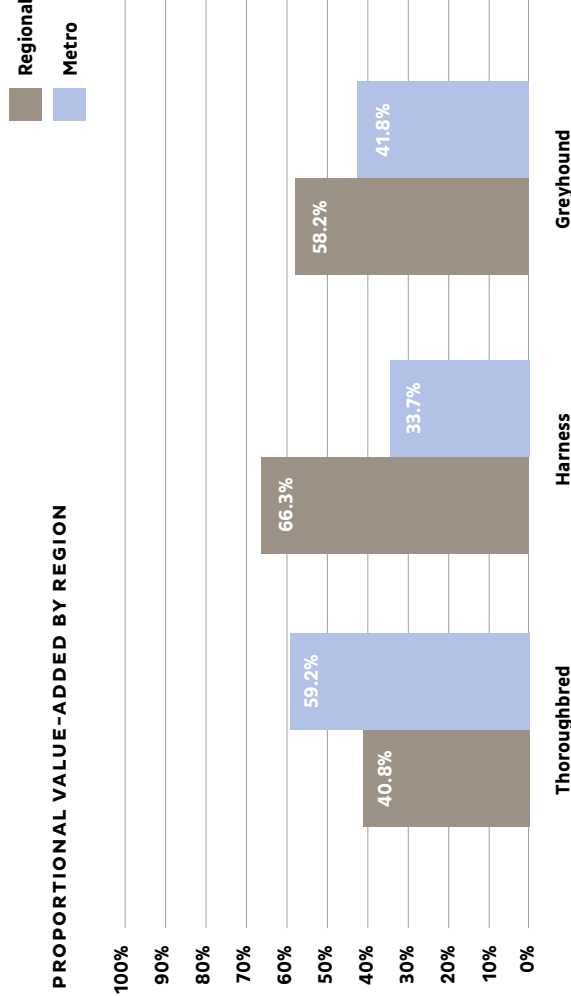
- + Arts & Recreational Services – 8.04% of sector GDP
- + Agriculture, Forestry & Fishing – 1.35%
- + Accommodation & Food Services – 0.59%

The table to the left illustrates the value-added impact of the Victorian racing industry in each of the ANZSIC industry sectors:

ANZSIC Industry Classification	Racing Industry Direct VA (\$ mil)	% of Racing Industry Direct VA	% Contribution to total Sector GDP
Agriculture, Forestry & Fishing	\$109.00	10.5%	1.35%
Mining	\$0.00	0.0%	0.00%
Manufacturing	\$12.51	1.2%	0.05%
Electricity, Gas, Water & Waste	\$28.88	2.8%	0.42%
Construction	\$8.22	0.8%	0.04%
Wholesale Trade	\$42.02	4.0%	0.28%
Retail Trade	\$48.31	4.6%	0.28%
Accommodation & Food Services	\$44.94	4.3%	0.59%
Transport, Postal & Warehousing	\$51.52	5.0%	0.34%
Information Media & Telecommunications	\$56.92	5.5%	0.52%
Finance & Insurance Services	\$77.87	7.5%	0.19%
Property and Business Services	\$44.57	4.3%	0.11%
Public administration and safety	\$63.42	6.1%	0.53%
Education & Training	\$44.20	4.3%	0.27%
Health care and social assistance	\$116.50	11.2%	0.55%
Arts and recreation services	\$267.00	25.7%	8.04%
Other Services	\$23.68	2.3%	0.41%

The majority of the value-added impact in the harness and greyhound racing industries occurs in regional Victoria. It should be remembered however that 'Outer Melbourne' has been classified as being within regional Victoria for the purposes of this study. Thoroughbred racing has a more even distribution of its impacts. This is largely driven by the size of its metropolitan racing clubs as well as the training activity that occurs on some of their racetracks.

The chart below illustrates the breakdown of value added impacts between metropolitan and regional Victoria, by code:







Employment and participation

NUMBER OF PARTICIPANTS IN THE VICTORIAN RACING INDUSTRY

	Thoroughbred	Harness	Greyhound	Total
Breeders	1,748	3,049	728	5,525
Breeders Staff	3,769	1,877	395	6,041
Owners & Syndicate Owners	50,005	7,850	13,993	71,848
Trainers	1,005	2,067	2,585	5,657
Stable/Kennel Employees	2,947	1,329	836	5,112
Participants in Producing Racing Animals	59,474	16,173	18,537	94,183
Full Time Club Staff	609	39	54	702
Part Time Club Staff	89	57	26	172
Casual/Contractor Club Staff	8,877	661	244	9,782
Club Volunteer	1,581	232	144	1,957
Jockeys, Drivers & Apprentices	205	843	-	1,048
Barrier & Catching Pen Attendants	85	170	646	901
* On-Course Bookmakers	-	-	-	165
* On-Course Bookmaker Staff	-	-	-	330
* TAB Wagering Staff	-	-	-	3,044
Gaming Venue Staff	816	368	188	1,372
Stewards	46	10	46	102
Participants in Producing the Racing Product	12,308	2,380	1,348	19,575
Industry Administration Staff	212	70	54	336
Total participants residing in Victoria	71,994	18,622	19,939	114,094

* Participants operate across codes and therefore cannot be singularly allocated to any one code.

Participants in Racing

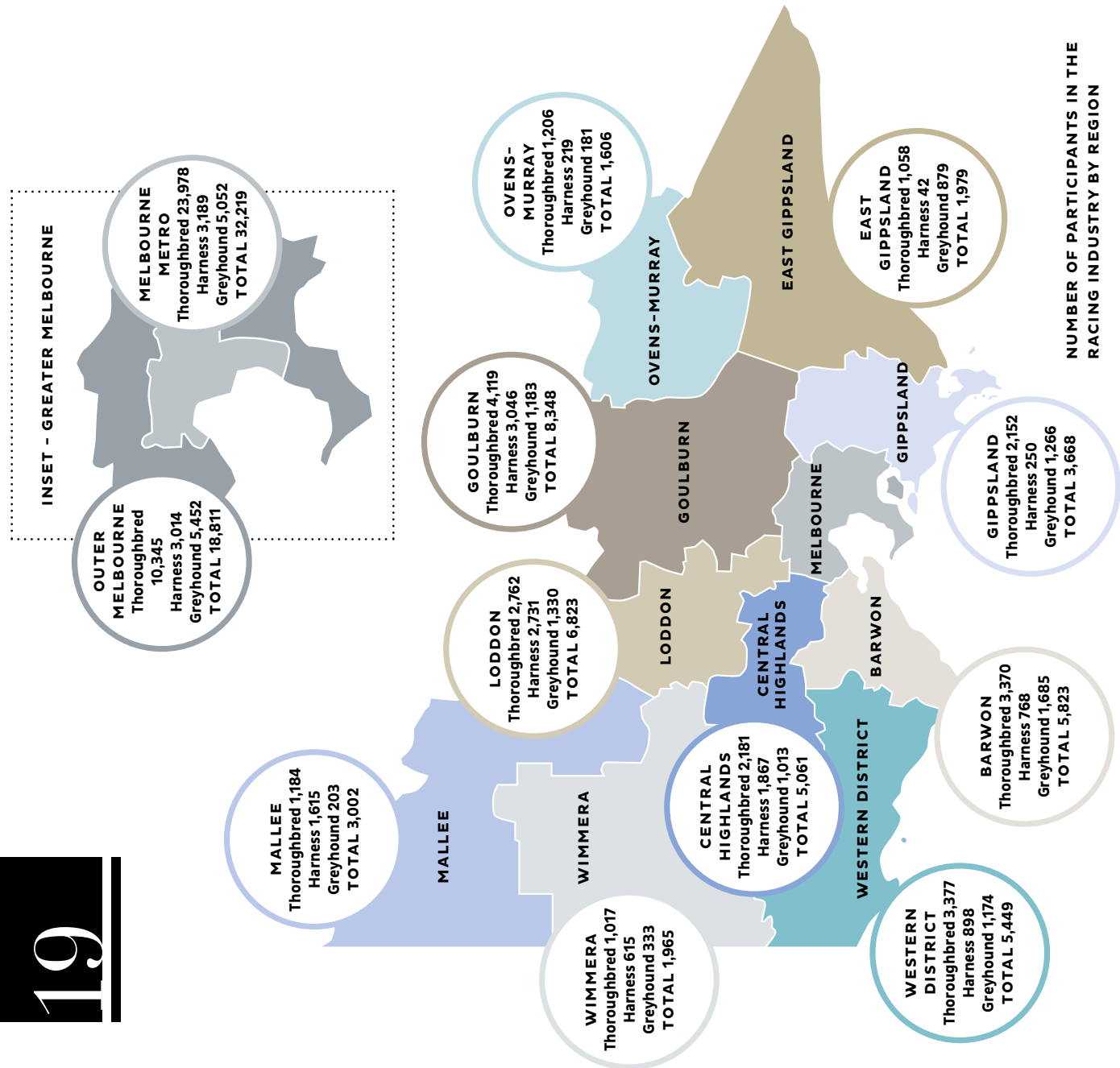
The concept of 'participation in racing' is broader than simply considering those employed in the industry. Participants include employees, trainers, breeders, contractors and volunteers who are involved in varying levels of engagement from occasional to full-time.

The racing industry thrives or fails on the strength of its participants. For many participants, the racing industry is their livelihood - their occupation. Breeders kick-start a chain of activity which leads to the production of a racing product that is consumed by audiences on most days of the year.

In total, there are nearly 114,100 individuals who are employed or are directly participating in the racing industry. Nearly 21% of these participants fulfil roles relating to the production and/or preparation of racehorses and greyhounds. In some ways, many of these people find gainful employment of their specific skillset where they may find it difficult otherwise. Many participants hold more than one role within the industry. This is generally more prominent within the harness and greyhound racing industries.

Owners are a key participant group, as they provide much of the investment from which the chain of activity follows. In Victoria, there are more than 71,800 people who have an ownership interest in a racehorse or greyhound. Many of these owners are involved in the industry as part of a group ownership initiative such as syndication or partnership.

MORE THAN 71,800 PEOPLE HAVE AN OWNERSHIP INTEREST IN A RACEHORSE OR GREYHOUND IN VICTORIA



NUMBER OF PARTICIPANTS IN THE RACING INDUSTRY BY REGION

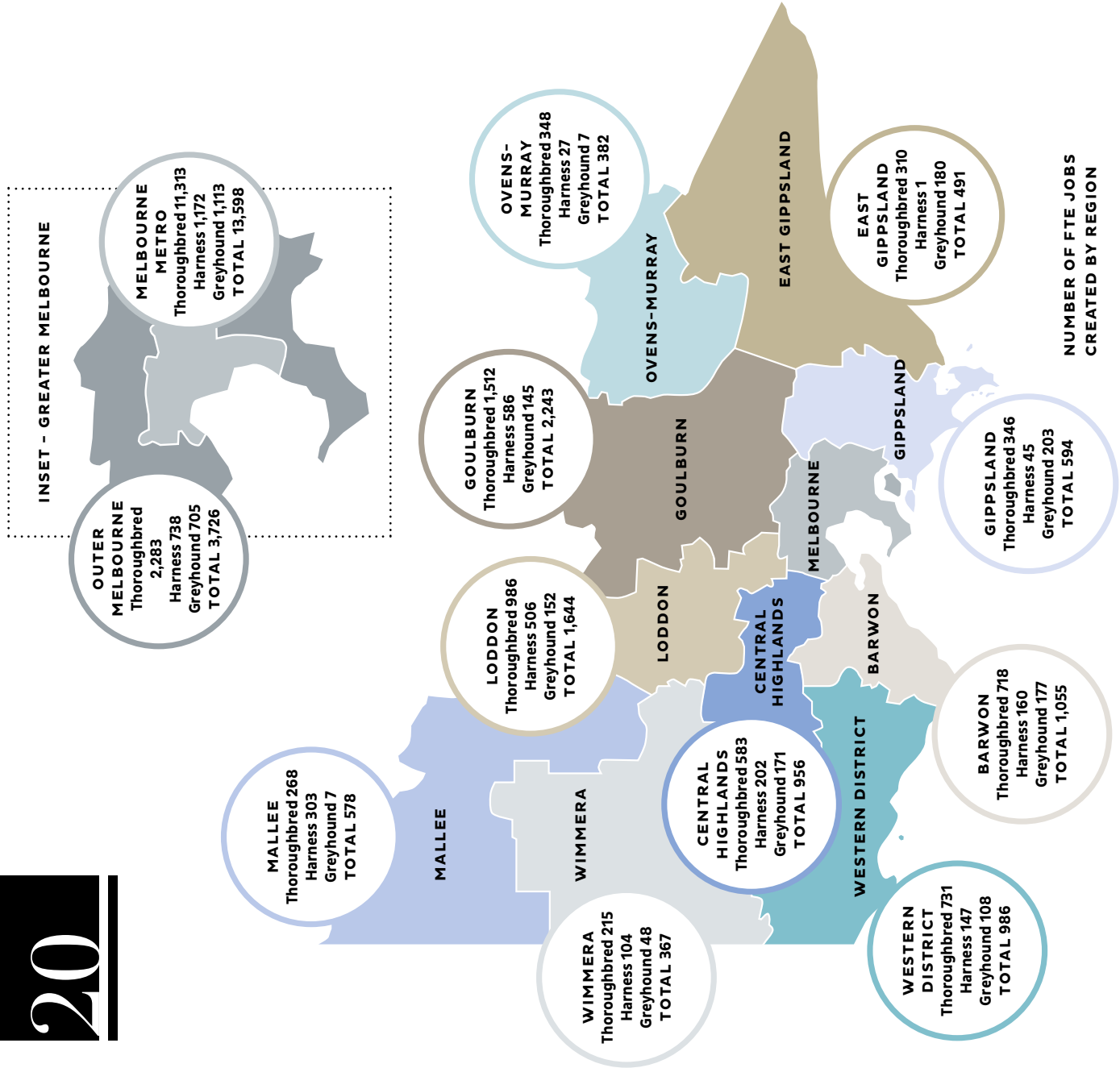
Full Time Equivalent Employment

There are approximately 114,100 participants directly involved in the Victorian racing industry. As outlined earlier, this is a statistical construct that takes into consideration participants, volunteers and employees (full time, part time, casual and contractor).

The economic activity generated by the racing industry sustains more than 26,600 full time equivalent positions in Victoria. The direct impact on employment, generated specifically by the activities of the racing industry, sustains 12,460 FTE jobs each year. When the indirect impacts, generated by the flow-on of economic benefits to other industries are taken into account, the total employment impact rises to more than 26,600 FTE positions.

The Victorian racing industry, like racing industries all over Australia, relies on a large number of part-time and casual labour. Further to that, it employs a large number of people in roles that are not plentiful in the marketplace (such as horse care). It is important to note that the FTE job creation does not necessarily directly follow direct spending within the Victorian economy. This is because some regions have a higher need to import labour (due to supply side constraints) than others.

The FTE positions that are sustained by the Victorian racing industry result in more than \$1.5 billion in wages and salaries for the people employed in the racing industry as well as those employed in other down-the-line industries that receive increased demand as a result of racing. Some examples of the other industries that are stimulated by racing include; veterinary, feed, retail, tourism, accommodation, transport, entertainment & fashion.





NUMBER OF RACING CLUBS

	Thoroughbred	Harness	Greyhound	Total
Barwon	4	1	1	6
Central Highlands	5	3	1	9
East Gippsland	5	-	1	6
Gippsland	5	1	2	8
Goulburn	11	9	1	21
Loddon	2	6	1	9
Mallee	6	7	-	13
Ovens-Murray	4	1	-	5
Western District	10	3	1	14
Wimmera	8	3	1	12
Outer Melbourne	8	4	2	14
Total Regional Victoria	68	38	11	117
Metropolitan Melbourne	3	-	2	5
Total	71	38	13	122

NUMBER OF RACETRACKS

	Thoroughbred	Harness	Greyhound	Total
Barwon	2	1	1	4
Central Highlands	5	2	1	8
East Gippsland	5	-	1	6
Gippsland	5	1	2	8
Goulburn	10	6	1	17
Loddon	3	4	1	8
Mallee	6	2	-	8
Ovens-Murray	4	1	-	5
Western District	9	3	1	13
Wimmera	7	3	1	11
Outer Melbourne	7	3	2	12
Total Regional Victoria	63	26	11	100
Metropolitan Melbourne	4	-	2	6
Total	67	26	13	106

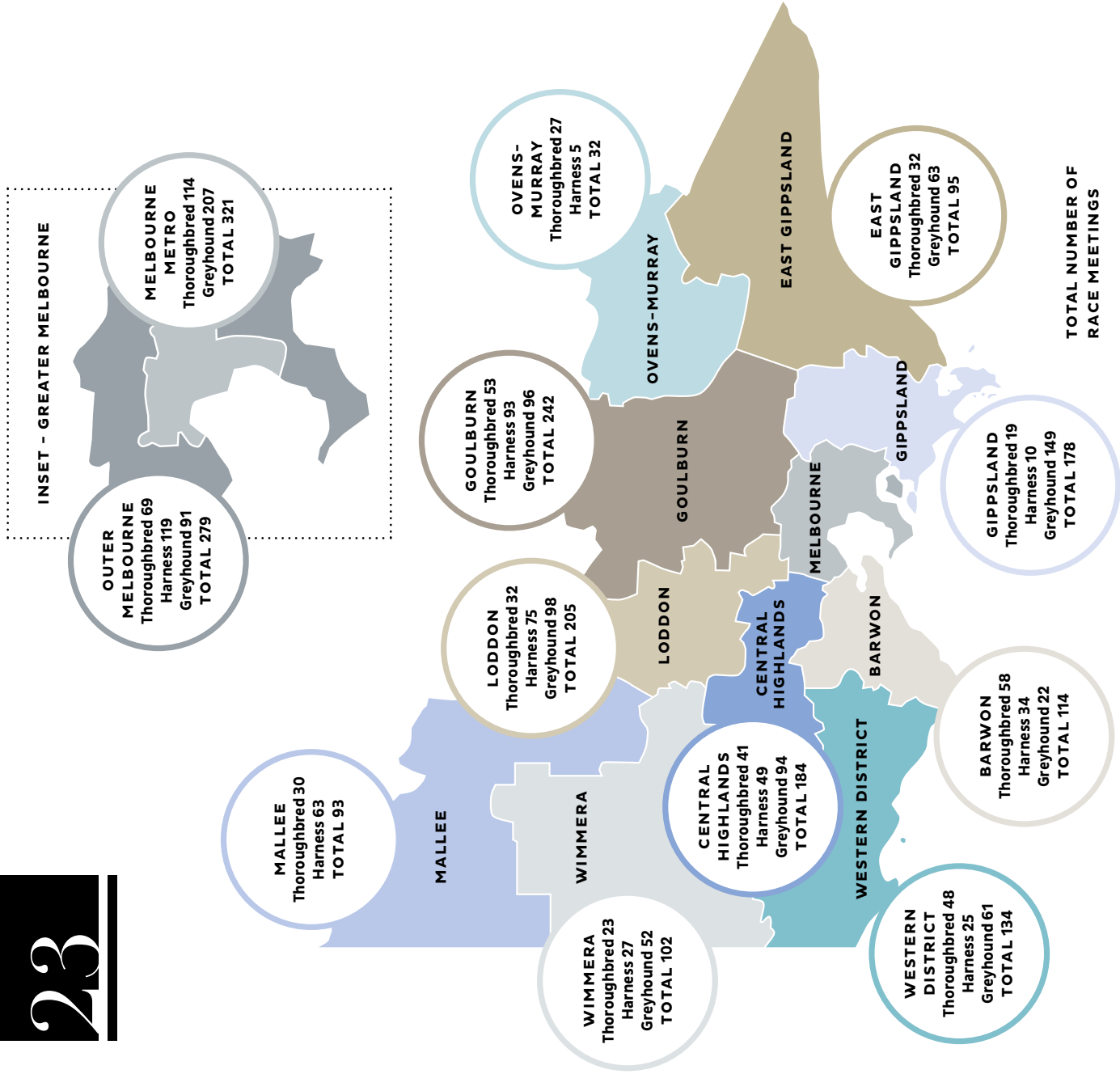
TOTAL NUMBER OF RACE MEETINGS

	Thoroughbred	Harness	Greyhound	Total
Barwon	58	34	22	114
Central Highlands	41	49	94	184
East Gippsland	32	-	63	95
Gippsland	19	10	149	178
Goulburn	53	93	96	242
Loddon	32	75	98	205
Mallee	30	63	-	93
Ovens-Murray	27	5	-	32
Western District	48	25	61	134
Wimmera	23	27	52	102
Outer Melbourne	69	119	91	279
Total Regional Victoria	432	500	726	1,658
Metropolitan Melbourne	114	-	207	321
Total	546	500	933	1,979

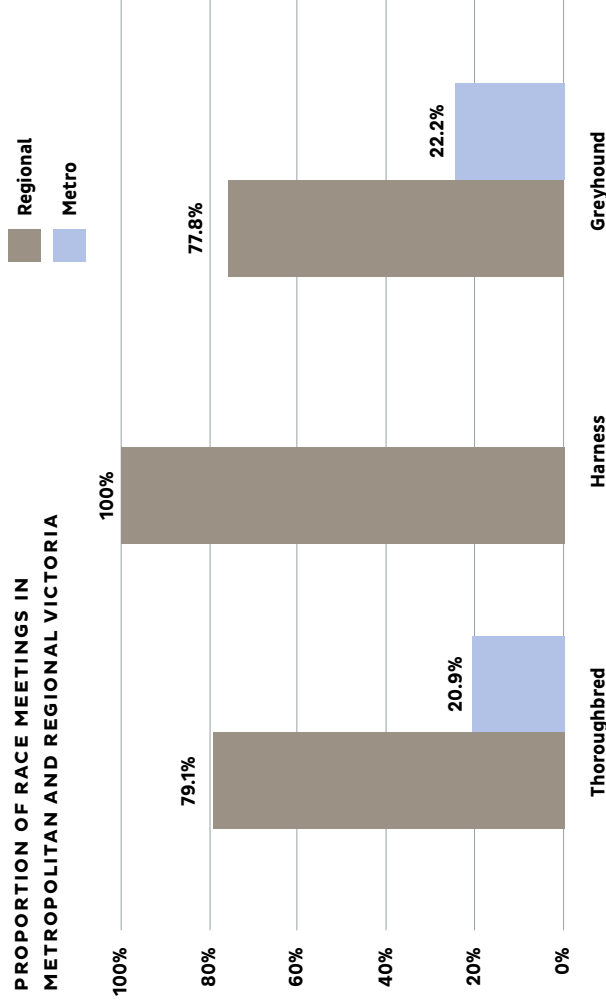
TOTAL NUMBER OF RACES

	Thoroughbred	Harness	Greyhound	Total
Barwon	447	269	256	972
Central Highlands	317	392	1,138	1,847
East Gippsland	253	-	655	908
Gippsland	166	73	1,686	1,925
Goulburn	467	743	1,144	2,354
Loddon	249	599	1,105	1,953
Mallee	219	508	-	727
Ovens-Murray	200	39	-	239
Western District	339	200	731	1,270
Wimmera	149	214	584	947
Outer Melbourne	610	969	963	2,542
Total Regional Victoria	3,416	4,006	8,262	15,684
Metropolitan Melbourne	870	-	2,345	3,215
Total	4,286	4,006	10,607	18,899

IN 2010/11, THERE WERE JUST UNDER 2,000 THOROUGHBRED, HARNESS AND GREYHOUND RACE MEETINGS IN VICTORIA. THE MAJORITY OF THESE RACE MEETINGS (83.7%) WERE HELD AT THE 100 RACING TRACKS IN REGIONAL VICTORIA



PROPORTION OF RACE MEETINGS IN METROPOLITAN AND REGIONAL VICTORIA



Racing clubs provide the venue at which racehorses and greyhounds compete on 363 days of the year. From a leisure perspective, racing clubs combine facilities, racing and additional entertainment to create an 'event experience' for attendees. Socially, most racing clubs have existed for over a century and are significantly important (both historically and current day), to the fabric of their communities.

There are 122 racing clubs, racing at 106 racetracks, across the three codes in Victoria. In 2010/11, these racing clubs were responsible for hosting 1,979 race meetings.

The chart (top right) illustrates the proportion of race meetings held by each code within the metropolitan and regional areas of Victoria.

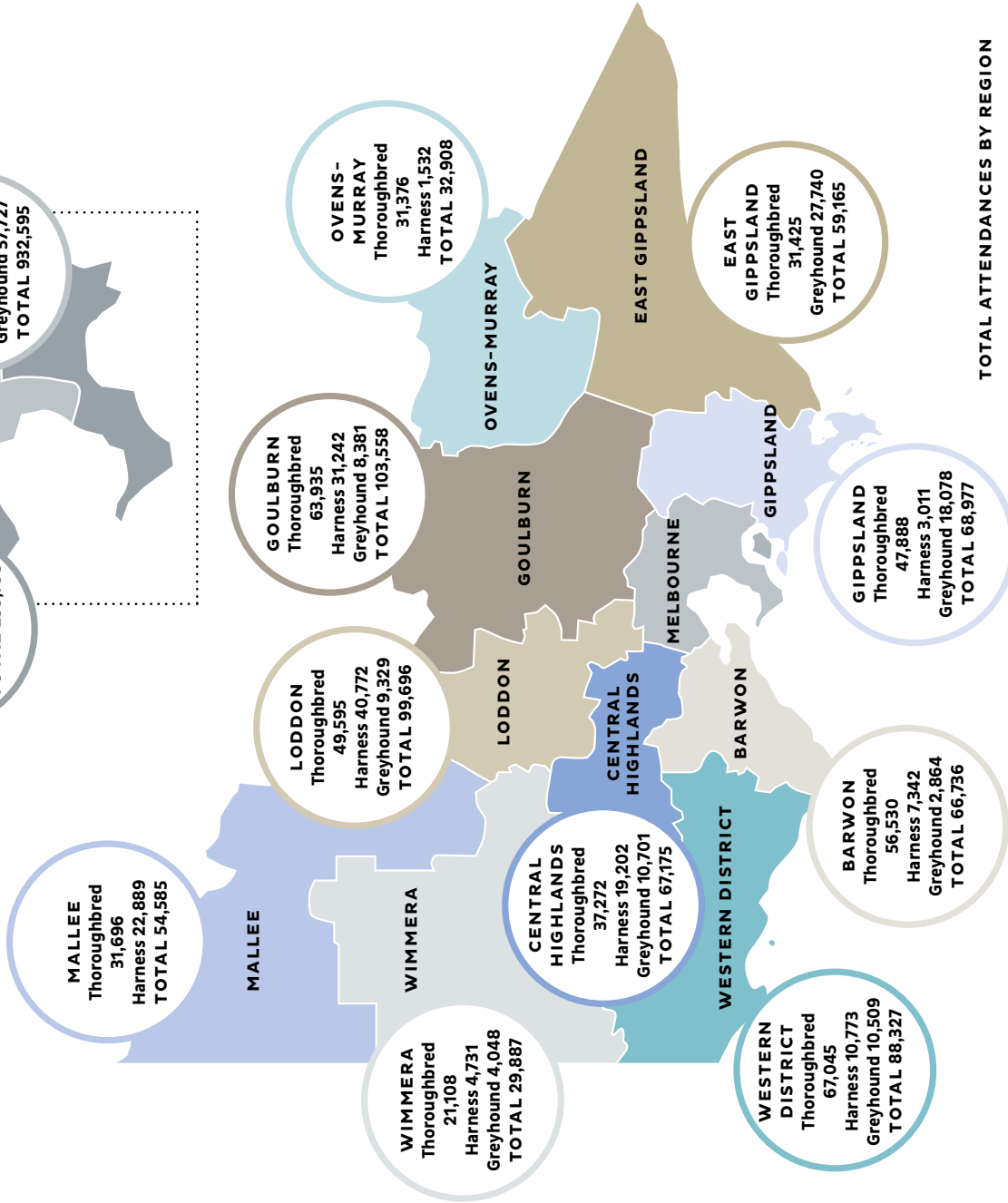
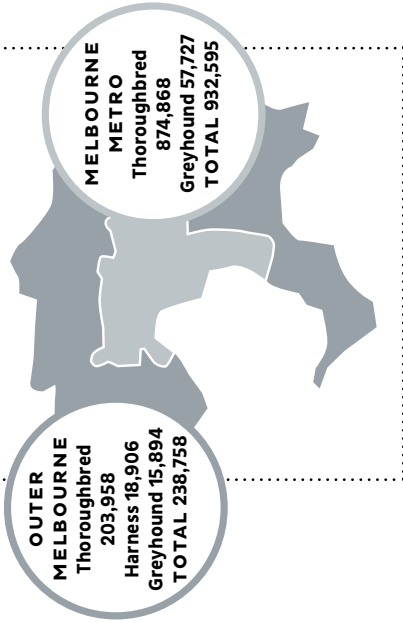
In addition to hosting official race meetings, a number of racing clubs also hold trials for the purposes of providing opportunities for horses to prepare under race-like conditions. Racing clubs also provide an important social community for their members. The table (opposite) illustrates the number of people within each region who have a membership association with their racing club.

Over the past decade, racing clubs have significantly improved their skills and knowledge in the areas of events management and marketing as they compete in the lucrative leisure and entertainment markets. Improved packaging opportunities and precinct development has generated additional income for clubs as well as enhancing the attendees' race day experience.

NUMBER OF RACING CLUB MEMBERS

	Thoroughbred	Harness	Greyhound	Total
Barwon	1,625	90	90	1,805
Central Highlands	1,065	723	124	1,912
East Gippsland	762	-	117	879
Gippsland	719	77	235	1,031
Goulburn	1,459	390	45	1,894
Loddon	735	497	145	1,377
Mallee	892	318	-	1,210
Ovens-Murray	723	125	-	848
Western District	3,138	387	74	3,599
Wimmera	695	147	100	942
Outer Melbourne	5,393	549	407	6,349
Total Regional Victoria	17,206	3,303	1,337	21,846
Metropolitan Melbourne	44,802	402	402	45,204
Total	62,008	3,303	1,739	67,050

INSET - GREATER MELBOURNE

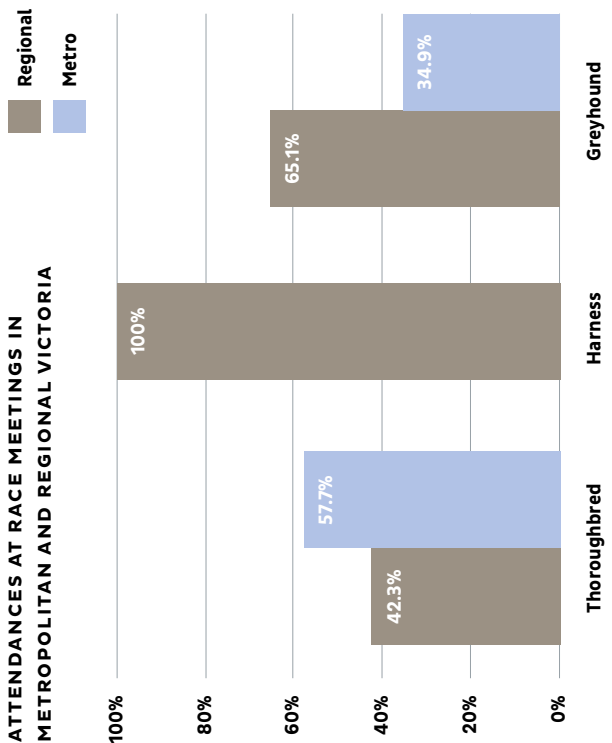


TOTAL ATTENDANCES BY REGION

RACING ATTENDANCES

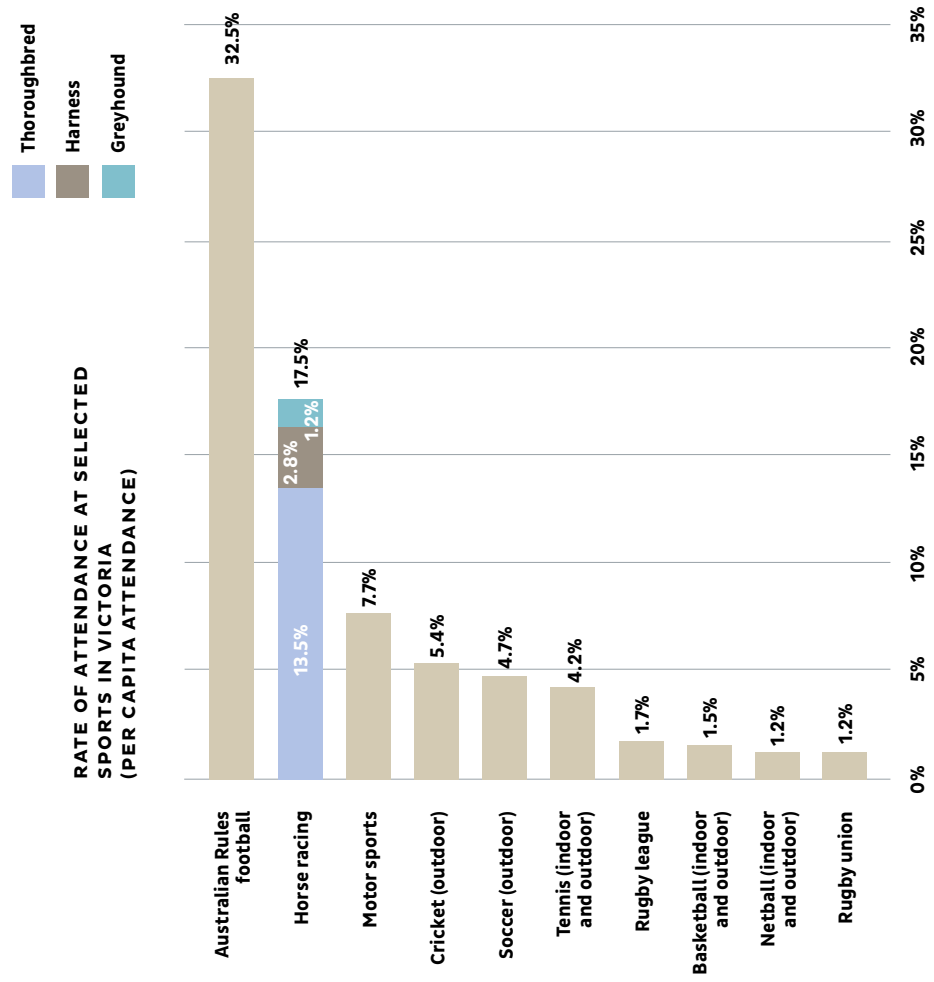
During the 2010/11 racing season, thoroughbred, harness and greyhound race meetings across Victoria attracted attendances of just over 1.84 million. The following chart illustrates the proportion of total attendances, for each code, at metropolitan and regional race meetings.

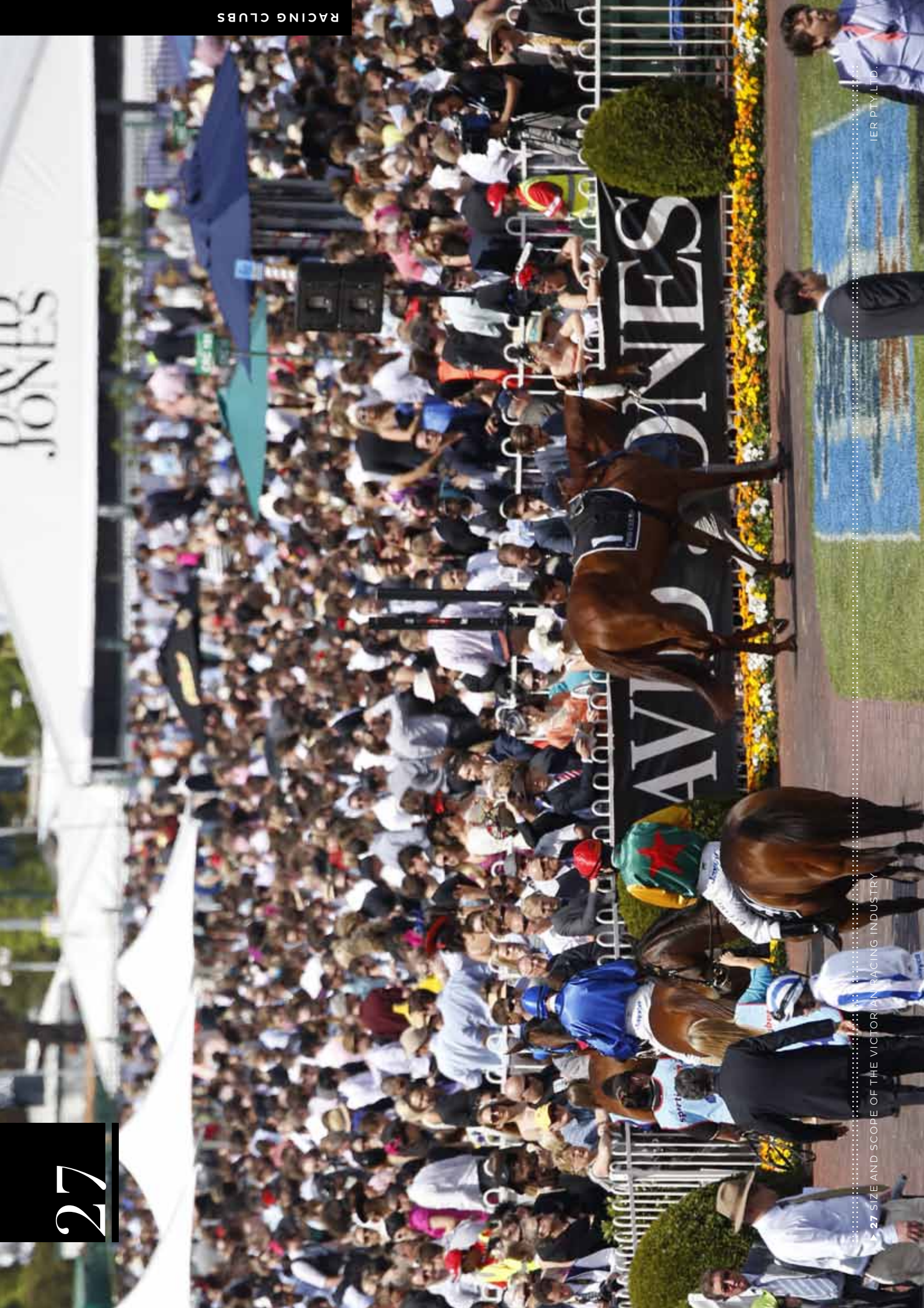
ATTENDANCES AT RACE MEETINGS IN METROPOLITAN AND REGIONAL VICTORIA



The total attendance of 1.84 million includes multiple attendances throughout the course of the racing season by individuals. Whilst there is no primary data from which to estimate the number of individuals who attend race meetings, the Australian Bureau of Statistics estimates that in 2009/10 (the last year in which this assessment was made), the Victorian racing industry attracted attendances of more than 772,500 individuals.

ABS data suggests that 13.5% of Victorian residents attended at least one thoroughbred race meeting in 2009/10. Additionally, 2.8% attended at least one harness racing meeting whilst 1.2% attended at least one greyhound race meeting. The chart to the right illustrates the top 12 sports in Victoria based on the number of individuals that attended in 2009/10.





The racing industry has long been regarded as having the power to generate significant expenditure impacts both within and outside the racetrack. This is a driven by a number of key factors:

- + Racing, unlike most other events, has a strong intrinsic link to fashion – particularly amongst Carnival race meetings.
- + Racing attracts both participant and attendee visitors from outside the State. Racing participants in particular, represent a high yield market for the State.
- + The corporate entertainment element of the racing product, has been a fast growing segment. Furthermore, it is a high yield segment. Like fashion, the corporate entertainment product has a natural synergy with the racing product.

Whilst racing clubs rely heavily on their share of net wagering revenue, racing clubs are also encouraged to develop their own organic revenues through the creation of raceday experiences on-course and non raceday utilisation of their facilities.

Customer expenditure can be broadly segmented into the following categories:

- + On-course raceday expenditure by customers (for the purpose of this analysis, this includes membership and sponsorship revenue)
- + Off-course racing related expenditure by customers (i.e. transport, retail etc.)
- + On-course non-raceday related expenditure (i.e. gaming venues, hiring arrangements for facility use etc.)

Off-course expenditure is primarily related to carnival race meetings where the racing product extends out into the community both prior to and after the racing event. Major events such as the Spring Racing Carnival have proven their strong economic stimulus over many years.

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.

It is estimated that the annual customer expenditure generated by racing clubs is in excess of \$510.5 million, (excluding wagering on the races). This includes expenditure generated on-course whilst attending a race meeting, non raceday revenues and spending made in the community linked to attendance at a race meeting. The following table illustrates the expenditure impacts generated by racing club customers in each region:

(\$ MIL)	Total On-course Expenditure (Raceday)	Total Non-Raceday Income	Transport	Overnight	Additional	Retail	Fashion Spending	Total Off-course Expenditure (Raceday)	Total Customer Expenditure
Barwon	\$3.20	\$2.10	\$0.88	\$0.80	\$0.76	\$0.90	\$2.11	\$5.46	\$10.76
Central Highlands	\$3.61	\$5.19	\$0.66	\$0.76	\$0.55	\$0.61	\$1.45	\$4.02	\$12.83
East Gippsland	\$2.20	\$2.49	\$0.61	\$0.50	\$0.49	\$0.53	\$1.19	\$3.32	\$8.00
Gippsland	\$2.05	\$7.70	\$0.83	\$0.75	\$0.69	\$0.79	\$1.81	\$4.86	\$14.61
Goulburn	\$3.87	\$3.14	\$1.13	\$1.40	\$0.94	\$1.05	\$2.55	\$7.07	\$14.08
Loddon	\$2.45	\$2.08	\$0.88	\$1.17	\$0.73	\$0.81	\$1.96	\$5.55	\$10.09
Mallee	\$1.77	\$1.46	\$0.58	\$0.99	\$0.48	\$0.52	\$1.31	\$3.88	\$7.11
Ovens-Murray	\$1.14	\$1.04	\$0.49	\$0.48	\$0.42	\$0.50	\$1.18	\$3.07	\$5.25
Western District	\$4.29	\$2.81	\$1.10	\$1.73	\$0.94	\$1.09	\$2.54	\$6.81	\$13.91
Wimmera	\$1.04	\$1.11	\$0.38	\$0.53	\$0.31	\$0.35	\$0.84	\$2.42	\$4.57
Outer Melbourne	\$14.64	\$17.43	\$3.51	\$4.03	\$3.01	\$3.38	\$8.28	\$22.22	\$54.29
Total Regional Victoria	\$40.27	\$46.56	\$11.05	\$12.55	\$9.33	\$10.53	\$25.21	\$68.67	\$155.50
Metropolitan Melbourne	\$131.92	\$69.57	\$15.61	\$38.64	\$8.45	\$28.47	\$62.38	\$153.55	\$355.04
Total	\$172.19	\$116.13	\$26.67	\$51.19	\$17.78	\$39.00	\$87.59	\$222.22	\$510.54

*Some totals do not add due to rounding

Expenditure by Thoroughbred Racing's Customers

During the 2010/11 racing season, 546 thoroughbred race meetings attracted attendances in excess of 1.5 million. Racegoers attending these race meetings were responsible for generating expenditure of more than \$376.8 million. In addition to this, non-raceday customers (i.e. gaming venues, and venue hire customers), generated a further \$106.9 million of expenditure at thoroughbred racing clubs. More than 72% of this customer expenditure is generated in Metropolitan Melbourne, whilst a further 9% is generated in the Outer Melbourne region.

(\$ MIL)	Total On-course Expenditure (Raceday)	Total Non-Raceday Income	Transport	Overnight	Additional	Retail	Fashion Spending	Total Off-course Expenditure (Raceday)	Total Customer Expenditure
Thoroughbred customers									
Barwon	\$2.97	\$1.95	\$0.85	\$0.71	\$0.75	\$0.90	\$2.09	\$5.29	\$10.21
Central Highlands	\$3.22	\$4.87	\$0.56	\$0.47	\$0.49	\$0.59	\$1.38	\$3.49	\$11.57
East Gippsland	\$1.26	\$1.35	\$0.47	\$0.39	\$0.42	\$0.50	\$1.16	\$2.94	\$5.55
Gippsland	\$1.80	\$7.55	\$0.72	\$0.60	\$0.63	\$0.76	\$1.77	\$4.48	\$13.83
Goulburn	\$3.19	\$2.46	\$0.96	\$0.80	\$0.85	\$1.02	\$2.36	\$5.98	\$11.64
Loddon	\$1.96	\$1.62	\$0.75	\$0.62	\$0.66	\$0.79	\$1.83	\$4.64	\$8.22
Mallee	\$1.37	\$0.92	\$0.48	\$0.40	\$0.42	\$0.50	\$1.17	\$2.97	\$5.25
Ovens-Murray	\$1.09	\$0.94	\$0.47	\$0.39	\$0.42	\$0.50	\$1.16	\$2.94	\$4.96
Western District	\$3.72	\$2.41	\$1.01	\$0.84	\$0.89	\$1.07	\$2.47	\$6.28	\$12.41
Wimmera	\$0.79	\$0.75	\$0.32	\$0.26	\$0.28	\$0.34	\$0.78	\$1.98	\$3.52
Outer Melbourne	\$11.77	\$13.94	\$3.07	\$2.55	\$2.70	\$3.24	\$7.53	\$19.09	\$44.81
Total Regional Victoria	\$33.14	\$38.76	\$9.66	\$8.03	\$8.51	\$10.21	\$23.70	\$60.08	\$131.98
Metropolitan Melbourne	\$130.45	\$68.17	\$15.48	\$38.55	\$8.39	\$28.44	\$62.35	\$153.21	\$351.83
Total	\$163.59	\$106.93	\$25.14	\$46.58	\$16.90	\$38.65	\$86.03	\$213.29	\$483.81

*Some totals do not add due to rounding

Expenditure by Harness Racing's Customers

During the 2010/11 racing season, 500 harness race meetings attracted attendances in excess of 160,000. Racegoers attending these race meetings were responsible for generating expenditure of more than \$11.7 million. In addition to this, non-raceday customers (i.e. gaming venues, and venue hire customers) generated a further \$6.1 million of expenditure at harness racing clubs. More than 48% of this customer expenditure is generated in the Outer Melbourne region whilst a further 12.2% is generated in the Goulburn region and 10.4% in the Mallee region.

(\$ MIL)	Total On-course Expenditure (Raceday)	Total Non-Raceday Income	Transport	Overnight	Additional	Retail	Fashion Spending	Total Off-course Expenditure (Raceday)	Total Customer Expenditure
Harness customers									
Barwon	\$0.13	\$0.11	\$0.01	\$0.09	\$0.01	-	\$0.02	\$0.13	\$0.37
Central Highlands	\$0.26	\$0.30	\$0.04	\$0.25	\$0.02	\$0.01	\$0.06	\$0.39	\$0.95
East Gippsland	-	-	-	-	-	-	-	-	-
Gippsland	\$0.06	\$0.11	\$0.01	\$0.09	\$0.01	-	\$0.02	\$0.13	\$0.30
Goulburn	\$0.54	\$0.65	\$0.13	\$0.57	\$0.07	\$0.02	\$0.18	\$0.97	\$2.16
Loddon	\$0.43	\$0.43	\$0.09	\$0.51	\$0.05	\$0.01	\$0.12	\$0.78	\$1.64
Mallee	\$0.41	\$0.54	\$0.10	\$0.60	\$0.06	\$0.02	\$0.14	\$0.91	\$1.86
Ovens-Murray	\$0.05	\$0.11	\$0.01	\$0.09	\$0.01	-	\$0.02	\$0.13	\$0.29
Western District	\$0.18	\$0.35	\$0.06	\$0.28	\$0.03	\$0.02	\$0.07	\$0.46	\$0.99
Wimmera	\$0.17	\$0.20	\$0.04	\$0.20	\$0.02	\$0.01	\$0.05	\$0.32	\$0.69
Outer Melbourne	\$2.75	\$3.34	\$0.20	\$1.29	\$0.19	\$0.08	\$0.71	\$2.47	\$8.56
Total Regional Victoria	\$4.99	\$6.12	\$0.70	\$3.96	\$0.48	\$0.17	\$1.39	\$6.69	\$17.80
Metropolitan Melbourne	-	-	-	-	-	-	-	-	-
Total	\$4.99	\$6.12	\$0.70	\$3.96	\$0.48	\$0.17	\$1.39	\$6.69	\$17.80

*Some totals do not add due to rounding

Expenditure by Greyhound Racing's Customers

During the 2010/11 racing season, 933 greyhound race meetings attracted attendances in excess of 165,000.

Racegoers attending these race meetings were responsible for generating expenditure of more than \$5.9 million. In addition to this, non-raceday customers (i.e. gaming venues, and venue hire customers) generated a further \$3.0 million of expenditure at greyhound racing clubs. More than 36% of this customer expenditure is generated in the Metropolitan Melbourne region whilst a further 27.5% is generated in the East Gippsland region and 11.2% in the Outer Melbourne region.

(\$ MIL)	Total On-course Expenditure (Raceday)	Total Non-Raceday Income	Transport	Overnight	Additional	Retail	Fashion Spending	Total Off-course Expenditure (Raceday)	Total Customer Expenditure
Greyhound customers									
Barwon	\$0.10	\$0.05	\$0.01	\$0.01	\$0.01	-	-	\$0.04	\$0.19
Central Highlands	\$0.13	\$0.03	\$0.05	\$0.04	\$0.03	\$0.01	\$0.01	\$0.15	\$0.31
East Gippsland	\$0.94	\$1.13	\$0.14	\$0.11	\$0.07	\$0.03	\$0.03	\$0.38	\$2.45
Gippsland	\$0.19	\$0.05	\$0.09	\$0.07	\$0.04	\$0.02	\$0.02	\$0.25	\$0.49
Goulburn	\$0.13	\$0.03	\$0.04	\$0.03	\$0.02	\$0.01	\$0.01	\$0.11	\$0.27
Loddon	\$0.07	\$0.03	\$0.05	\$0.04	\$0.02	\$0.01	\$0.01	\$0.13	\$0.23
Mallee	-	-	-	-	-	-	-	-	-
Ovens-Murray	-	-	-	-	-	-	-	-	-
Western District	\$0.38	\$0.09	\$0.05	\$0.04	\$0.03	\$0.01	\$0.01	\$0.14	\$0.61
Wimmera	\$0.08	\$0.05	\$0.02	\$0.02	\$0.01	-	-	\$0.06	\$0.19
Outer Melbourne	\$0.18	\$0.16	\$0.25	\$0.19	\$0.12	\$0.06	\$0.05	\$0.66	\$1.00
Total Regional Victoria	\$2.20	\$1.61	\$0.71	\$0.54	\$0.35	\$0.17	\$0.14	\$1.91	\$5.72
Metropolitan Melbourne	\$1.47	\$1.39	\$0.13	\$0.10	\$0.06	\$0.03	\$0.03	\$0.34	\$3.20
Total	\$3.68	\$3.00	\$0.84	\$0.63	\$0.41	\$0.20	\$0.17	\$2.25	\$8.93

*Some totals do not add due to rounding



TOTAL PRIZEMONEY PAID

(\$MIL)	Thoroughbred	Harness	Greyhound	Total
Barwon	\$6.83	\$1.55	\$0.49	\$8.87
Central Highlands	\$5.18	\$2.60	\$2.12	\$9.90
East Gippsland	\$3.69	-	\$1.35	\$5.04
Gippsland	\$1.88	\$0.38	\$2.88	\$5.14
Goulburn	\$6.17	\$2.72	\$1.73	\$10.62
Loddon	\$4.21	\$3.36	\$1.72	\$9.29
Mallee	\$2.91	\$2.68	-	\$5.59
Ovens-Murray	\$2.45	\$0.19	-	\$2.64
Western District	\$5.44	\$1.07	\$1.42	\$7.93
Wimmera	\$1.74	\$1.22	\$1.08	\$4.04
Outer Melbourne	\$9.37	\$12.75	\$1.69	\$23.82
Total Regional Victoria	\$49.86	\$28.53	\$14.48	\$92.86
Metropolitan Melbourne	\$89.70	-	\$11.94	\$101.64
Total	\$139.56	\$28.53	\$26.41	\$194.50

TOTAL INCENTIVE PAYMENTS

(\$MIL)	Thoroughbred	Harness	Greyhound	Total
Barwon	\$0.39	\$0.02	\$0.01	\$0.42
Central Highlands	\$0.33	\$0.02	\$0.06	\$0.41
East Gippsland	\$0.31	-	\$0.03	\$0.34
Gippsland	\$0.12	\$0.01	\$0.08	\$0.21
Goulburn	\$0.44	\$0.08	\$0.04	\$0.56
Loddon	\$0.23	\$0.05	\$0.04	\$0.32
Mallee	\$0.24	\$0.04	-	\$0.28
Ovens-Murray	\$0.23	-	-	\$0.23
Western District	\$0.38	\$0.02	\$0.03	\$0.43
Wimmera	\$0.13	\$0.02	\$0.03	\$0.18
Outer Melbourne	\$0.49	\$0.09	\$0.06	\$0.64
Total Regional Victoria	\$3.29	\$0.35	\$0.39	\$4.02
Metropolitan Melbourne	\$2.30	-	\$0.10	\$2.40
Total	\$5.58	\$0.35	\$0.49	\$6.42

TOTAL RETURNS TO OWNERS

(\$MIL)	Thoroughbred	Harness	Greyhound	Total
Barwon	\$7.22	\$1.57	\$0.51	\$9.30
Central Highlands	\$5.51	\$2.62	\$2.18	\$10.31
East Gippsland	\$4.00	-	\$1.38	\$5.38
Gippsland	\$1.99	\$0.39	\$2.96	\$5.34
Goulburn	\$6.60	\$2.80	\$1.77	\$11.17
Loddon	\$4.45	\$3.41	\$1.76	\$9.62
Mallee	\$3.15	\$2.72	-	\$5.87
Ovens-Murray	\$2.67	\$0.19	-	\$2.86
Western District	\$5.82	\$1.09	\$1.46	\$8.37
Wimmera	\$1.87	\$1.24	\$1.10	\$4.21
Outer Melbourne	\$9.87	\$12.84	\$1.75	\$24.46
Total Regional Victoria	\$53.15	\$28.87	\$14.86	\$96.89
Metropolitan Melbourne	\$92.00	-	\$12.04	\$104.04
Total	\$145.15	\$28.87	\$26.90	\$200.92

NUMBER OF RACE STARTERS

	Thoroughbred	Harness	Greyhound	Total
Barwon	4,326	2,508	1,966	8,800
Central Highlands	3,138	3,745	8,855	15,738
East Gippsland	2,565	-	5,053	7,618
Gippsland	1,506	610	13,117	15,233
Goulburn	4,464	7,210	8,886	20,560
Loddon	2,510	5,810	8,555	16,875
Mallee	2,223	4,700	-	6,923
Ovens-Murray	2,031	404	-	2,435
Western District	3,397	1,914	5,631	10,942
Wimmera	1,387	1,998	4,477	7,862
Outer Melbourne	6,080	9,611	7,469	23,160
Total Regional Victoria	33,627	38,510	64,009	136,146
Metropolitan Melbourne	9,486	-	18,139	27,625
Total	43,113	38,510	82,148	163,771

* Some totals do not add due to rounding

Returns to Owners

During the 2010/11 racing season, the Victorian racing industry provided racehorse and greyhound owners with the opportunity to share in more than \$200.9 million of available prizemoney and bonuses.

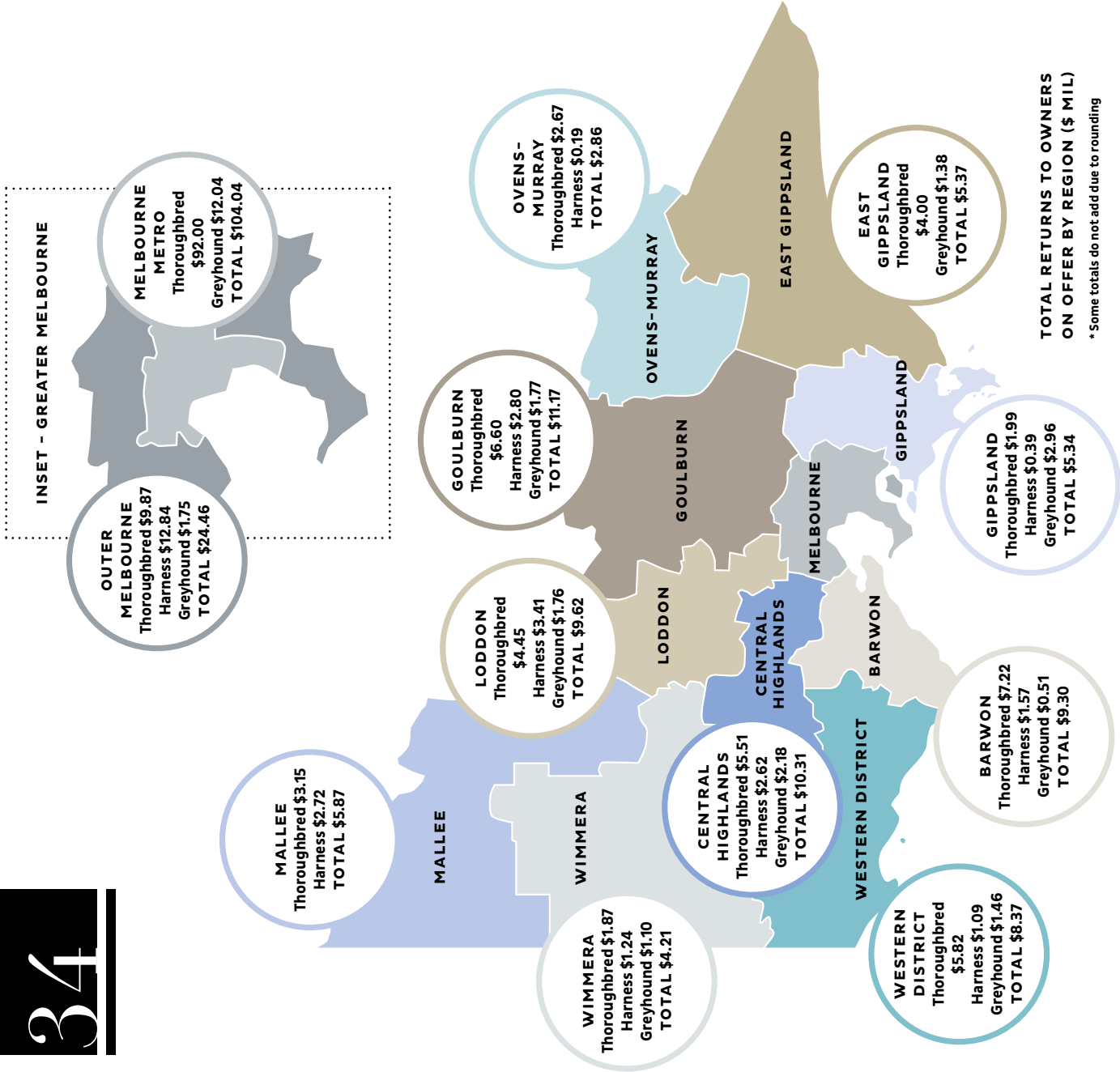
Whilst the majority of prizemoney is shared by owners, it is important to note that trainers, jockeys, breeders and drivers also receive financial benefits for various elements of their involvement in racing horses and greyhounds.

In total, thoroughbred owners raced for more than \$145.1 million in prizemoney and bonuses, whilst harness racing owners race for \$28.8 million and greyhounds for \$26.9 million.

PRIZEMONEY VS TRAINING COSTS

Previous research in a number of jurisdictions has shown that owners of racing animals do not necessarily expect to achieve a return on their investment. In racing circles, this is often referred to as the 'acceptable loss'. The fact that an 'acceptable loss' concept exists within the industry, is mostly a recognition that ownership is often driven by a combination of business and leisure motivations.

It is important however that owners have the ability to generate a reasonable level of return to ensure their continued investment in the industry.



TOTAL RETURNS TO OWNERS ON OFFER BY REGION (\$ MIL)

*Some totals do not add due to rounding



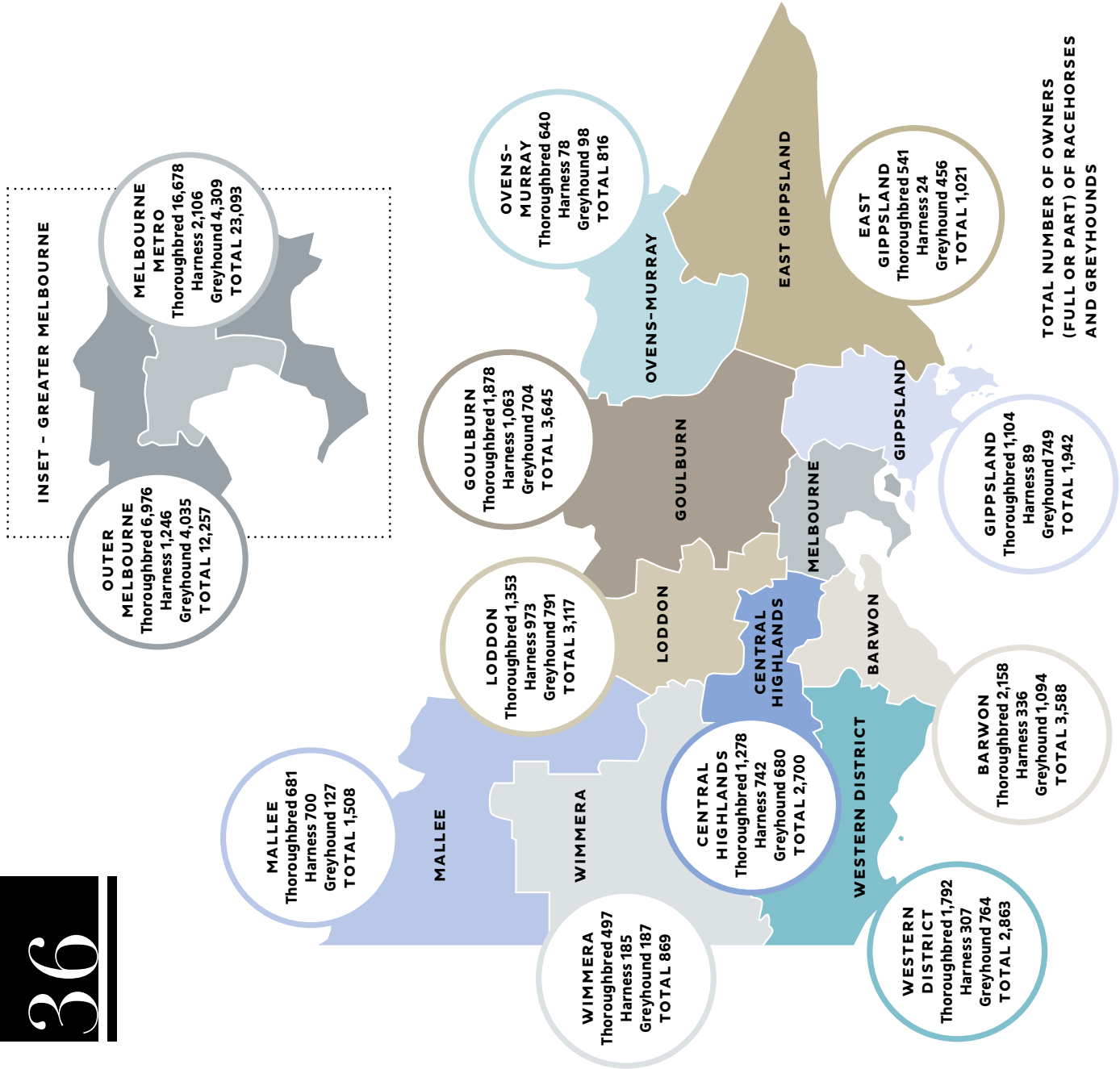
Ownership

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 preparation of racehorses and greyhounds. In 2010/11 there were more than 71,800 individuals in Victoria with an ownership interest in thoroughbred, harness and/or greyhound racing. (Note, more than 14,400 of these owners reside outside Victoria.)

Nearly 60% of the owners in the racing industry reside in regional parts of the State. The ownership investment from residents of Regional Victoria is particularly strong in the harness racing (73.2%) and greyhound racing (69.2%) industries.

Across the three codes, more than 40% of owners reside in Metropolitan Melbourne. This represents the highest density of owners, ahead of the Outer Melbourne (21.3%), Goulburn (6.3%) and Barwon (6.2%) regions.

Research over a number of years has shown that many owners do not consider their involvement to be a financial investment from which they expect a net positive return. This is not to say however, that owners are prepared to continue to fund their involvement if there are diminished opportunities to realise a return.



In 2010/11, owners of racehorses and greyhounds trained in Victoria spent more than \$507.1 million on the preparation of their animals 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. 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 on a yearling is different to expenditure on an established 3 year old racehorse. It is also important that this assessment takes into consideration non-Victorian owned 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 through a combination of industry level consultation and surveying of a sample of owners and trainers in Victoria. The analysis of the expenditure on the preparation of racehorses and greyhounds includes items such as training fees, insurance, vitamins and supplements, veterinarian fees, gear hire/purchase and racing/trialling fees, amongst others.

Training fees often cover a proportion of the expenditure incurred by the owner in the preparation of their animal, however there are a number of expenses that are either billed separately, or borne separately by owners (particularly in thoroughbred and harness racing). As such, only using the training fees as a measure of the cost of production, would understate the true impact.

The arrangements between greyhound owners and trainers are different to their thoroughbred and harness counterparts. Greyhound owners and trainers employ a number of different payment structures, the most popular being where the trainer retains 50% of stake money and forgoes any training fee. In this case, it is important that all greyhound trainer expenditure is captured to determine direct expenditure.

Generally, the involvement of owners in the industry delivers economic impacts through expenditure on the following items:

Items contained within the trainers fee

(whilst animal is in training)

EXPENDITURE ITEM:

- + Training/Trialling Fee
- + Farriers
- + Feed & Supplements
- + Veterinary Bills
- + Transport Costs

Items covered by owners directly (not

generally included in trainer accounts)

EXPENDITURE ITEM:

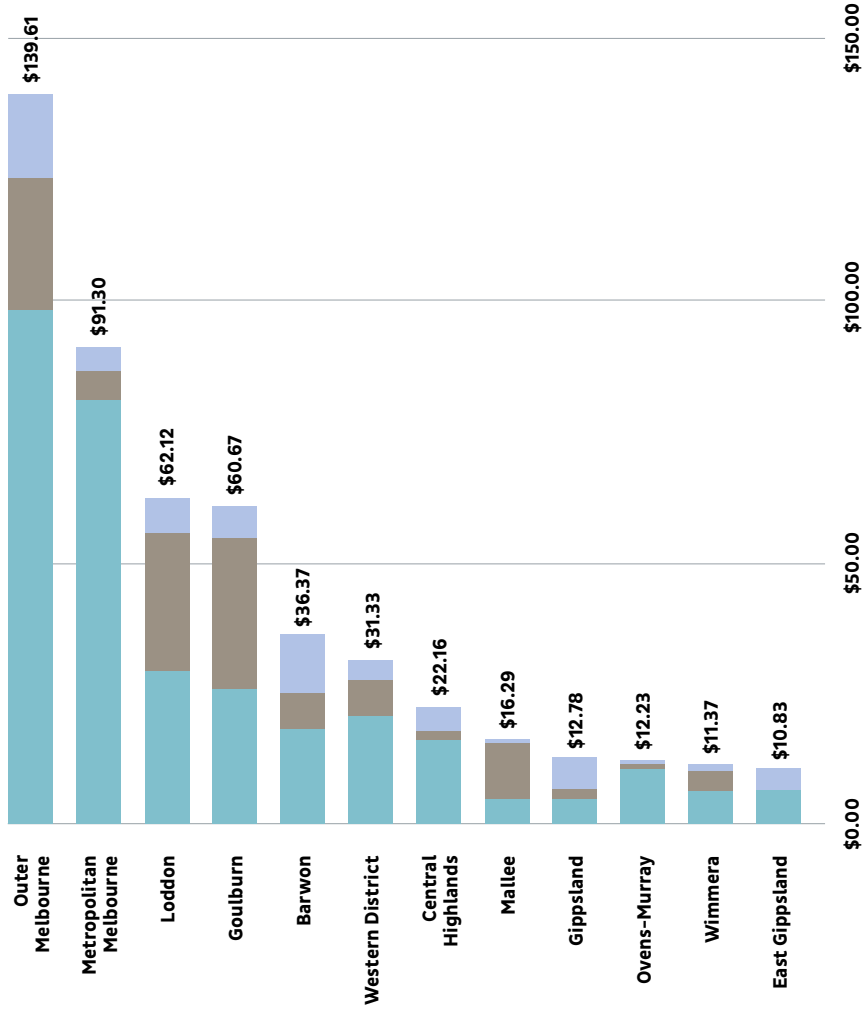
- + Insurance
- + Agistment/Spelling
- + Registration Fees
- + Transport
- + Entertainment
- + Accommodation
- + Trophies & Prints
- + Breaking-in/Pre-training

The chart opposite illustrates the total expenditure generated in the preparation of racehorses and greyhounds in each region:

More than 28% of the total expenditure on preparing racehorses and greyhounds occurs in the Outer Melbourne region, with the Metropolitan Melbourne (18.7%), Loddon (12.3%) and Goulburn (12.1%) regions making up the majority of the remainder.



EXPENDITURE ON PREPARING RACEHORSES AND GREYHOUNDS FOR RACING (\$ MIL) (THREE CODES COMBINED)



TOTAL NUMBER OF TRAINERS

	Thoroughbred	Harness	Greyhound	Total
Barwon	80	93	215	388
Central Highlands	56	230	146	432
East Gippsland	43	3	184	230
Gippsland	59	31	220	310
Goulburn	136	431	210	777
Loddon	95	428	252	775
Mallee	25	184	40	249
Ovens-Murray	34	31	42	107
Western District	95	114	180	389
Wimmera	25	72	68	165
Outer Melbourne	283	339	682	1,304
Total Regional Victoria	931	1,956	2,239	5,126
Metropolitan Melbourne	74	111	346	531
Total	1,005	2,067	2,585	5,657

NUMBER OF REGISTERED JOCKEYS, (APPRENTICES) & DRIVERS

	Thoroughbred	Harness	Total
Barwon	1 (3)	36	37 (3)
Central Highlands	7 (3)	93	100 (3)
East Gippsland	5	1	6
Gippsland	8 (1)	13	21 (1)
Goulburn	10 (6)	197	207 (6)
Loddon	11 (5)	165	176 (5)
Mallee	(2)	71	71 (2)
Ovens-Murray	5	11	16
Western District	10 (2)	52	62 (2)
Wimmera	5	28	33
Outer Melbourne	58 (3)	135	193 (3)
Total Regional Victoria	120 (25)	802	922 (25)
Metropolitan Melbourne	46 (14)	41	87 (14)
Total	166 (39)	843	1,009 (39)

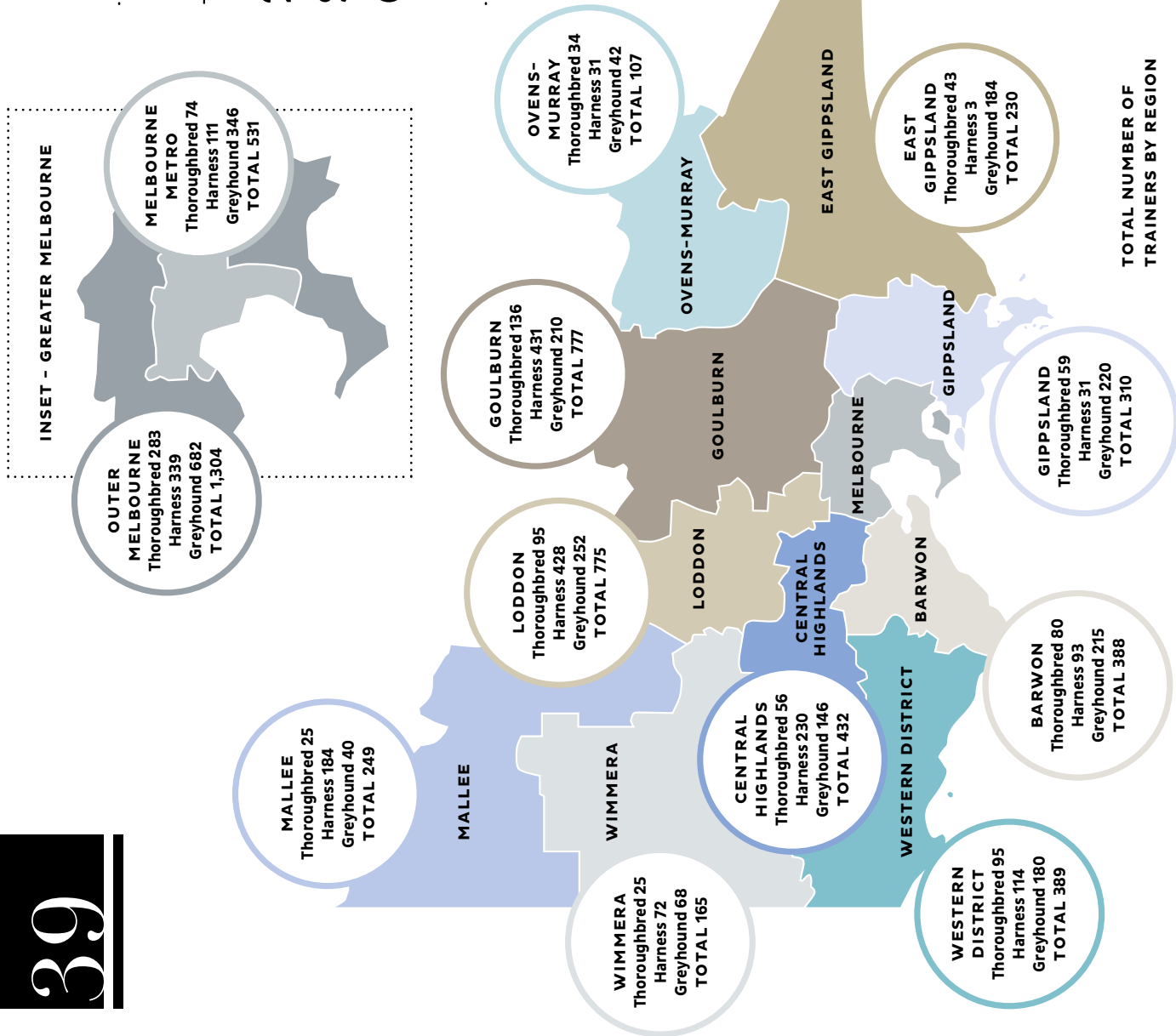
NUMBER OF STABLE EMPLOYEES

	Thoroughbred	Harness	Greyhound	Total
Barwon	177	57	143	377
Central Highlands	124	162	55	341
East Gippsland	91	1	54	146
Gippsland	139	23	78	240
Goulburn	263	236	77	576
Loddon	265	245	80	590
Mallee	57	128	9	194
Ovens-Murray	105	16	9	130
Western District	246	83	45	374
Wimmera	60	48	16	124
Outer Melbourne	727	203	211	1,141
Total Regional Victoria	2,254	1,202	776	4,232
Metropolitan Melbourne	693	127	60	880
Total	2,947	1,329	836	5,112

NUMBER OF HORSES & GREYHOUNDS IN TRAINING

	Thoroughbred	Harness	Greyhound	Total
Barwon	585	210	1,568	2,363
Central Highlands	520	56	600	1,176
East Gippsland	214	-	595	809
Gippsland	149	61	854	1,064
Goulburn	847	840	847	2,534
Loddon	960	772	878	2,610
Mallee	149	323	94	566
Ovens-Murray	342	30	103	475
Western District	664	218	493	1,375
Wimmera	196	119	179	494
Outer Melbourne	3,100	792	2,320	6,212
Total Regional Victoria	7,726	3,420	8,531	19,677
Metropolitan Melbourne	2,240	156	663	3,059
Total	9,966	3,576	9,194	22,736

MORE THAN 5,650 TRAINERS PREPARE OVER 22,730 THOROUGHBREDS, STANDARDBREDS AND GREYHOUNDS FOR RACING IN VICTORIA



NUMBER OF LICENSED TRAINERS
Trainers play an important role in the racing 'service' industry. They employ the assistance of a variety of both skilled and unskilled labour in delivering their service. In particular, stable staff, track riders, drivers, farriers and vets are employed by trainers as part of the process of preparing racehorses and greyhounds.

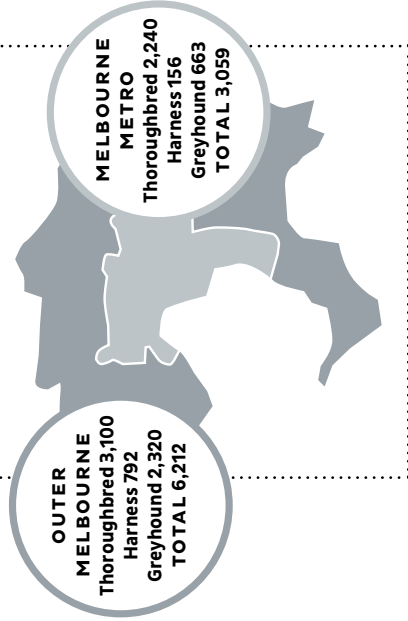
Training services generally incorporate pre and race training, trialling and race day management of a racehorse or greyhound. Trainers' income is mostly generated through training fees charged to owners and a percentage of prizemoney won.

During the 2010/11 racing season, there were more than 5,650 horse and greyhound trainers providing services to owners in the Victorian racing industry.

Thoroughbred, harness and greyhound trainers also employ more than 5,110 stable employees to assist with the preparation of horses for racing. For many of these people, the employment opportunities offered by trainers, utilise skills that are not easily transferrable to other employment sectors. Nearly 91% of these jobs are sustained within regional areas of Victoria.



INSET - GREATER MELBOURNE



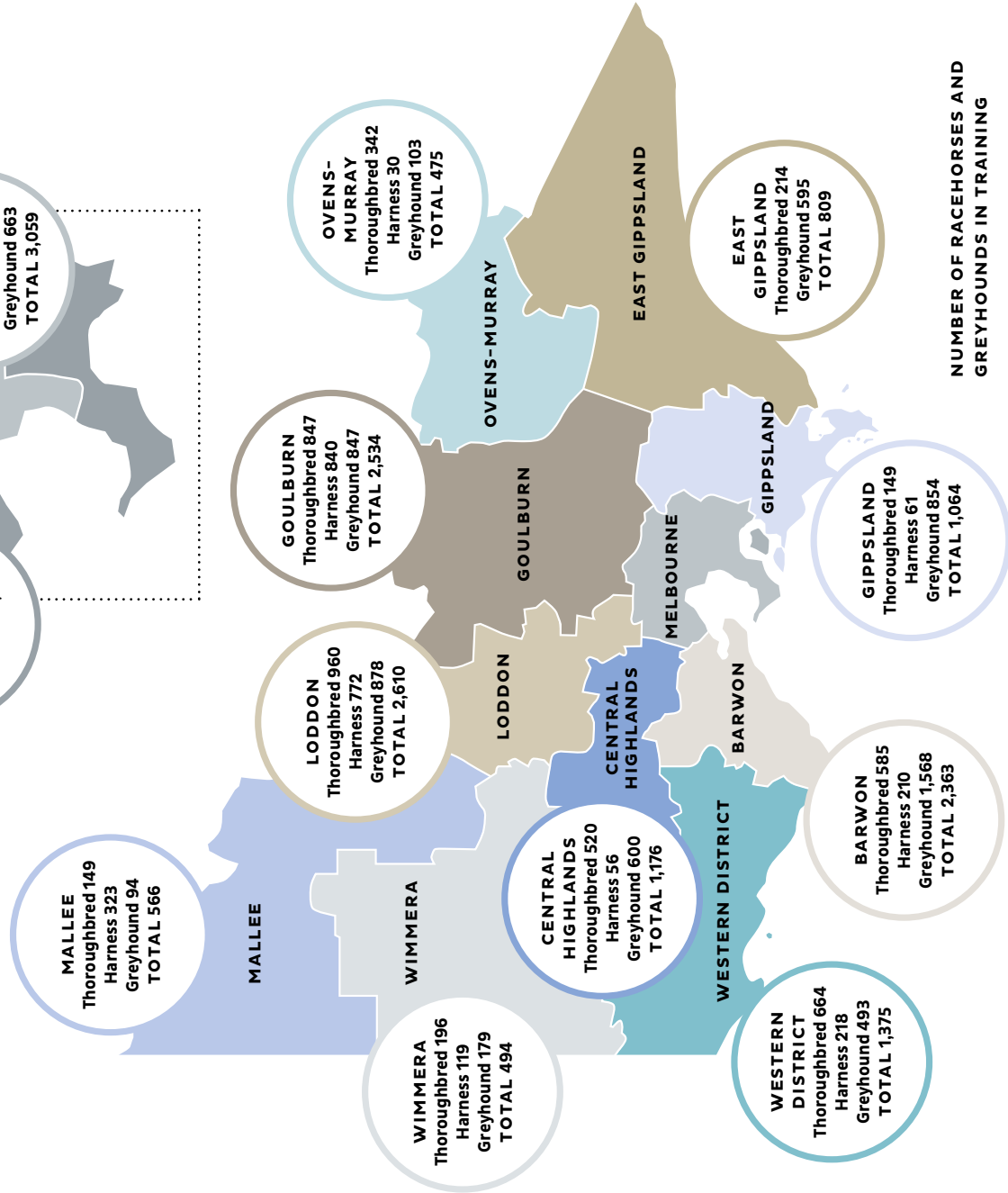
NUMBER OF RACEHORSES AND GREYHOUNDS IN TRAINING

In 2010/11, there were more than 22,700 thoroughbreds, standardbreds and greyhounds in training in Victoria. More than 86% of this training activity occurred within regional areas of the State.

The training of thoroughbreds takes place across numerous racetracks and private properties in Victoria. Although this is the case, the existence of a number of major training centres in the Metropolitan and Outer Melbourne areas, means that more than 53% of all training activity occurs within this region. Tracks such as Flemington, Caulfield, Cranbourne and Mornington are home to more than a third of all training activity in the State.

The Loddon and Goulburn regions of Victoria are home to more than 45% of the harness racing training activity in Victoria. A further 22% of training activity is in the Outer Melbourne region. Unlike the thoroughbred racing industry, nearly all of the training activity occurs on private properties, with only Charlton, Kilmore and Cranbourne providing regular on-course training facilities.

Outer Melbourne (25.2%) and Barwon (17.1%) make up the largest training regions for Greyhounds in Victoria. Apart from the North West of the State (Mallee, Ovens-Murray and Wimmera), there is a relatively even distribution of training activity in all other regions. Many trainers prepare their greyhounds on their own, or other private properties. There are also registered training tracks which are set up as independent businesses on private land, but are inspected and registered by GRV to ensure quality standards for training.



NUMBER OF RACEHORSES AND GREYHOUNDS IN TRAINING

Breeding



NUMBER OF BREEDERS*

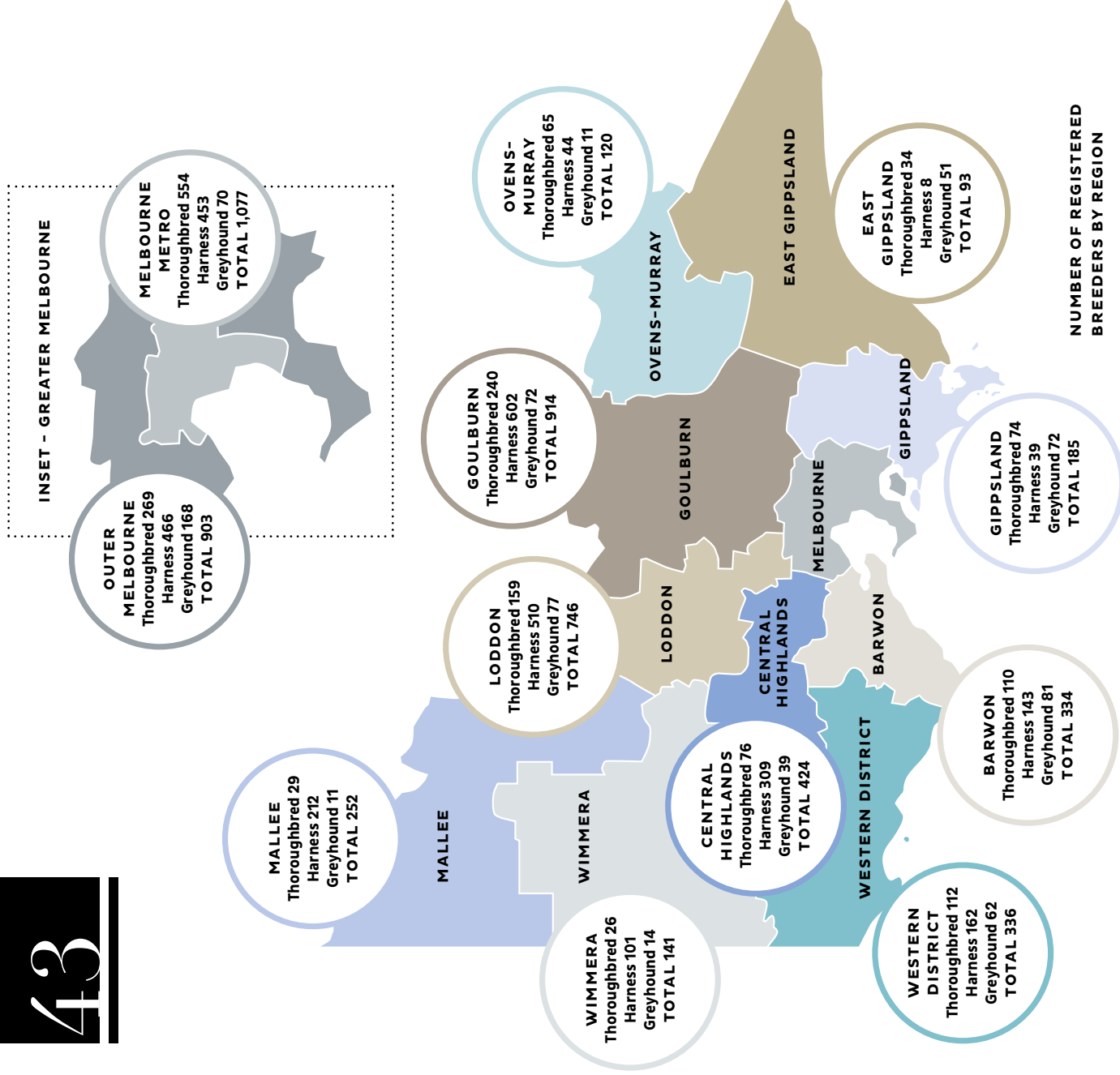
	Thoroughbred	Harness	Greyhound	Total
Barwon	110	143	81	334
Central Highlands	76	309	39	424
East Gippsland	34	8	51	93
Gippsland	74	39	72	185
Goulburn	240	602	72	914
Loddon	159	510	77	746
Mallee	29	212	11	252
Ovens-Murray	65	44	11	120
Western District	112	162	62	336
Wimmera	26	101	14	141
Outer Melbourne	269	466	168	903
Total Regional Victoria	1,194	2,596	658	4,448
Metropolitan Melbourne	554	453	70	1,077
Total	1,748	3,049	728	5,525

*The distribution of breeders into regions is based on the registered postcode of each breeder.

NUMBER OF STAFF EMPLOYED BY BREEDERS

	Thoroughbred	Harness	Greyhound	Total
Barwon	187	88	49	324
Central Highlands	106	190	23	319
East Gippsland	48	5	31	84
Gippsland	111	24	43	178
Goulburn	984	371	43	1,398
Loddon	477	314	46	837
Mallee	23	130	7	160
Ovens-Murray	59	27	7	93
Western District	157	100	37	294
Wimmera	34	62	8	104
Outer Melbourne	807	287	101	1,195
Total Regional Victoria	2,993	1,598	395	4,986
Metropolitan Melbourne	776	279	-	1,055
Total	3,769	1,877	395	6,041

THERE ARE MORE THAN 5,520 PEOPLE IN VICTORIA WHO ARE INVOLVED IN BREEDING THOROUGHBREDS, STANDARDBREDS AND GREYHOUNDS FOR RACING. THE MAJORITY (80%) ARE IN REGIONAL PARTS OF THE STATE



IN 2011, IT IS ESTIMATED THAT THE MELBOURNE PREMIER YEARLING SALES, CONDUCTED BY INGLIS, WAS RESPONSIBLE FOR DELIVERING NET REVENUE OF \$8 MILLION TO VICTORIA – ILLUSTRATING THE IMPORTANCE OF A STRONG LOCAL BREEDING SECTOR TO NOT ONLY THE RACING INDUSTRY, BUT ALSO TO THE ECONOMY.

The breeding sector provides and replenishes the racing animals for the Victorian racing industry. There are more than 5,170 registered breeders in Victoria across the three codes of racing. The chart below illustrates the geographical distribution of breeders in each code.

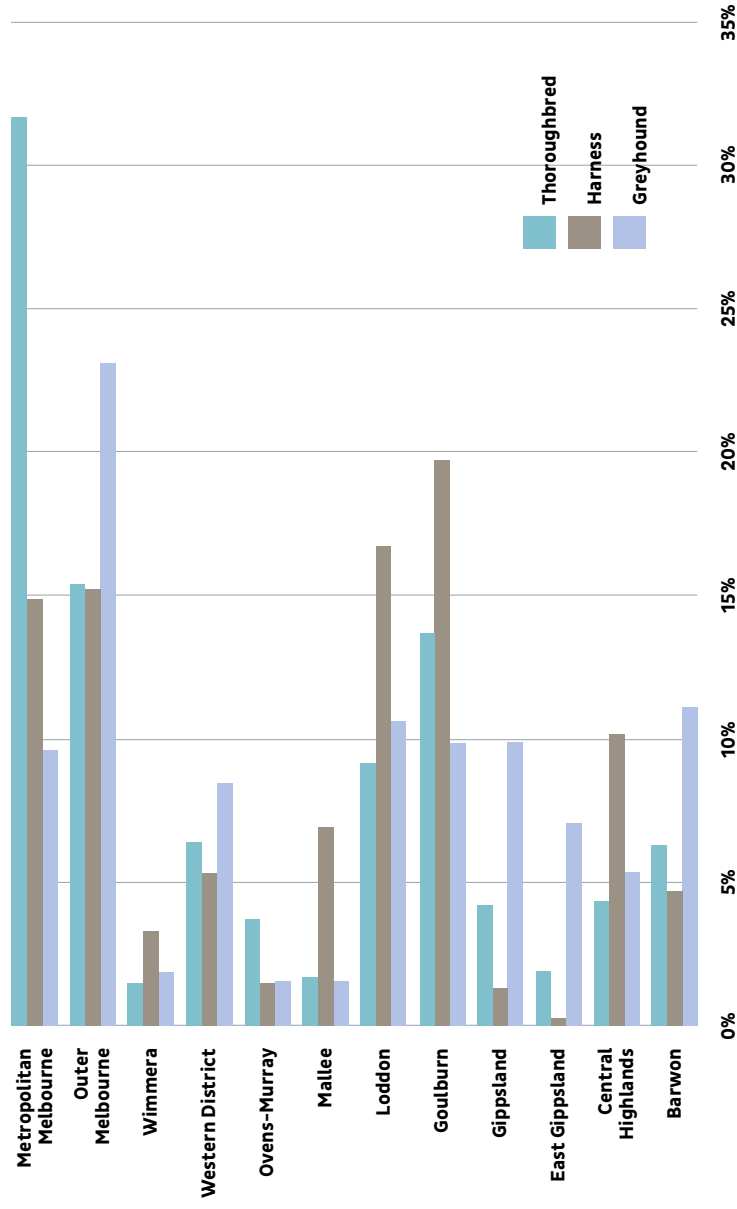
At the top end of the breeding sector, large stud farms employ many staff and produce large numbers of foals each year. At the other end of the scale, there are a large number of hobby breeders also producing foals and pups.

Breeders derive the majority of their income from the public and private sale of their stock. 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. This process leads to significant opportunities for foreign investment to flow back to the state as a result of non-Victorian buyers buying Victorian breeding stock. The opposite is also true as owners invest money outside the State purchasing non-Victorian bred racehorses and greyhounds. A proportion of Victoria's broodmare population travel across the border each year to be bred with stallions in other States.

There is no doubt however that a strong breeding industry brings significant investment to Victoria from interstate and overseas buyers and owners.

GEOGRAPHICAL DISTRIBUTION OF BREEDERS



NUMBER OF REGISTERED STALLIONS & SIRES

	Thoroughbred	Harness	Greyhound	Total
Barwon	11	3	27	41
Central Highlands	7	9	8	24
East Gippsland	2	-	9	11
Gippsland	6	-	15	21
Goulburn	56	60	8	124
Loddon	28	16	11	55
Mallee	1	4	2	7
Ovens-Murray	6	1	1	8
Western District	14	3	2	19
Wimmera	1	2	2	5
Outer Melbourne	30	7	51	88
Total Regional Victoria	162	105	136	403
Metropolitan Melbourne	3	2	8	13
Total	165	107	144	416

NUMBER OF BROODMARES & BROODBITCHES COVERED

	Thoroughbred	Harness	Greyhound	Total
Barwon	287	143	190	620
Central Highlands	142	291	52	485
East Gippsland	37	6	71	114
Gippsland	142	44	68	254
Goulburn	2,525	828	21	3,374
Loddon	923	556	86	1,565
Mallee	39	221	1	261
Ovens-Murray	240	43	1	284
Western District	180	157	11	348
Wimmera	27	76	5	108
Outer Melbourne	746	407	688	1,841
Total Regional Victoria	5,288	2,772	1,194	9,254
Metropolitan Melbourne	28	370	30	428
Total	5,316	3,142	1,224	9,682

NUMBER OF LIVE FOALS & PUPS

	Thoroughbred	Harness	Greyhound	Total
Barwon	187	102	706	995
Central Highlands	93	208	231	532
East Gippsland	24	4	294	322
Gippsland	93	32	252	377
Goulburn	1,649	592	71	2,312
Loddon	602	397	320	1,319
Mallee	26	158	7	191
Ovens-Murray	157	31	-	188
Western District	117	112	39	268
Wimmera	17	55	11	83
Outer Melbourne	487	290	2,663	3,440
Total Regional Victoria	3,452	1,981	4,594	10,027
Metropolitan Melbourne	19	164	103	286
Total	3,471	2,145	4,697	10,313

TOTAL EXPENDITURE ON PRODUCING RACEHORSES & GREYHOUNDS

(\$MIL)	Thoroughbred	Harness	Greyhound	Total
Barwon	\$7.70	\$2.22	\$4.39	\$14.31
Central Highlands	\$3.33	\$4.74	\$1.58	\$9.65
East Gippsland	\$0.87	\$0.09	\$1.71	\$2.67
Gippsland	\$3.32	\$0.61	\$1.46	\$5.39
Goulburn	\$76.94	\$16.11	\$0.41	\$93.46
Loddon	\$34.18	\$8.96	\$1.84	\$44.98
Mallee	\$0.91	\$3.37	\$0.04	\$4.32
Ovens-Murray	\$5.93	\$0.68	-	\$6.61
Western District	\$4.28	\$2.41	\$0.23	\$6.92
Wimmera	\$0.62	\$1.22	\$0.07	\$1.91
Outer Melbourne	\$19.29	\$7.93	\$16.32	\$43.54
Total Regional Victoria	\$157.35	\$48.33	\$28.06	\$233.74
Metropolitan Melbourne	\$5.36	\$5.73	\$0.63	\$11.72
Total	\$162.71	\$54.06	\$28.69	\$245.46

Cost of producing racehorses and greyhounds

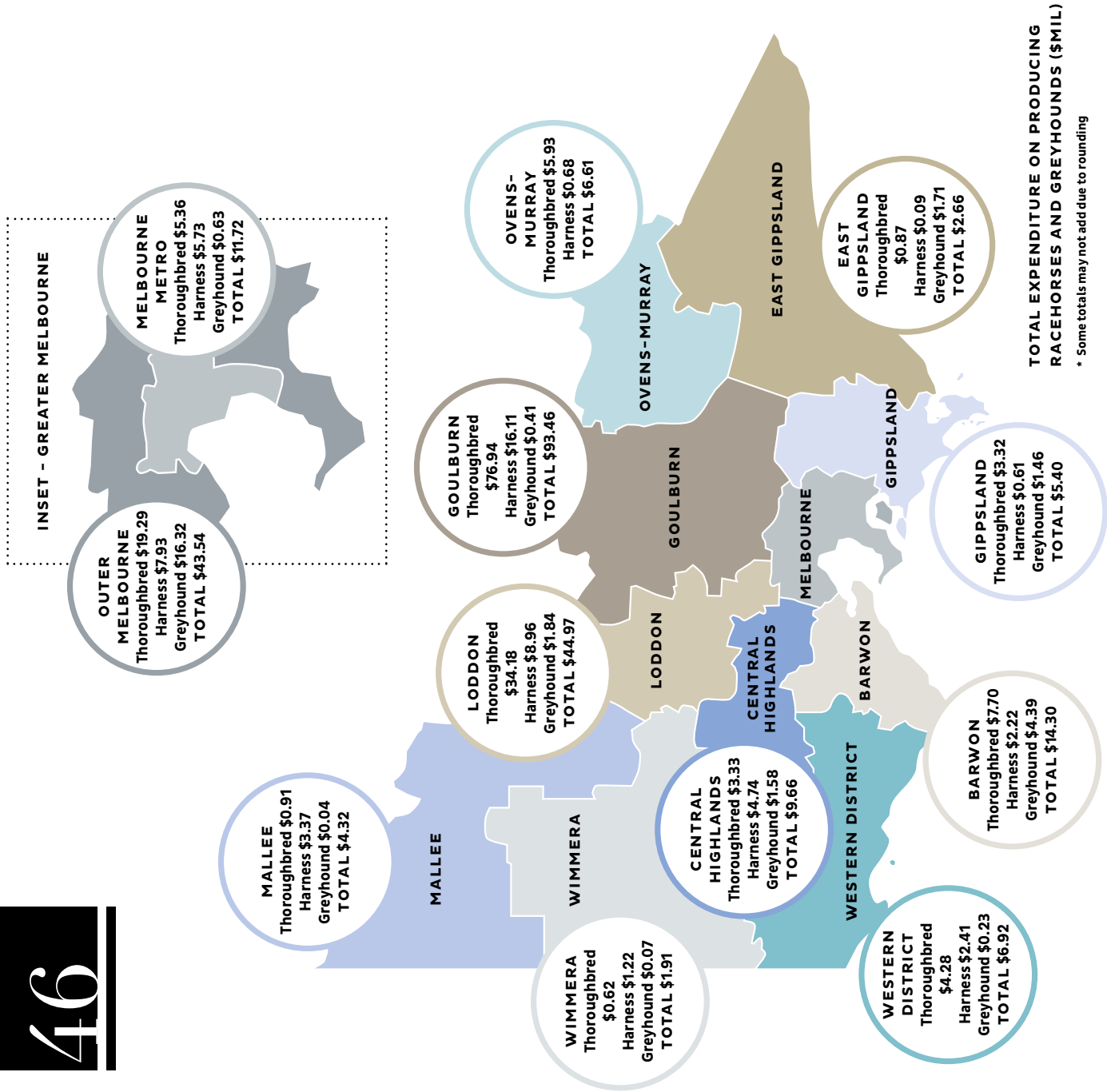
In 2010/11, breeders in the Victorian racing industry spent more than \$245.4 million on the production of racing stock. In calculating the expenditure incurred by breeders, a number of factors must be considered. Essentially, breeders incur costs on the maintenance of broodmares, broodbitches and sires as well as in the breeding and care of foals and pups. In addition to this, breeders also incur costs for:

- + The maintenance of stallions through service fees
- + Sales commission on yearlings sold at auction
- + Bloodstock insurance
- + Business related expenditure
- + Sales and marketing related expenditure

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 Victoria. More than 38% of all expenditure in the breeding sector occurs in the Goulburn region, whilst Outer Melbourne (17.7%) and Loddon (18.3%) make up the next largest regions.

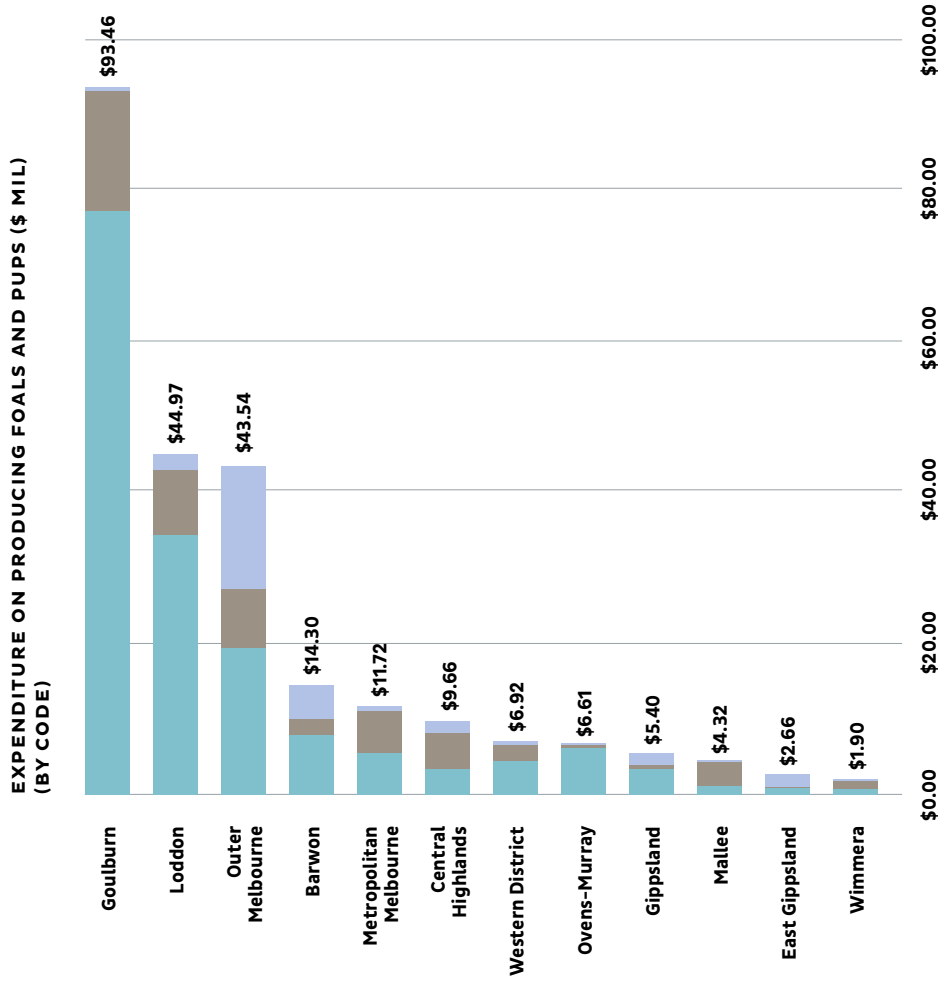
From an industry perspective, it is important to acknowledge that there are different costs associated with mares depending on their breeding activity in a given year. For example, mares and bitches that are not bred with in a given year, still incur expenditure despite not producing a foal or pup, and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

* The purchase cost of racehorses and greyhounds has not been captured in this study primarily due to the complexities of assessing the private sale market. Furthermore, from an economic impact perspective, the expenditure by breeders in preparing horses and greyhounds for sale is taken as a proxy for the capital cost.



TOTAL EXPENDITURE ON PRODUCING RACEHORSES AND GREYHOUNDS (\$MIL)
 * Some totals may not add due to rounding

IN TOTAL, BREEDERS IN THE VICTORIAN RACING INDUSTRY SPENT MORE THAN \$245.4 MILLION ON PRODUCING HORSES AND GREYHOUNDS FOR RACING



THOROUGHBRED BREEDERS

The thoroughbred breeding sector is responsible for generating more than \$162.7 million in the production and care of racing stock. The Goulburn region is responsible for nearly 48% of this amount, followed by the Loddon region (21.0%). In 2010/11, 5,318 mares were covered in Victoria, producing 3,336 foals.

HARNES BREEDERS

The harness breeding sector is responsible for generating more than \$54.0 million in the production and care of racing stock. As with the thoroughbred breeding sector, the Goulburn (29.8%) and Loddon regions (16.6%) are responsible for a large portion of this impact. In 2010/11, 3,142 mares were covered in Victoria, producing 2,133 foals.

GREYHOUND BREEDERS

The greyhound breeding sector is responsible for generating more than \$28.6 million in the production and care of greyhound racing stock. The Outer Melbourne region is responsible for more than 56% of this expenditure, followed by the Barwon (15.3%) and Loddon regions (6.5%). In 2010/11, 1,224 bitches were covered in Victoria, producing 6,244 pups.

The chart (opposite) illustrates the total expenditure, by region, on thoroughbred, harness and greyhound breeding activities generated in Victoria.

Tourism & Export

CASE STUDY

SPRING RACING CARNIVAL

The nexus between the racing industry and tourism has been established over many years. At a regional level, racing events are an important part of driving both intrastate and out-of-state visitors to regional parts of Victoria. From a statewide perspective, major racing events have the ability to generate economic impacts for the State, not only from visiting attendees, but also from visiting participants.

OVERVIEW

The Spring Racing Carnival is one of the pinnacles of the Victorian sporting and events calendar. Over nearly two months in October and November, it captures the attention of racing and non-racing fans alike, peaking with the running of the time-honoured Melbourne Cup on the first Tuesday in November. Referred to as 'the race that stops a nation', the Melbourne Cup continues to expand its national and international footprint thus delivering continued growth in its economic value to the Victorian economy.

A MAJOR TOURISM DRAWCARD

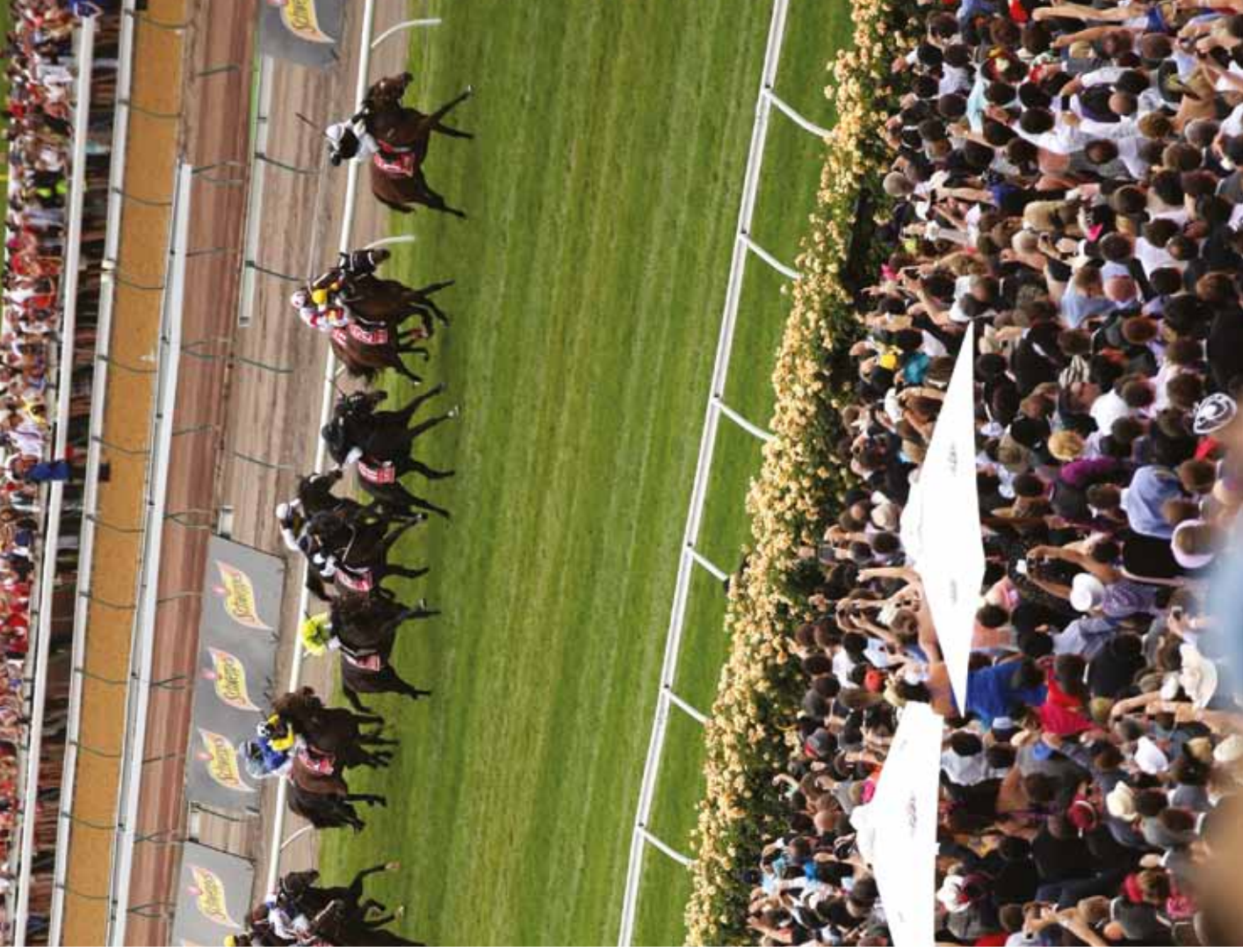
In 2012, the Spring Racing Carnival was directly responsible for bringing more than 67,700 out-of-state visitors to Victoria. For these people, the decision to travel to Victoria was driven by a desire to experience the world renowned Spring Racing Carnival. Of these

visitors to the Spring Racing Carnival, more than 78% of these visitors travelled to Victoria to experience the Melbourne Cup Carnival. In total, the 2012 Spring Racing Carnival attracted attendances of more than 706,000. Remarkably, more than 24% of these attendances were made by out-of-state visitors.

The internationalisation of the Spring Racing Carnival has been heavily driven by the Victoria Racing Club (VRC) through the promotion of the Melbourne Cup. Over the last decade, the VRC has been successful in attracting increasing numbers of world class horses to run during their four day Melbourne Cup Carnival. Many of these horses also run in lead-up races meaning that their (and their connections) length of stay in Victoria is expansive.

The tourism impact of the Spring Racing Carnival includes:

- + Motivating more than 165,000 attendances by out-of-state visitors who travelled to Victoria primarily to be part of the Spring Racing Carnival
- + Delivering more than 237,000 bed nights in Victoria at an average of 3.2 nights per interstate visitor and 3.5 nights per overseas visitor
- + Generating more than \$35.2 million in spending in the accommodation sector and \$25.6 million in the retail sector





of more than \$620 million. However, the most telling measure of the Carnival's importance to the Victorian economy lies in the extent to which out-of-state investment is generated by the Carnival. This investment, by way of participants, punters and visiting tourists, leads to the Victorian economy being 'better-off' to the tune of \$235 million. This is the growth in Victorian economic output that is attributable to the Spring Racing Carnival.

ENGAGING THE COMMUNITY

Since 2003, the Emirates Melbourne Cup Tour has provided rural, regional and metropolitan communities across Australia and New Zealand a chance to experience the magic of the iconic trophy.

CREATING ECONOMIC STIMULUS FOR THE VICTORIAN ECONOMY

Over nearly two decades, the Spring Racing Carnival has developed and strengthened its linkage to the fashion industry. In 2012, the VRC celebrated the 50th anniversary of its Fashions on the Field competition – which draws participants from around Australia. In 2012, attendees at the Spring Racing Carnival splashed more than \$53.3 million on fashion items, accessories and grooming as part of their attendance at Spring Racing Carnival events.

Spending on fashion by racegoers included the purchase of 66,000 pairs of shoes, 80,000 hats and fascinator and 32,000 ties.

GROWING THE ECONOMY

In the first year of the Spring Racing Carnival, 1993, it was estimated that the gross impact on the economy was approximately \$132 million. Twenty years later, the Carnival now generates a gross economic benefit

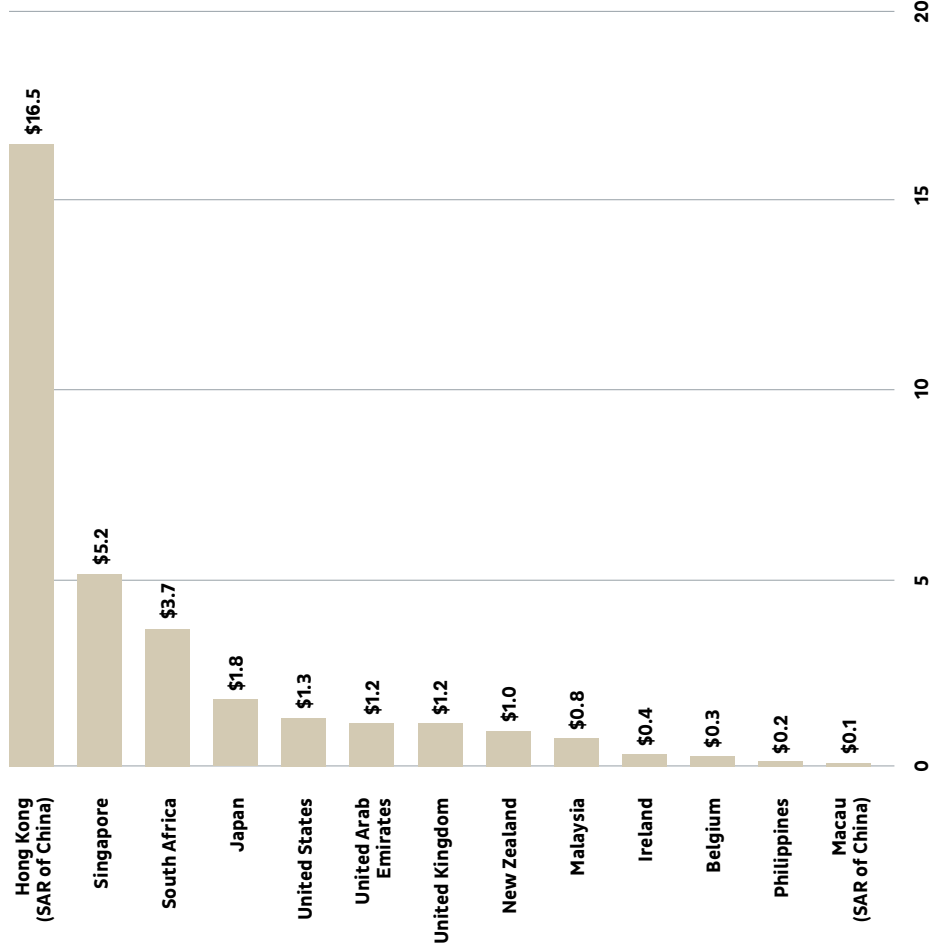
Each year, the Tour celebrates the heroes and stories intrinsically linked to the Victoria Racing Club's 153-year old Melbourne Cup and its contribution to the nation's social, sporting and racing culture.

The 2012 the Tour visited 35 schools and 22 hospitals and aged care facilities, participating in more than 87 community events, including street parades, civic receptions, charity dinners, community barbeques and cocktail parties.

Over the past 10 years, the 18-carat gold Emirates Melbourne Cup has travelled more than 325,000 kilometres, visiting 236 towns and cities and engaging tens of thousands of people.



VALUE OF VICTORIAN RACEHORSE (THOROUGHBRED & HARNESS) EXPORTS BY COUNTRY (\$MIL)



Historically, the racing industry's export market referred to the sale of racing and breeding horses and greyhounds (and semen in the case of harness racing) to other countries. Whilst separate statistics are not kept across the thoroughbred and harness racing codes, data supplied by the Department of Foreign Affairs and Trade suggests that the value of the Victorian 'racehorse' export market in 2010/11 was in excess of \$33.7 million. The following chart illustrates the proportional breakdown of export revenues by country.

More than half of the total export revenue from horses is sourced from Hong Kong (\$16.5 mil), Singapore, (\$5.2 mil), South Africa (\$3.7 mil) and Japan (\$1.8 mil) make up the majority of the remaining revenue total.

In recent years, the Victorian racing industry has seen increasing levels of exports from the 'non-horse' segment of the industry. In particular, Victorian companies have been successfully growing their presence in the global market in areas such as:

- + Track Lighting
- + Broadcast Services
- + Riding Gear
- + Synthetic and Turf Tracks
- + Television Production
- + Horse Feed & Supplements
- + Retail
- + Business Services
- + Veterinary and Dental
- + Safety Rails

Each year, the Victorian greyhound racing industry exports vials of frozen semen – with a particular focus on markets within Ireland and New Zealand.

Globally, the Victorian Racing Industry is a world leader in many areas of racing industry knowledge, skills and technology. A survey of 15 Victorian companies (supplying goods and services to the racing industry) found that total export revenue generated for Victoria is in the order of \$30 million.

The growing potential of the Victorian equine sector, as a generator of export revenue, is also reflected by the sector's inclusion in the Victorian Government's recent Super Trade Mission to the Middle East and North Africa region (February 2013). The mission took more than 30 delegates to Dubai and Istanbul with the aim of fostering opportunities for Victorian companies to grow their export markets.



IN 2010/11, THE VICTORIAN RACING INDUSTRY
WAS RESPONSIBLE FOR THE EXPORT OF OVER
\$33 MILLION IN RACING STOCK

Community and social benefits

The three codes of racing in Victoria play an important role in the development and preservation of social capital within regional and metropolitan communities. These social and community impacts are initiated through industry activities on both raceday and non-racedays. This contribution to community social benefit enhances both individual and community well-being throughout regional and metropolitan Victoria.

The economic activity generated by the Victorian racing industry complements the social and environmental 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 Victoria, where racing is a profession, sport, hobby and leisure activity.

The development of social and environmental initiatives has had a positive impact within the communities where racing exists in terms of family socialisation, and with regard to supporting 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, corporates and Government, as well as building pride and increased satisfaction with internal stakeholders.

The sport also demonstrates a rich cultural significance and heritage throughout Victoria. The historical elements of racetracks throughout the state are an important part of the fabric of many local communities. These tracks and clubs are the focal point for the achievements of some of Victoria's great sportsman and sportswoman, racing identities, horses and greyhounds.

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

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

+ 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 Victorian communities

+ ENVIRONMENT – Adoption of many environmentally friendly practices that support Government and community expectations relating to the protection of the Victorian environment



COMMUNITY BUILDING

The three codes of racing in Victoria have 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:

- + Close to 630 community organisations or charities are assisted financially by racing clubs
- + Over 430 community organisations share racing club facilities and resources
- + Racing clubs currently engage more than 2,000 volunteers who assist in various club and industry related roles
- + 67,050 people hold racing club memberships

Racing plays an important role in fostering a sense of worth and belonging to more than 2,000 people who provide volunteer time and services to racing clubs. Volunteering is recognised as a means to enhance the quality of life, particularly among the aged, whilst making an important contribution to community social capital and to the cultural life of Australia.

Volunteers in racing assume roles in areas such as preparing the track, administration, hospitality, racing operations and general preparations for race meetings. Many of these individuals serve on racing club committees.

In addition to the previously mentioned community organisations, IER found that racing clubs financially assist 629 community 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.

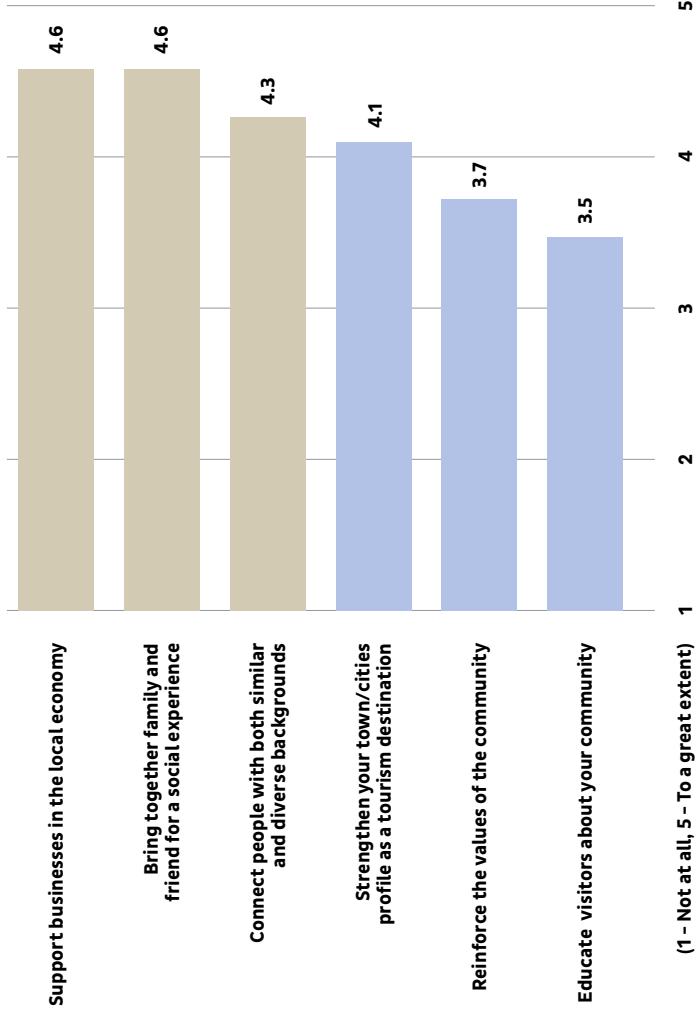
Some of the charitable organisations supported by racing include:

- + Cancer Charities (e.g. ovarian, breast, prostate, Cancer Council, McGrath Foundation, E J Whitten Foundation)
- + Children's Charities (Doxa Youth Foundation, Royal Children's Hospital, Ronald McDonald House, Give Me Five for Kids)
- + Sporting Clubs (e.g. netball, football)
- + Lions, Apex, Rotary Clubs
- + Hospitals and health organisations
- + National Jockeys Trust
- + Flood and Fire Appeals
- + Returned Serviceman's Leagues
- + Animal Hospitals
- + Red Cross
- + Disability Groups
- + Emergency Services (e.g. Victoria Police, Country Fire Authorities, St Johns Ambulance, etc.)
- + Regional show societies
- + Riding for the Disabled
- + Primary, secondary schools and universities
- + Scouts and Girl Guides



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 for the chance to socialise with friends and family.

COMMUNITY ENGAGEMENT WITH VICTORIAN RACING



Source: Survey of Victorian Racing Clubs



SUPPORTING FAMILY RELATIONSHIPS

The three codes of racing in Victoria are very proactive in engaging with families and many racing events provide a conduit for community interaction. Many country race meetings, in particular, form a venue or 'meeting place' for families to socialise. This is especially prevalent at smaller clubs who host only their annual race meeting on Cup Day.

The three thoroughbred metropolitan clubs and Country Racing Victoria have all developed dedicated childrens clubs - Phar Lap Club (VRC), Clip Clop Club (MRC), Junior Jocks (MVRC) and Horseshoe Crew (Country Racing). These clubs are for children under 12 years and every child receives their own membership badge, events calendar and newsletters. In addition to this, the members are welcome to attend a range of family events throughout Victoria. Children are entertained at Christmas racedays, the horses' birthday and many other special events throughout the year.

Pony Trots Victoria has been proactive in encouraging interest in harness racing for children and their families who enjoy the sport. Pony Trot races involve children in a small sulky, driving ponies around the track. This initiative has inspired many young harness racing enthusiasts between the ages of 6 and 16 years and provides a strong pathway for future drivers and trainers in the industry.

Racing clubs themselves have increasingly developed activities and 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, giveaways and live stage shows. These events have the ability to bring families and friends together to

build stronger relationships. 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. Examples of activities and attractions include:

- + Community running races
- + Photo booths
- + Giant slides
- + Show jumping
- + Musical performances
- + Junior Fashions on the Field
- + Showbags
- + Camp Australia activities
- + Sports activities
- + Rock climbing
- + Animal farms
- + Magic Shows
- + Stable tours
- + Pony fancy dress days

Over 41% of clubs offer special discounts for family group attendance and nearly all clubs have free entry for children.

Over 28% of clubs offer events for families and children on non-racedays (e.g. Little Athletics and fun runs, camping, Christmas parties, fireworks shows, community days, children's fairs, awards ceremonies, playgrounds, family BBQ nights etc.)

A number of greyhound clubs accommodate family and community activities such as relay for life and also the Great Victorian bike ride in the Gippsland & Latrobe regions.



Greyhound Racing Victoria introduced a new initiative called 'Sensational Summer for Kids at Greyhound Racing' which was conducted throughout the 2012/13 Christmas holiday period at all of Victoria's 13 race tracks. The series was part of the Victorian Government's Raceday Attraction Program. Local communities and holiday makers enjoyed a great night at the Greyhounds which included family friendly activities suitable for children of all ages. GRV is committed to seeking support for conducting the series again in 2013/14.

SHARING FACILITIES WITHIN THE COMMUNITY

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, charities, emergency services and special interest groups 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 438 organisations which share facilities and resources with clubs include:

- + Lions, Apex, Rotary Clubs
- + Hospitals and health organisations
- + Catering groups
- + Sporting Clubs (e.g. netball, football, soccer, athletics, kick boxing, hockey, Auskick, cricket, bowls, rowing)
- + Equestrian and pony Clubs (e.g. campdraft, show jumping, quarter-horse, adult riding Clubs)
- + Racing participants bodies
- + Car Clubs, speedway and motocross
- + Emergency Services (e.g. Country Fire Authorities, St Johns Ambulance, etc.)
- + Health and fitness groups
- + Animal Shows (e.g. dogs, fowls etc)
- + Regional Show societies
- + Riding for the Disabled
- + Primary, secondary schools and universities
- + Libraries
- + Elderly and community care organisations
- + Charities
- + Music and dance groups
- + Scouts and Girl Guides
- + Local and regional markets
- + Government organisations (Department of Defence, Ambulance Victoria etc.)



EDUCATION AND TRAINING

The three codes of racing in Victoria are committed to enhancing opportunities for education and training for participants, club and industry staff and volunteers.

Racing Victoria has partnered with training providers who deliver quality and flexible education and training services to the industry. There is a large range of nationally accredited Vocational Education and Training courses available through Racing Victoria including horse training (inc. pre-training), riding, stablehand, stud management, racing administration, racecourse management, stewarding and barrier attendants.

One of its programs, the Racing Victoria (RV) Apprentice Jockey Training Program (AJTP), aims to develop professional athletes for an international career in the racing industry. The program is conducted with partners including the Victorian Institute of Sport (VIS) and Exercise Research Australia (ERA). The AJTP is a high performance athlete program that operates in a continuous improvement environment and athletes are supported to complete their secondary education and prepare for career transition post riding. Graduates will earn the Certificate III and IV in Fitness and Certificate IV in Racing – Jockey.

In partnership with the Pony Club Association of Victoria (PCAV) the Speed to Safety Program is delivered to train young riders how to ride safely to optimum times over a given distance. These times are based on the PCAV requirements for riders when competing in cross country at their qualified grade. This program incorporates the Careers in Racing Program which provides insight into the broad range of careers in racing, the opportunity to hear directly from industry professionals and emphasises the importance of further education and training. Students generally progress from this program to the Trackrider Program. The Trackrider program is delivered over a series of camps based on riding competency, students complete units towards a further qualification and RV assists with work placement.

The harness racing industry in Victoria has a training centre based in Bendigo which is set up to provide specialised skills and knowledge to people seeking a career as a stablehand, cadet steward, harness driver or racehorse trainer. These nationally accredited courses provide the foundation for learning in real life situations, as many of the courses are aligned with clubs and industry professionals.

Greyhound Racing Victoria has developed a comprehensive training and induction program for participants to ensure they are well educated and equipped to undertake their role within the industry. To continue to enhance the professionalism of the greyhound code in Victoria, GRV have developed key competencies and practical assessments. A new range of seminars is available to participants to inform them about information relating to grading, nominations, retirements, swabbing and other topics.

Racing clubs and participants directly employ staff on a full-time, part-time and casual basis. Club employees are involved in administration, 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.

- + On average, each club has approximately three members of their staff participating in further education, career development and training programs each year
- + Over 54% of clubs have policies and practices in place to teach and encourage responsible gambling
- + 31% of clubs have partnerships with primary, secondary, trade and tertiary institutions
- + More than half of clubs (54%) have placements available for work experience students

PROMOTING HEALTHY RACING CLUB ENVIRONMENTS

Trends within the events industry have seen a shift from offering just 'fast food' options to providing attendees with healthier alternatives. As customers are increasingly seeking healthier food and beverage options when enjoying a day or night at the races, clubs have continued to respond to their needs.

Overall, the research demonstrates that racing clubs in Victoria are committed to providing a healthy environment for their participants and customers in terms of the food and beverage offering, occupational health and safety and the environmental landscape.

Examples of practices identified at racing clubs include:

- + 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
 - + Customers are not able to bring alcohol on-course when attending the races
 - + Clubs provide 'Responsible Service of Alcohol (RSA) training to all bar staff as well as low-alcohol alternatives to customers
 - + 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. 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 Victorian environment. Racing clubs are actively implementing policies and practices in key areas that impact on the environment.

These include:

- + Close to 70% of all clubs have policies in place to save water and re-use or recycle water. Examples include:
 - + Construction of dams inside the race track
 - + Rain storage tanks
 - + Use of bore water
 - + Waterwise gardens
 - + Recycled water program
 - + Water saving shower heads and dual flush cisterns.
- + One in five clubs (20%) have policies and programs to develop native flora and fauna. Examples include:
 - + Regularly planting trees around the racecourse grounds
 - + Develop of hedges through racecourses
 - + Establishing flora and fauna in wetlands
 - + Development of tree programs with local Shires
 - + Development of gardens and plants as part of beautification programs

When developing the new Harness Racing Centre at Melton, Harness Racing Victoria worked closely with Western Water to supply Class A recycled water to the complex. The majority of the water is for use on the track surface and has overall provided a significant saving of town water.



CLUB HISTORY & HERITAGE

There are few sports that can match the rich cultural and social significance and heritage of thoroughbred, harness and greyhound racing in Victoria. The historical elements of the racetracks in Victoria are an important part of the fabric of many local communities. These racecourses and clubs are the focal point for the achievements of some of Australia's great sporting participants and racing identities.

Victorian racing has provided some of Australia's most recognised national icons such as Scobie Breasley, Gordon Rothacker and Ken Carr. Equally recognisable are champion Victorian racehorses including Phar Lap, Black Caviar and Maoris Idol and greyhounds such as Bold Trease. Many of these names have become entrenched in the hearts and minds of Australians.

At an industry level, the three codes of racing have established Racing Halls of Fame to honour and recognise participants, horses and greyhounds. Inductees to the Halls of Fame are recognised for their excellence and contribution to the sport. In addition to celebrating inductees at an industry event, the history of the Halls of Fame and those who have been inducted are actively promoted by the racing industry in Victoria.

Close to 55% of racing clubs throughout Victoria 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:

- + Halls of Fame to acknowledge horses/greyhounds, participants and associates
- + Promoting club and feature race anniversaries e.g. 150th Melbourne Cup
- + Restoration and maintenance of racecourse buildings
- + Restoration of memorabilia
- + Recognition of Irish contribution to racing
- + Use of social media to promote club history
- + Heritage museums
- + Promotion through local papers, radio and websites
- + Record-keeping of events and race performances
- + Promotions in race book, honour boards and historical photographs throughout the venue





CASE STUDY PROVIDING LEARNING OPPORTUNITIES FOR SCHOOL CHILDREN

Racing Victoria's (RV) Community Education in Schools Program, is a free program which provides pre-primary, primary and secondary school aged children with a unique opportunity to meet and handle a champion thoroughbred racehorse.

With Subzero at the helm children are guided through an interactive history of the champion racehorse and thoroughbred racing. The program fosters an appreciation for and love of animals through an educational format. Students are able to link the importance of their own health, fitness and wellbeing to that of horses as well as learn how to safely behave around a horse. The program also visits nursing homes.

In addition to the Subzero Goes to School program for primary and pre-school students, Racing Victoria offers a Careers in Racing program for secondary students which provides insight into the broad range of careers in racing, the opportunity to hear directly from industry professionals and emphasises the importance of further education and training. A highly sought after work experience program is also operated which allows students direct contact with industry. Careers in Racing is also delivered to Careers Teachers and Advisors and Local Learning Educator Networks (LLENS).



CASE STUDY SUPPORTING EQUINE WELFARE

Racing Victoria acknowledges that the horses are the centrepiece of the industry, and it is for that reason that they are committed to ensuring they are afforded the appropriate care and attention both during and after their racing life. Equine welfare is extremely important, and the industry takes no shortcuts when providing care and assistance to current racing horses as well as those who have retired. It is through Racing Victoria's Equine Welfare Program that this is achieved.

The Equine Welfare Program covers many aspects of horse welfare and care. The industry sets guidelines for participants about the welfare of horses, including:

- + **General Welfare Guidelines** – Good horsemanship, training methods, rest periods etc.
- + **Health and Veterinary Care** – Ensuring all racehorses receive the highest quality health and veterinary care
- + **Emergency Disease Management** – Ensuring rapid detection and effective response to an emergency equine disease outbreak
- + **Thoroughbred Race Horse Drug Control** – Ensuring the integrity of thoroughbred racing and protecting the safety of horses and riders
- + **Extreme Weather Policy (horses)** – Protecting the safety and welfare of horses during periods of extreme weather
- + **Horse Gear** – Keeping horses and riders safe with provision of guidelines on appropriate equipment
- + **Whip Use** – Strictly imposing the rules governing the use of the whip and the manner in which it is used
- + **Two Year Old Racing Policy** – Regulating the conduct of 2YO Thoroughbred racing
- + **Track and Facilities Policy** – Ensuring that track surfaces, railing and starting stalls meet safety standards

All of these welfare areas aim to protect both the jockeys and horses throughout their careers on the track as well as in retirement.

Additionally, Racing Victoria runs a program, Off the Track, which works with re-training retired racehorses for equestrian purposes. Whilst racing, thoroughbreds are exposed to extremely tailored programs with regard to their diet, rest and exercise. Off the Track is essential in ensuring horse welfare in retirement. With specialised re-trainers training thoroughbreds in areas such as; showing, show jumping, polo and dressage, horses are ensured of their post racing career welfare and care.



CASE STUDY

GO THE PINK DOG!

Go the Pink Dog! is a partnership between Greyhound Racing Victoria and the McGrath Foundation. The McGrath Foundation, one of Australia's most respected and recognised charities, works tirelessly to increase awareness and support for those experiencing breast cancer. Greyhound Racing Victoria partners with the McGrath Foundation to help raise much needed funds to help further this cause.

Using the easily recognisable and distinguishable pink theme of the McGrath foundation, each February, for every winning greyhound wearing the pink number 8 vest, \$500 is donated by GRV to the McGrath foundation. In 2012, during the month of February, the number 8 saluted 102 times, equating to a total donation of \$55,500 to the foundation. Across four similar campaigns to date, the partnership has delivered more than \$283,000 to assist in the important work of the McGrath Foundation.



CASE STUDY YARRA VALLEY RACING CLUB - BLACK SATURDAY FIRES

Established in 1890 the Yarra Valley Racing Club has operated as an integral and successful part of the Yarra Valley community. Throughout its time, the club has significantly and consistently contributed positively to the community and society in which it operates, and this was no more prevalent than in 2009, when country Victoria was devastated by the Black Saturday bushfires.

On Saturday 7th February 2009, one of the worst ever bushfires in Australian history tore through country Victoria, and had an unimaginable impact on a number of regional communities. The death toll from the fire was 173 people, with a further 414 injured. As is to be expected, the community rallied and fought back from this trauma, and the Yarra Valley Racing Club assisted in the process. Being involved heavily in many of the affected areas, and having the resources to help, it came as an immediate, unquestionable reaction that the club would do whatever it could to help. The Yarra Glen community was reeling, and to add to this some staff at the club were personally affected, with several losing their homes.

From the moment the bushfire recovery started, the Yarra Valley Racing Club was involved heavily in recovery efforts. Initially, the club acted as an evacuation point for local residents. The club provided much needed shelter and care for those who had lost nearly everything to the fire. Over 500 local residents were provided refuge at the club during this time. Over four days after the day of the fires, the club provided breakfast, lunch and dinner for more than 450 people

who were volunteering their time in the community towards the recovery efforts. Club facilities and portable equipment were also effectively used to support the volunteers, and the clubs standing in the community as an integral community asset was highlighted.

After the initial evacuation and shelter efforts, the club then acted as staging centre for emergency services over the following weeks. The police occupied the centre 24/7 for over a month, whilst the SES, Army, and CFA were also stationed at the club to provide a central response area for emergency services. Following the aftermath of the fire, the club held a raceday on 22nd February to be a part of the official day of mourning. More than 2,500 locals attended the free raceday provided by the Club to pay their respects and come together as a community.

As recognition for their work, the club has received various sources of funding from industry, local and state Governments to assist in improving their facilities as a place of safety.





The Lyn McPherson Breed for Speed series was introduced in the wake of tragic circumstances, after prominent and passionate trotting owner, breeder and sponsor Duncan McPherson, lost his wife to ovarian cancer. The Breed for Speed series, which involves a series of heats culminating in the final race at Tabcorp Park, has raised in excess of \$170,000 over the past three years. The event generates much needed fundraising for the Ovarian Cancer Institute and is recognised as a significant contributor to the overall donations received by the institute each year.

A further aspect to the night is the incorporation of the Girls Night Out. As a complementary event to the charity night, the Girls Night Out is held in conjunction with the running of the final of the Breed for Speed series at Tabcorp Park.

The Tiffany Murray Trust Appeal is another charity that has galvanized harness racing and the greater community to contribute positively in times of severe hardship. Tiffany Murray was only in her early 20's when diagnosed with cancer. Tiffany was the partner of driver Leigh Sutton and together they had a young child. Various clubs in the regional centres ran fundraising nights for the Tiffany Murray Trust Appeal, including Mildura and Shepparton Harness Racing clubs. The Mildura raised in excess of \$40,000, whilst Shepparton raised \$34,000. Adding this to the other donations including \$27,000 from a fundraising night held at Tabcorp Park, the harness community donated in excess of \$100,000 to the fund.

Various other charities are also supported both in Metropolitan Melbourne and throughout other parts of Victoria.

CASE STUDY 4TRACKS4KIDS

Racing Victoria provides support to a number of charities each year. One of these charities is 4TRACKS4KIDS.

4TRACKS4KIDS was originally founded in Sydney in 2010 to raise money for the Sydney Children's Hospital and the Melanoma Foundation, as well as Bravehearts, a child protection advocacy foundation. The concept was first brought to Melbourne in 2012. The charities supported by the Melbourne event follow in the footsteps of the Sydney event, with fundraising going to the Sporting Chance Cancer Foundation, a foundation supporting home care units that assists and supports children with cancer.

4TRACKS4KIDS is held in March every year on the Friday before Flemington's Super Saturday Race Meeting. It is a walk that starts at Sandown Racecourse, and proceeds to Caulfield and Moonee Valley before finishing at Flemington Racecourse. Funds raised by walkers and corporate sponsors are donated to the Sporting Chance Cancer Foundation. In 2012, the inaugural Melbourne 4TRACKS4KIDS raised \$250,000 for the foundation.

Following the conclusion of the walk, the VRC holds another big charity event for the Doxa Youth Foundation, the Doxa Racing Lunch. The Doxa Youth Foundation is aimed at encouraging interest in learning for young people who become disengaged from regular school. The Doxa Racing Lunch is one of the foundation's biggest fundraising activities for the year and is one of the reasons the foundation can continue to do the work it does with disengaged children.

CASE STUDY CHARITABLE DONATIONS

Harness Racing Victoria is committed to working with charities to provide them with much needed funds that otherwise can be extremely hard to raise. As part of its 2011-2015 strategic plan, one of Harness Racing Victoria's specific objectives is to develop partnerships with charitable organisations. The work that HRV does with various charities stretches across the state. The Breed for Speed series and the fundraising efforts surrounding Tiffany Murray are two examples of the positive social impact HRV has developed through charity efforts.



of the program is to provide horses with a fruitful and significant pathway, helping the horse to reach its full potential with unwavering desire and commitment. Officially endorsed by Harness Racing Australia, Harness Racing Victoria and the Victorian Government, education and safety are both paramount at the facility. Education comes in the form of the work done at the facility to ensure a comfortable, exciting life for the horse after racing. As a half-way home of sorts, the horses are trained in different abilities based on their temperament. Horses can go on to be successful in many equestrian fields such as riding club, dressage, showing, jumping, pleasure trail and endurance.

The Raising the Standards program strives to ensure that every the horse goes to a home that will show it the same care that the horse received at the facility.

CASE STUDY RAISING THE STANDARDS

Harness racehorses undergo intensive and specific training regimes to get them in peak condition for the particular objective of racing. For these horses however, the racetrack is not a place to call home for the entirety of their life, as the inevitability of retirement from racing looms large for those ageing and/or unsuccessful horses. Thankfully, the Raising the Standards program provides the perfect transition for retired or unsuccessful racehorses, and a second chance in another realm of equestrian events.

Raising the Standards is based in Clonbinane in regional Victoria and boasts a full time training facility. The aim

year, the Manangatang Cup is held in October, whilst the Mt Wycheproof Cup is held a couple of weeks later, in November.

The Manangatang Cup draws approximately 5,000 spectators every year, more than ten times its normal population. Economically, this has a major impact on the local community, with accommodation providers in the area being completely booked out. As well as this, much of the food and beverages required for the day are purchased locally, supporting local businesses. Orders for Cup Day are by far the largest orders these businesses receive throughout the year.

The community is also extremely busy helping to facilitate Cup Day. Local schools run food stalls as major fundraisers every year. The hospital auxiliary also gets involved. For the last 20 years, providing meals to the race day attendees has delivered their biggest source of fundraising for the year. Local schools provide car parking attendants and run soft drink vans every year, and all bars on the day are run by local staff.

It is a similar story in Mt Wycheproof. The Cup draws more than 3,000 spectators and as with Manangatang, all local accommodation is booked out and most of the supplies for the Cup are sourced from local vendors.

At a community level, the Cup Day is also extremely important. It facilitates an event where families can get together. This is especially important for regional communities, whereby seeing family may only occur a few times a year due to geographic barriers. Some families have had regular bookings at the Cup for 10 years, and use it as a major family event.

CASE STUDY MT WYCHEPROOF & DISTRICT RACING CLUB INC. AND MANANGATANG RACING CLUB INC.

By delivering annual race days to the community in which they operate, smaller country racing clubs can deliver both positive economic and social impacts to these towns. The importance of an annual race day to smaller communities cannot be understated. Two such communities are Mt Wycheproof and Manangatang in Victoria's North West.

Both racing clubs operate in a similar set of circumstances; both are in remote areas of Victoria and have very small populations (Wycheproof has 686 residents, Manangatang only 448). Because of their size, each club can only sustain one race day per year. Each

CASE STUDY HARNESS RACING INDUSTRY TRAINING CENTRE

The Harness Racing Industry Training Centre (HRITC) was established in 1990 in Bendigo. Its location was chosen because of the strength of the harness industry in the region, along with the willingness of local trainers to assist with the development of students. It was established with the purpose of providing a point of entry for anyone wishing to participate in the harness industry, and to this day continues with this goal in mind - whilst also offering various other services.

The state-of-the-art complex houses a team of horses, which allows students to be educated in real life situations in a practical way. The horses that are trained at the centre are raced regularly, so the course must be taken seriously as there is a true stake in the outcome of the student's work.

The HRITC offers a range of courses across many areas, all of which are nationally accredited. These courses cover many different disciplines from becoming a stablehand or steward to a harness driver or racehorse trainer. For those that aren't directly involved in the harness industry through family or association, significant barriers can exist in regard to trying to enter the industry. This centre and the courses provided make substantial inroads into breaking down these barriers by providing an arena in which people can learn and hone their skills, making them attractive for employment opportunities that may arise in the future.

Harness Racing Victoria allows the students at the centre access to various resources including access to harness racing tracks, as well as access to industry professionals.

The centre is important for the harness racing industry to continue developing knowledgeable and skilled people. The centre however also benefits the community positively in a broader sense, by providing training and further employment opportunities in the industry.



CASE STUDY
THE GREAT CHASE

The Great Chase was held in 2012 as another community based initiative implemented through Greyhound Racing Victoria. The Great Chase is a racing series aimed at providing organisations, which cater for those with disabilities, the opportunity to experience the thrill that is Greyhound Racing - whilst providing a much needed avenue to source donations. The Great Chase provides the community groups with a chance to cheer on a nominated greyhound, with the result of the greyhound's run determining the value of funds donated to the group.

This initiative worked in this way so as to provide a chance for as many community groups as possible to be involved and to access much needed funding.



prisoners as they are rehabilitated. These volunteers and staff ensure that the retired greyhounds have the best chances of adoption, and provide an opportunity to involve the many people who are passionate about the greyhound's life after racing.

GAP facilitates a number of activities during the year, designed to help connect adoptive families, and provide opportunities for networking and socialisation. Play groups and GAP walks feature regularly on the calendar, along with promotional activities designed to expose and educate the general public to the gentle and loving breed that is the greyhound in the hope that once their misconceptions regarding the breed have been pointed out, that they too will consider adopting a retired racer.

GREYHOUND RACING VICTORIA
HALL OF FAME

The GRV Hall of Fame was launched in 2009 with the original inception of 36 inductees into the first Hall of Fame Class. This class included 13 greyhounds, 8 pioneers (recognised as having shaped greyhound racing's early days) and 15 participant inductees (such as trainers, owners etc.). The Hall of Fame was introduced to preserve the rich history of greyhound racing in Victoria, as well as to honour the icons, past and present, of the sport. The Hall of Fame recognises and enshrines both the people and the greyhounds that have made the most significant contribution to the Industry since 1956.

The establishment of the Hall of Fame broadly impacts the community and has wide reaching social impacts. By honouring those who put so much hard work into the industry, Greyhound Racing Victoria is showing the respect and reward that those people deserve. The Hall of Fame also represents a formalised recognition of the people that contribute to the industry, encouraging the highest degree of effort from those involved within greyhound racing.

GREYHOUND ADOPTION PROGRAM
VICTORIA

The Greyhound Adoption Program (GAP) is GRV's highly successful re-homing initiative dedicated to finding loving homes for greyhounds that are no longer suitable for racing. Now replicated by other state controlling bodies, the Victorian program is both the oldest and the largest greyhound re-homing program in the country, with close to four thousand greyhounds having been re-homed since its inception in the late 1990's.

The Greyhound Adoption Program has a dedicated kennel facility located in Seymour, central Victoria, with three full-time and two part-time staff along with a number of casual staff who all work together to co-ordinate the dog's transition from racing animal to family pet. They are assisted by a pool of around 100 Foster Carers who volunteer their time and homes to help re-educate the greyhounds prior to adoption. Within this pool of foster carers are selected prisoners at two of Victoria's minimum security prisons - HM Dhurringile and HM Tarrngower who work regularly with a GAP trainer as part of the Prison Pet Partnership - a program designed to benefit both the dogs and the



Wagering

Wagering on the races is not only an important part of the racing customers' experience, it is also an important source of funding for the industry. Once successful bets are paid out to punters, the remaining 'net wagering revenue' is then distributed between the racing industry, the Government (in taxes and GST) and the wagering service operator. In addition to receiving revenue from all betting on Victorian racing product, the racing industry also benefits from a share of wagering turnover on interstate and overseas racing product by Tabcorp's Victorian wagering business.

Wagering revenue for Victoria is delivered via the following sources:

- + Net wagering revenue from Tabcorp's Victorian totalisator business and fixed odds betting. Essentially, the totalisator operates on a fixed percentage loss from all wagering activity on racing whilst fixed odds betting can generate either a profit or a loss depending on the outcome of races. In Victoria, this net revenue is shared by the racing industry, the government, and Tabcorp. In 2010/11, the industry received around \$200 million paid via a joint venture agreement with Tabcorp (as well as a further \$86.5 million from Tabcorp's gaming business profits – a revenue entitlement that ended in August 2012 with the expiry of the 1994 Victorian gaming licences).
- + Product Fees from Corporate Bookmakers and Interstate TAB's. With changes to the landscape of cross-border betting and corporate bookmaker wagering, Victoria receives an amount of money from corporate and interstate bookmakers and interstate TAB's referred to as a race fields product fee. In 2010/11, this amounted to around \$60 million.

The following table illustrates the total wagering Turnover generated on thoroughbred, harness and greyhound racing product in Victoria:

More than \$4.36 billion was wagered in Victoria on thoroughbred, harness and greyhound racing in 2010/11. This included wagering on Victorian, interstate and international wagering product. The Victorian racing industry received wagering revenue from the Tabcorp joint venture and race fields product fees amounting to more than \$260 million.

The revenue distributed to the three codes was used to fund the following industry activities:

- + Prizemoney payments to winning owners, trainers, jockeys and drivers.
- + Other returns to owners including breeding incentive scheme bonuses.
- + General grants to clubs for various uses including capital improvements to racing, training and customer facilities.
- + Industry operational costs including integrity assurance, race day services and administrative expenditures.

IN 2010/11, WAGERING ON THE THREE CODES OF RACING DELIVERED MORE THAN \$260 MILLION IN FUNDING TO THE VICTORIAN RACING INDUSTRY

(\$mil)	Thoroughbred	Harness	Greyhound	Total
TAB On-Course	\$348.53	\$41.84	\$48.00	\$438.37
TAB Off-Course	\$2,084.70	\$487.20	\$657.39	\$3,229.29
Total Pari-Mutuel	\$2,433.23	\$529.04	\$705.39	\$3,667.66
Fixed Odds	\$358.79	\$10.84	\$10.16	\$379.79
Total TAB	\$2,792.02	\$539.88	\$715.55	\$4,047.45
Bookmakers On-Course	\$187.08	\$3.52	\$1.42	\$192.02
Bookmakers Off-Course	\$128.27			\$128.27
Total Bookmakers	\$315.35	\$3.52	\$1.42	\$320.29
Total Wagering	\$3,107.37	\$543.40	\$716.97	\$4,367.74

Source: ARB Fact Book 2010/11



Barwon

+ The Barwon region of Victoria takes in five Local Government Areas, the largest of which is the City of Greater Geelong. The population of the Barwon region is 284,193 (2011 Census) with the largest Local Government Areas (LGA) being:

- + Greater Geelong – 215,151
- + Surf Coast – 26,493

+ There are a total of six racing clubs operating in the region, four of which are thoroughbred clubs, with one harness and one greyhound racing club.

+ The racing industry in the Barwon region is responsible for generating more than \$106.7 million in value added contribution to Gross State Product. This equates to 3.8% of the total impact generated by the Victorian Racing Industry.

+ The economic impact generated by the racing industry in this region is responsible for sustaining a total of 1,055 full time equivalent (FTE) jobs in the region.

+ With more than 5,820 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 36 adults has a direct employment or participant involvement with the racing industry in the region.

RACING CLUBS IN THE REGION

THOROUGHBRED

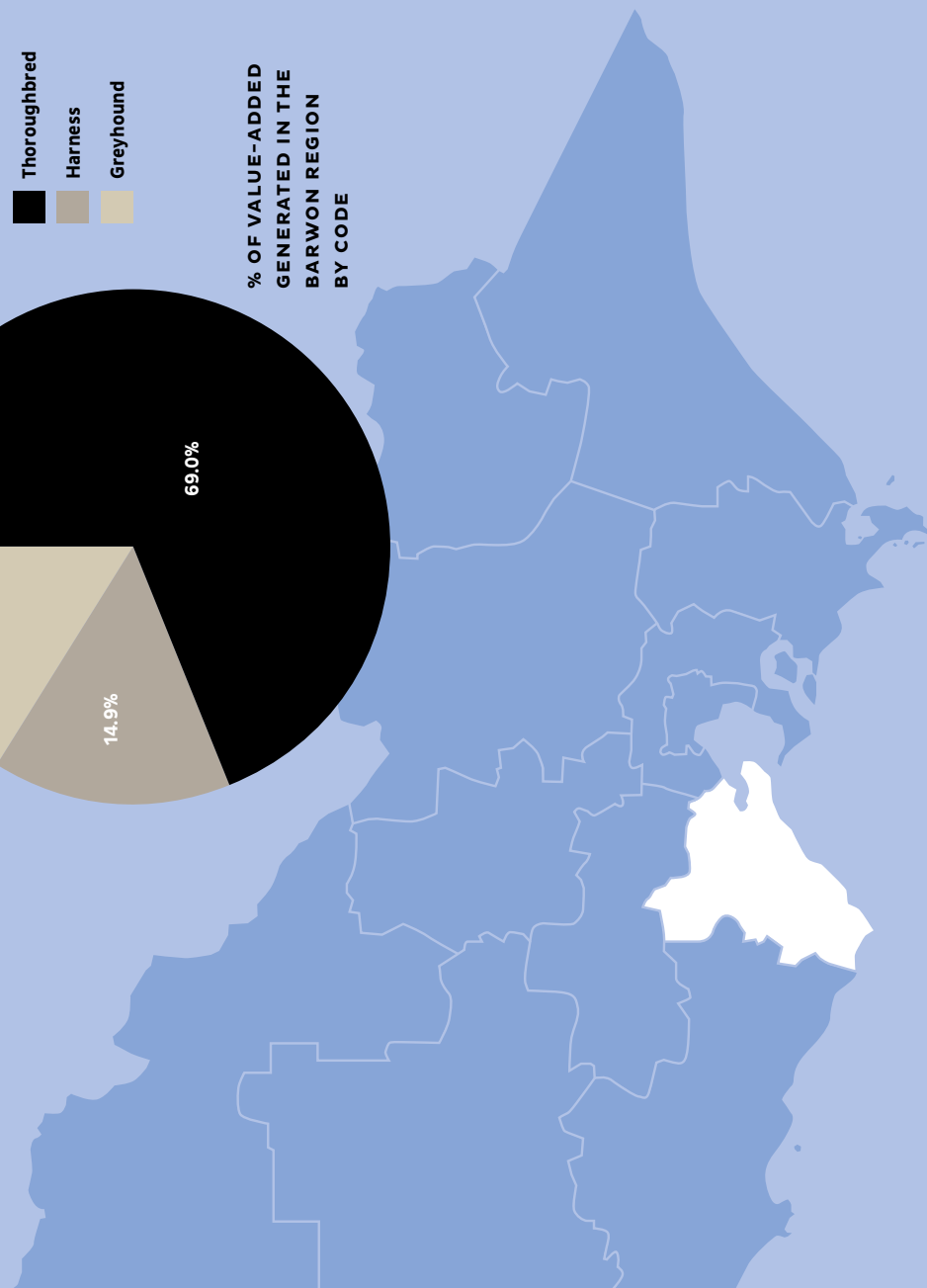
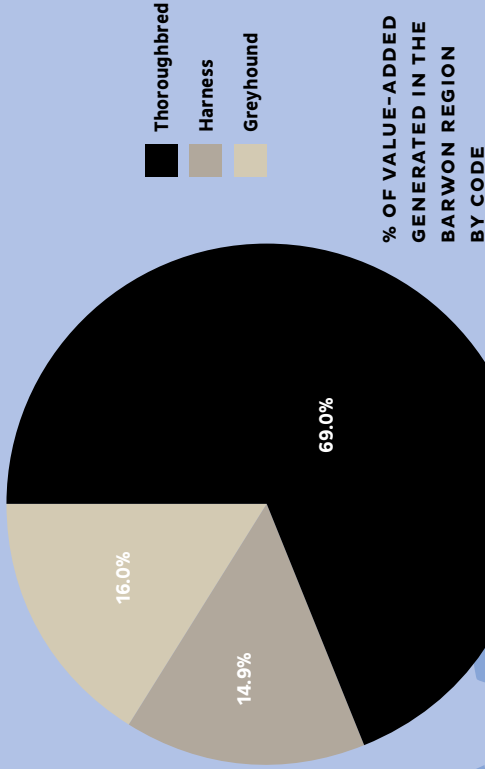
- + Ballan Jockey Club
- + Colac Racing Club
- + Geelong Racing Club
- + Geelong St Patrick's Racing Club

HARNESS

- + Geelong Harness Racing Club

GREYHOUND

- + Geelong Greyhound Racing Club



THE ECONOMIC VALUE OF THE RACING INDUSTRY IN THE **BARWON REGION IS \$106.7 MILLION** – 3.8% OF THE VICTORIAN TOTAL

At a glance

6 Racing clubs

THOROUGHBRED 4
HARNESS 1
GREYHOUND 1

114 Race Meetings

THOROUGHBRED 58
HARNESS 34
GREYHOUND 22

972 Races

THOROUGHBRED 447
HARNESS 269
GREYHOUND 256

1,805 Racing Club Members

THOROUGHBRED 1,625
HARNESS 90
GREYHOUND 90

66,736 Attendances

THOROUGHBRED 56,530
HARNESS 7,342
GREYHOUND 2,864

* Some totals do not add due to rounding

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Harness	Greyhound	Total
Breeders	110	143	81	334
Breeders Staff	187	88	49	324
Owners & Syndicate Owners	2,158	336	1,094	3,588
Trainers	80	93	215	388
Stable/Kennel Employees	177	57	143	377
Participants in Producing Racing Animals	2,712	717	1,582	5,011
Full Time Club Staff	17	1	4	22
Part Time Club Staff	4	2	1	7
Casual/Contractor Club Staff	551	6	16	573
Club Volunteer	75	1	8	84
Jockeys, Drivers & Apprentices	4	36	0	40
Barrier & Catching Pen Attendants	2	5	72	79
Stewards	4	0	3	7
Participants in Producing the Racing Product	658	51	104	813
Industry Administration Staff	1	0	0	1
Total	3,371	768	1,686	5,825

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Spent on producing foals & pups	\$7.7m	\$2.2m	\$5.6m	\$15.5m
Spent on preparing racehorses & greyhounds	\$17.9m	\$7.2m	\$6.2m	\$31.3m
Total Direct Expenditure	\$68.3m	\$17.2m	\$18.8m	\$104.3m
Value Added ³	\$73.7m	\$15.9m	\$17.1m	\$106.7m
Full Time Equivalent Employment	718	160	177	1,055

THERE ARE 5,825 PEOPLE WHO PARTICIPATE IN THE RACING INDUSTRY IN THE BARWON REGION - APPROXIMATELY 1 IN EVERY 36 ADULTS LIVING IN THE REGION

RACE MEETINGS IN THE BARWON REGION ATTRACT ATTENDANCES IN EXCESS OF 66,700 OR 3.6% OF TOTAL ATTENDANCES AT RACE MEETINGS IN VICTORIA

Central Highlands

+ The Central Highlands region of Victoria takes in five Local Government Areas, the largest of which is the City of Ballarat. The population of the Central Highlands region is 156,137 (2011 Census) with the largest Local Government Areas (LGA) being:

- + Ballarat – 95,007
- + Moorabool – 28,600

+ There are a total of nine racing clubs operating in the region, five of which are thoroughbred clubs, with three harness and one greyhound racing club.

+ The racing industry in the Central Highlands region is responsible for generating more than \$96.4 million in value added contribution to Gross State Product. This equates to 3.4% of the total impact generated by the Victorian Racing Industry.

+ The economic impact generated by the racing industry in this region is responsible for sustaining a total of 956 full time equivalent (FTE) jobs in the region.

+ With 5,061 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 23 adults has a direct employment or participant involvement with the racing industry in the region.

RACING CLUBS IN THE REGION

THOROUGHBRED

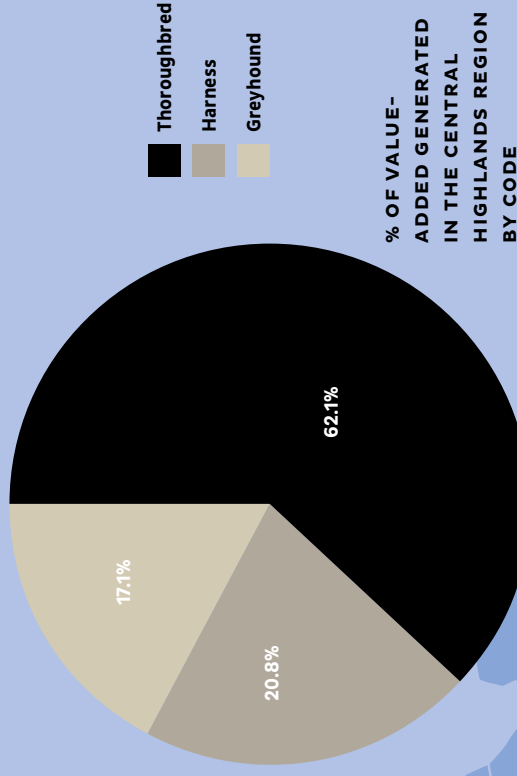
- + Ararat Turf Club
- + Avoca Shire Turf Club
- + Ballarat Turf Club
- + Burrumbeet Park & Windmere Racing Club
- + Great Western Racing Club

HARNESS

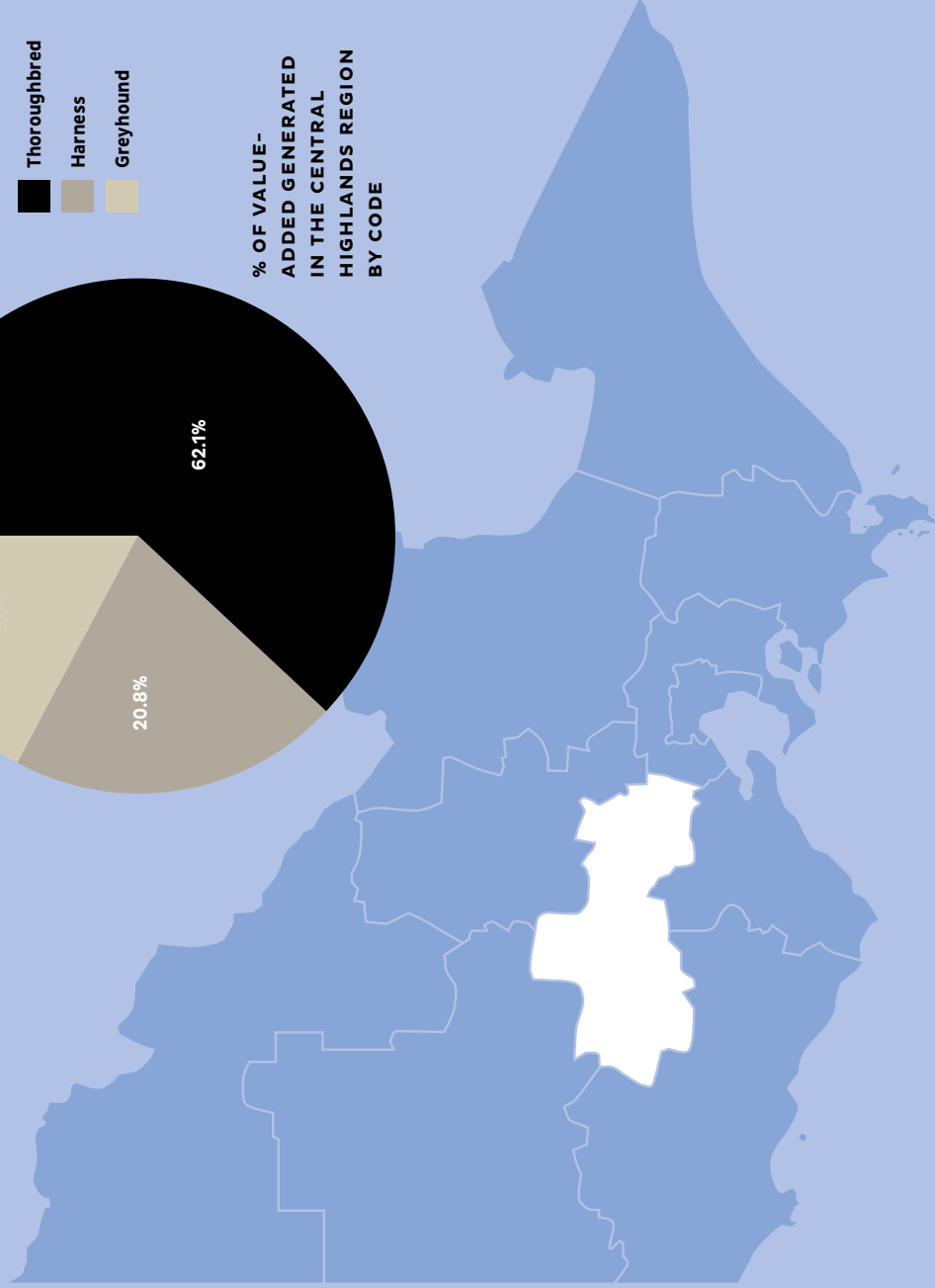
- + Ararat Harness Racing Club
- + Bacchus Marsh Harness Racing Club
- + Ballarat & District Trotting Racing Club

GREYHOUND

- + Ballarat Greyhound Racing Club



% OF VALUE-ADDED GENERATED IN THE CENTRAL HIGHLANDS REGION BY CODE



THE ECONOMIC VALUE OF THE RACING INDUSTRY IN THE CENTRAL HIGHLANDS REGION IS \$96.4 MILLION – 3.4% OF THE VICTORIAN TOTAL

At a glance

9 Racing clubs

THOROUGHBRED 5
HARNESS 3
GREYHOUND 1

184 Race Meetings

THOROUGHBRED 41
HARNESS 49
GREYHOUND 94

1,847 Races

THOROUGHBRED 317
HARNESS 392
GREYHOUND 1,138

1,912 Racing Club Members

THOROUGHBRED 1,065
HARNESS 723
GREYHOUND 124

67,175 Attendances

THOROUGHBRED 37,272
HARNESS 19,202
GREYHOUND 10,701

* Some totals do not add due to rounding

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Harness	Greyhound	Total
Breeders	76	309	39	424
Breeders Staff	106	190	23	319
Owners & Syndicate Owners	1,278	742	680	2,700
Trainers	56	230	146	432
Stable/Kennel Employees	124	162	55	341
Participants in Producing Racing Animals	1,640	1,633	943	4,216
Full Time Club Staff	20	14	2	36
Part Time Club Staff	6	11	3	20
Casual/Contractor Club Staff	309	83	12	404
Club Volunteer	192	16	10	218
Jockeys, Drivers & Apprentices	10	93	0	103
Barrier & Catching Pen Attendants	1	15	39	55
Stewards	2	2	4	8
Participants in Producing the Racing Product	540	234	70	844
Industry Administration Staff	1	0	0	1
Total	2,181	1,867	1,013	5,061

RACE MEETINGS IN THE CENTRAL HIGHLANDS REGION ATTRACT ATTENDANCES IN EXCESS OF 67,100 OR 3.6% OF TOTAL ATTENDANCES AT RACE MEETINGS IN VICTORIA

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Spent on producing foals & pups	\$3.3m	\$4.7m	\$1.6m	\$9.7m
Spent on preparing racehorses & greyhounds	\$15.9m	\$1.9m	\$4.3m	\$22.2m
Total Direct Expenditure	\$55.5m	\$21.6m	\$18.1m	\$95.2m
Value Added ³	\$59.9m	\$20.0m	\$16.5m	\$96.4m
Full Time Equivalent Employment	583	202	171	956

THERE ARE 5,061 PEOPLE WHO PARTICIPATE IN THE RACING INDUSTRY IN THE CENTRAL HIGHLANDS REGION - APPROXIMATELY 1 IN EVERY 23 ADULTS LIVING IN THE REGION

East Gippsland

+ The East Gippsland region of Victoria takes in five Local Government Areas, the largest of which is East Gippsland. The population of the East Gippsland region is 84,738 (2011 Census) with the largest Local Government Areas (LGA) being:

- + East Gippsland – 42,793
- + Wellington – 41,945

+ There are a total of six racing clubs operating in the region, five of which are thoroughbred clubs, with one greyhound racing club.

+ The racing industry in the East Gippsland region is responsible for generating more than \$49.3 million in value added contribution to Gross State Product. This equates to 1.7% of the total impact generated by the Victorian Racing Industry.

+ The economic impact generated by the racing industry in this region is responsible for sustaining a total of 491 full time equivalent (FTE) jobs in the region.

+ With more than 1,979 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 32 adults has a direct employment or participant involvement with the racing industry in the region.

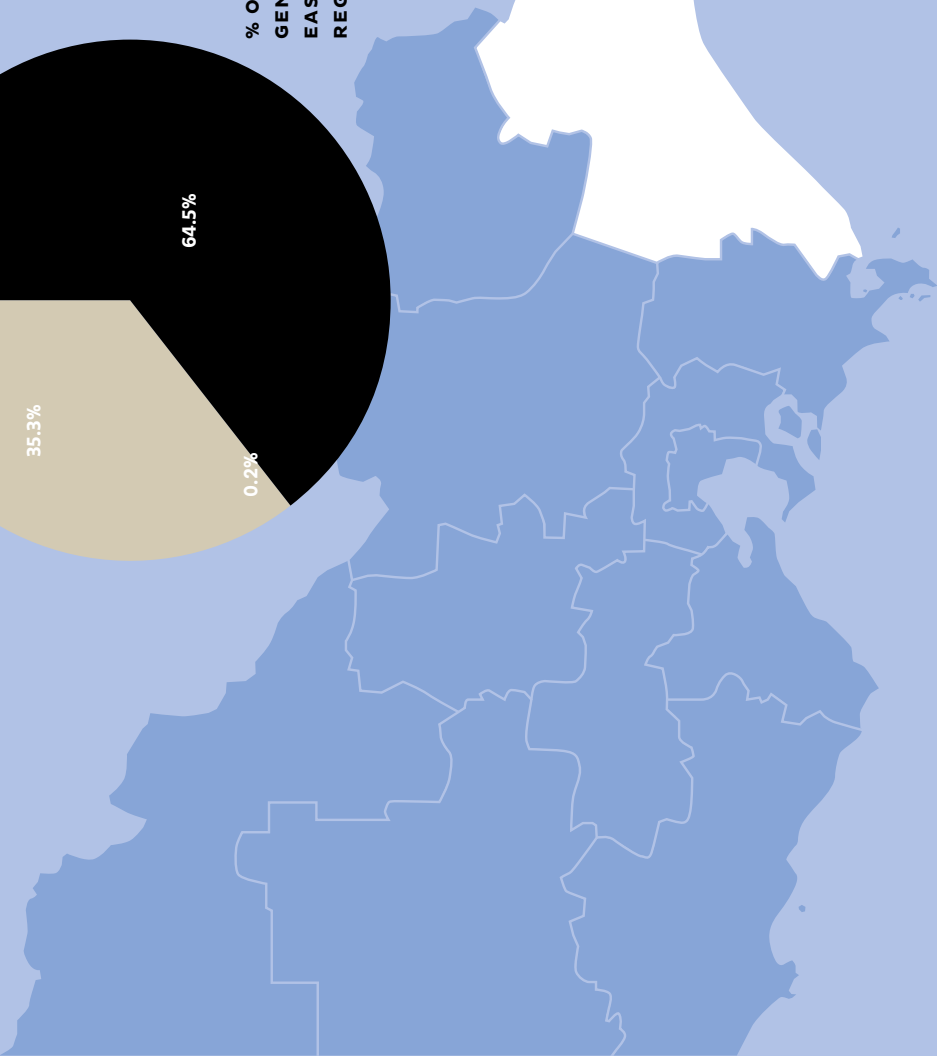
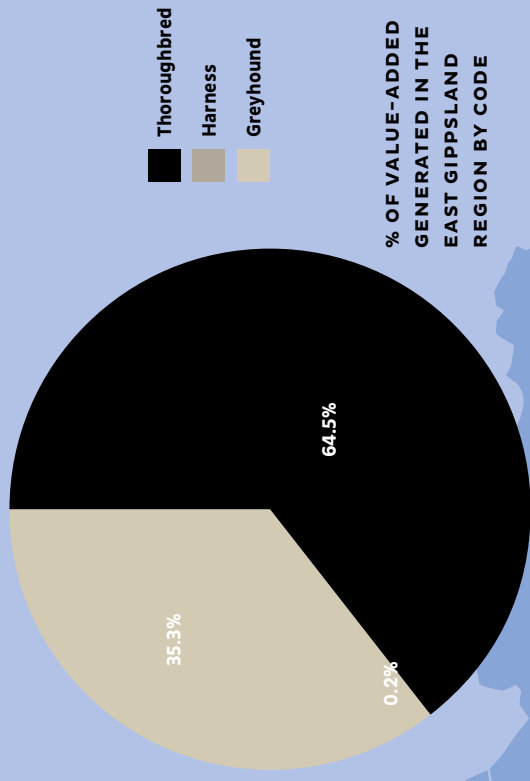
RACING CLUBS IN THE REGION

THOROUGHBRED

- + Bairnsdale Racing Club
- + Buchan & Gelantipy Race Club
- + Omeo & District Racing Club
- + Sale Turf Club
- + Tambo Valley Racing Club

GREYHOUND

- + Sale & District Greyhound Racing Club



THE ECONOMIC VALUE OF THE RACING INDUSTRY IN THE **EAST GIPPSLAND REGION IS \$49.3 MILLION** – 1.7% OF THE VICTORIAN TOTAL

At a glance

6 Racing clubs

THOROUGHBRED 5
GREYHOUND 1

95 Race Meetings

THOROUGHBRED 32
GREYHOUND 63

908 Races

THOROUGHBRED 253
GREYHOUND 655

879 Racing Club
Members

THOROUGHBRED 762
GREYHOUND 117

59,165 Attendances

THOROUGHBRED 31,425
GREYHOUND 27,740

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Harness	Greyhound	Total
Breeders	34	8	51	93
Breeders Staff	48	5	31	84
Owners & Syndicate Owners	541	24	456	1,021
Trainers	43	3	184	230
Stable/Kennel Employees	91	1	54	146
Participants in Producing Racing Animals	757	41	776	1,574
Full Time Club Staff	12	0	11	23
Part Time Club Staff	3	0	7	10
Casual/Contractor Club Staff	169	0	18	187
Club Volunteer	104	0	15	119
Jockeys, Drivers & Apprentices	5	1	0	6
Barrier & Catching Pen Attendants	6	0	49	55
Stewards	2	0	3	5
Participants in Producing the Racing Product	301	1	103	405
Industry Administration Staff	0	0	0	0
Total	1,058	42	879	1,979

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Spent on producing foals & pups	\$0.9m	\$0.1m	\$1.7m	\$2.7m
Spent on preparing racehorses & greyhounds	\$6.6m	\$4.3m	\$10.8m	\$21.7m
Total Direct Expenditure	\$29.5m	\$0.1m	\$19.1m	\$48.7m
Value Added ³	\$31.8m	\$0.1m	\$17.4m	\$49.3m
Full Time Equivalent Employment	310	1	180	491

THERE ARE 1,979 PEOPLE WHO PARTICIPATE
IN THE RACING INDUSTRY IN THE EAST
GIPPSLAND REGION - APPROXIMATELY 1 IN
EVERY 32 ADULTS LIVING IN THE REGION

* Some totals do not add due to rounding

RACE
MEETINGS
IN THE EAST
GIPPSLAND
REGION
ATTRACT
ATTENDANCES
IN EXCESS
OF 59,100 OR
3.2% OF TOTAL
ATTENDANCES
AT RACE
MEETINGS IN
VICTORIA

Gippsland

+ The Gippsland region of Victoria takes in four Local Government Areas, the largest of which is the City of Latrobe. The population of the Gippsland region is 174,510 (2011 Census) with the largest Local Government Areas (LGA) being:

- + Latrobe – 73,564
- + Baw Baw – 43,416

+ There are a total of eight racing clubs operating in the region, five of which are thoroughbred clubs, with one harness and two greyhound racing clubs.

+ The racing industry in the Gippsland region is responsible for generating more than \$59.6 million in value added contribution to Gross State Product. This equates to 2.1% of the total impact generated by the Victorian Racing Industry.

+ The economic impact generated by the racing industry in this region is responsible for sustaining a total of 594 full time equivalent (FTE) jobs in the region.

+ With nearly 3,670 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 35 adults has a direct employment or participant involvement with the racing industry in the region.

RACING CLUBS IN THE REGION

THOROUGHBRED

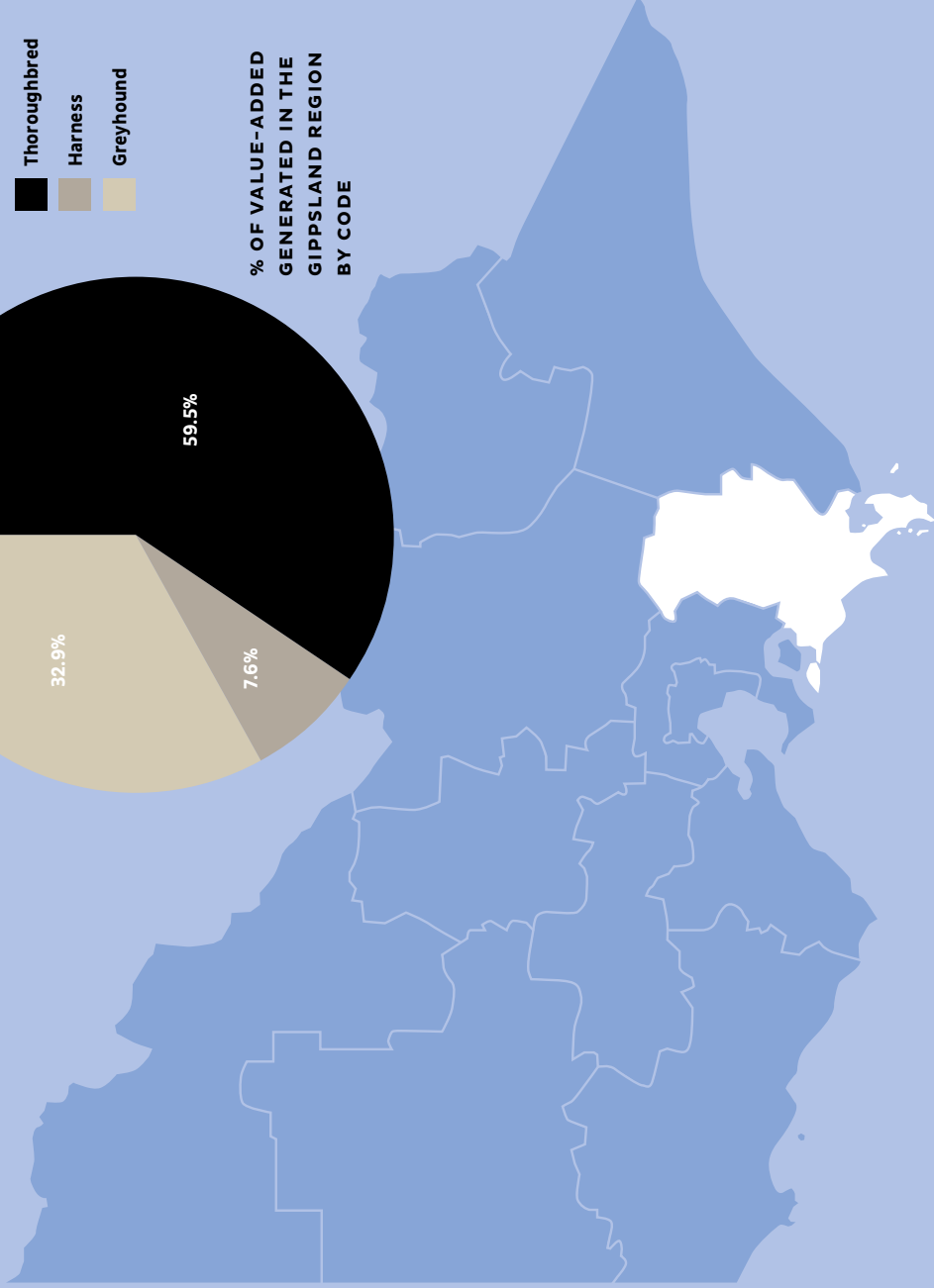
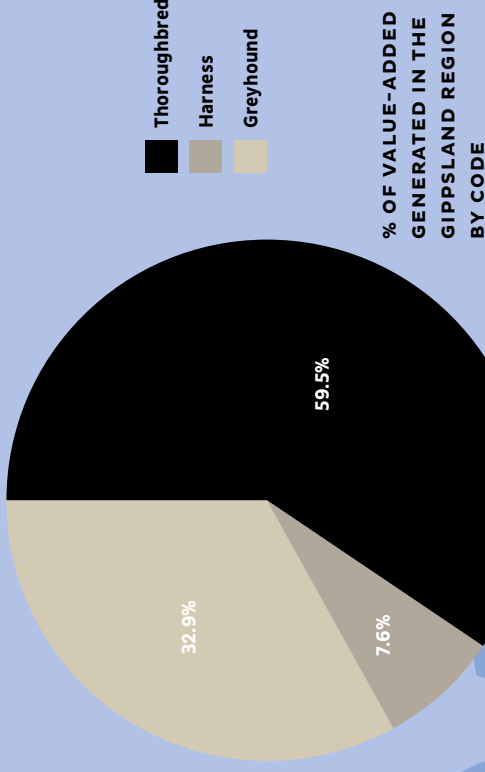
- + Drouin Picnic Racing Club
- + Moe Racing Club
- + Stony Creek Racing Club
- + Latrobe Valley Racing Club
- + Woolamai & District Racing Club

HARNES

- + Warragul Harness Racing Club

GREYHOUND

- + Traralgon Greyhound Racing Club
- + Warragul Greyhound Racing Club



THE ECONOMIC VALUE OF THE RACING INDUSTRY IN THE **GIPPSLAND REGION IS \$59.6 MILLION** – 2.1% OF THE VICTORIAN TOTAL

At a glance

8 Racing clubs

THOROUGHBRED 5
HARNESSES 1
GREYHOUND 2

178 Race Meetings

THOROUGHBRED 19
HARNESSES 10
GREYHOUND 149

1,925 Races

THOROUGHBRED 166
HARNESSES 73
GREYHOUND 1,686

1,031 Racing Club Members

THOROUGHBRED 719
HARNESSES 77
GREYHOUND 235

68,977 Attendances

THOROUGHBRED 47,888
HARNESSES 3,011
GREYHOUND 18,078

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Harness	Greyhound	Total
Breeders	74	39	72	185
Breeders Staff	111	24	43	178
Owners & Syndicate Owners	1,104	89	749	1,942
Trainers	59	31	220	310
Stable/Kennel Employees	139	23	78	240
Participants in Producing Racing Animals	1,487	206	1,162	2,855
Full Time Club Staff	25	0	5	30
Part Time Club Staff	8	2	1	11
Casual/Contractor Club Staff	511	15	29	555
Club Volunteer	109	8	15	132
Jockeys, Drivers & Apprentices	9	13	0	22
Barrier & Catching Pen Attendants	2	5	54	61
Stewards	0	1	1	2
Participants in Producing the Racing Product	664	44	105	813
Industry Administration Staff	1	0	0	1
Total	2,152	250	1,267	3,669

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Spent on producing foals & pups	\$3.3m	\$0.6m	\$1.5m	\$5.4m
Spent on preparing racehorses & greyhounds	\$4.6m	\$2.1m	\$6.1m	\$12.8m
Total Direct Expenditure	\$32.9m	\$4.9m	\$21.5m	\$59.3m
Value Added ³	\$35.5m	\$4.5m	\$19.6m	\$59.6m
Full Time Equivalent Employment	346	45	203	594

THERE ARE **3,669** PEOPLE WHO PARTICIPATE
IN THE RACING INDUSTRY IN THE GIPPSLAND
REGION - APPROXIMATELY 1 IN EVERY 35
ADULTS LIVING IN THE REGION

RACE
MEETINGS
IN THE
GIPPSLAND
REGION
ATTRACT
ATTENDANCES
IN EXCESS OF
68,900 OR
3.7% OF TOTAL
ATTENDANCES
AT RACE
MEETINGS IN
VICTORIA

* Some totals do not add due to rounding

Goulburn

+ The Goulburn region of Victoria takes in eight Local Government Areas, the largest of which is the City of Greater Shepparton. The population of the Goulburn region is 206,540 (2011 Census) with the largest Local Government Areas (LGA) being:
 + Greater Shepparton - 61,737
 + Campaspe - 36,665

+ There are a total of 20 racing clubs operating in the region, eleven of which are thoroughbred clubs, with eight harness and one greyhound racing club.

+ The racing industry in the Goulburn region is responsible for generating more than \$227.4 million in value added contribution to Gross State Product. This equates to 8.0% of the total impact generated by the Victorian Racing Industry.

+ The economic impact generated by the racing industry in this region is responsible for sustaining a total of 2,243 full time equivalent (FTE) jobs in the region.

+ With nearly 8,350 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 18 adults has a direct employment or participant involvement with the racing industry in the region. This makes the Goulburn region one of the most active regions in terms of rate of participation.

RACING CLUBS IN THE REGION

THOROUGHBRED

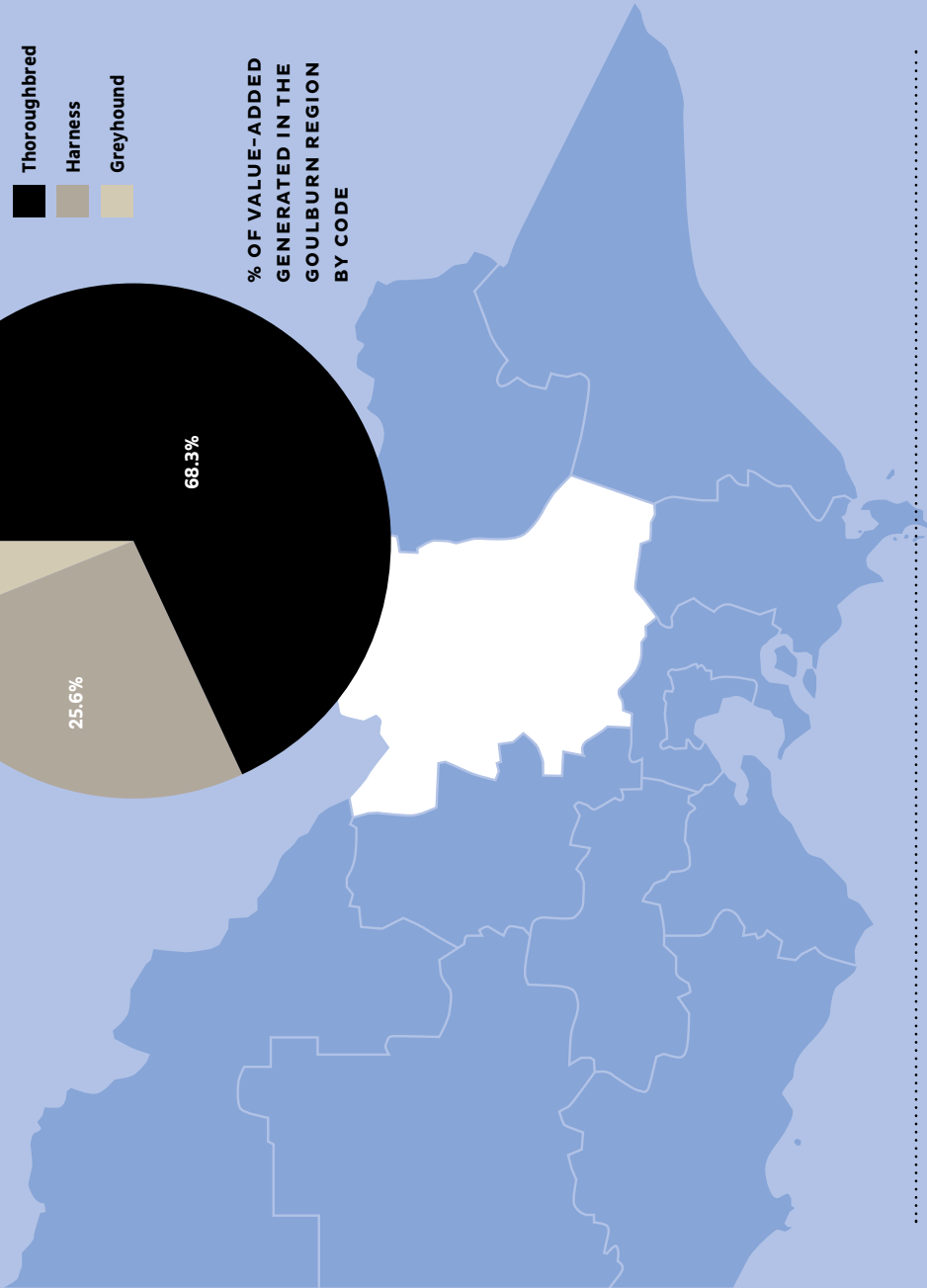
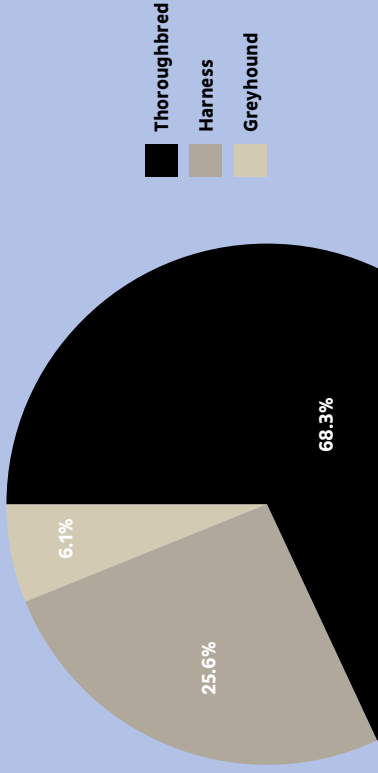
- + Alexandra Race Club
- + Benalla Racing Club
- + Echuca Racing Club
- + Gunbower Racing Club
- + Kilmore Racing Club
- + Mansfield & District Racing Club
- + Merton Amateur Turf Club
- + Seymour Racing Club
- + Tatura & Shepparton Racing Club
- + Yea Racing Club
- + Yea, St. Pat's Race Club

HARNES

- + Boort Harness Racing Club
- + Cobram Harness Racing Club
- + Echuca Harness Racing Club
- + Gunbower Harness Racing Club
- + Kilmore Harness Racing Club
- + Kyabram Harness Racing Club
- + Mooroolbarna Harness Racing Club
- + Shepparton Harness Racing Club

GREYHOUND

- + Shepparton Greyhound Racing Club



THE ECONOMIC VALUE OF THE RACING INDUSTRY IN THE GOULBURN REGION IS \$227.4 MILLION - 8.0% OF THE VICTORIAN TOTAL

At a glance

21 Racing clubs

THOROUGHBRED 11
HARNESS 9
GREYHOUND 1

242 Race Meetings

THOROUGHBRED 53
HARNESS 93
GREYHOUND 96

2,354 Races

THOROUGHBRED 467
HARNESS 743
GREYHOUND 1,144

1,894 Racing Club Members

THOROUGHBRED 1,459
HARNESS 390
GREYHOUND 45

103,558 Attendances

THOROUGHBRED 63,935
HARNESS 31,242
GREYHOUND 8,381

* Some totals do not add due to rounding

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Harness	Greyhound	Total
Breeders	240	602	72	914
Breeders Staff	984	371	43	1,398
Owners & Syndicate Owners	1,878	1,063	704	3,645
Trainers	136	431	210	777
Stable/Kennel Employees	263	236	77	576
Participants in Producing Racing Animals	3,501	2,703	1,106	7,310
Full Time Club Staff	17	3	3	23
Part Time Club Staff	12	11	1	24
Casual/Contractor Club Staff	359	39	12	410
Club Volunteer	198	48	7	253
Jockeys, Drivers & Apprentices	16	197	0	213
Barrier & Catching Pen Attendants	12	45	50	107
Stewards	2	0	4	6
Participants in Producing the Racing Product	616	343	77	1,036
Industry Administration Staff	2	0	0	2
Total	4,119	3,046	1,183	8,348

RACE MEETINGS IN THE GOULBURN REGION ATTRACT ATTENDANCES IN EXCESS OF 103,500 OR 5.6% OF TOTAL ATTENDANCES AT RACE MEETINGS IN VICTORIA

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Spent on producing foals & pups	\$76.9m	\$16.1m	\$0.4m	\$93.5m
Spent on preparing racehorses & greyhounds	\$25.9m	\$28.7m	\$6.1m	\$60.8m
Total Direct Expenditure	\$143.9m	\$62.8m	\$15.2m	\$221.9m
Value Added ³	\$155.3m	\$58.1m	\$14.0m	\$227.4m
Full Time Equivalent Employment	1,512	586	145	2,243

THERE ARE 8,348 PEOPLE WHO PARTICIPATE IN THE RACING INDUSTRY IN THE GOULBURN REGION - APPROXIMATELY 1 IN EVERY 18 ADULTS LIVING IN THE REGION

Loddon

- + The Loddon region of Victoria takes in five Local Government Areas, the largest of which is the City of Greater Bendigo. The population of the Loddon region is 182,516 (2011 Census) with the largest Local Government Areas (LGA) being:
 - + Greater Bendigo – 101,868
 - + Macedon Ranges – 42,780
- + There are a total of 8 racing clubs operating in the region, two of which are thoroughbred clubs, with five harness and one greyhound racing club.
- + The racing industry in the Loddon region is responsible for generating more than \$166.1 million in value added contribution to Gross State Product. This equates to 5.9% of the total impact generated by the Victorian Racing Industry.

- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 1,644 full time equivalent (FTE) jobs in the region.
- + With more than 6,820 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 20 adults has a direct employment or participant involvement with the racing industry in the region.

RACING CLUBS IN THE REGION

THOROUGHBRED

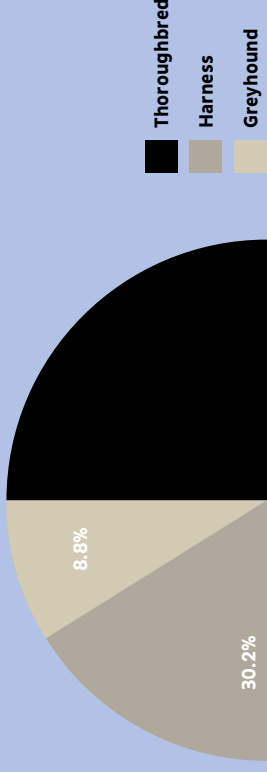
- + Bendigo Jockey Club
- + Kyneton & Hanging Rock Racing Club

HARNESS

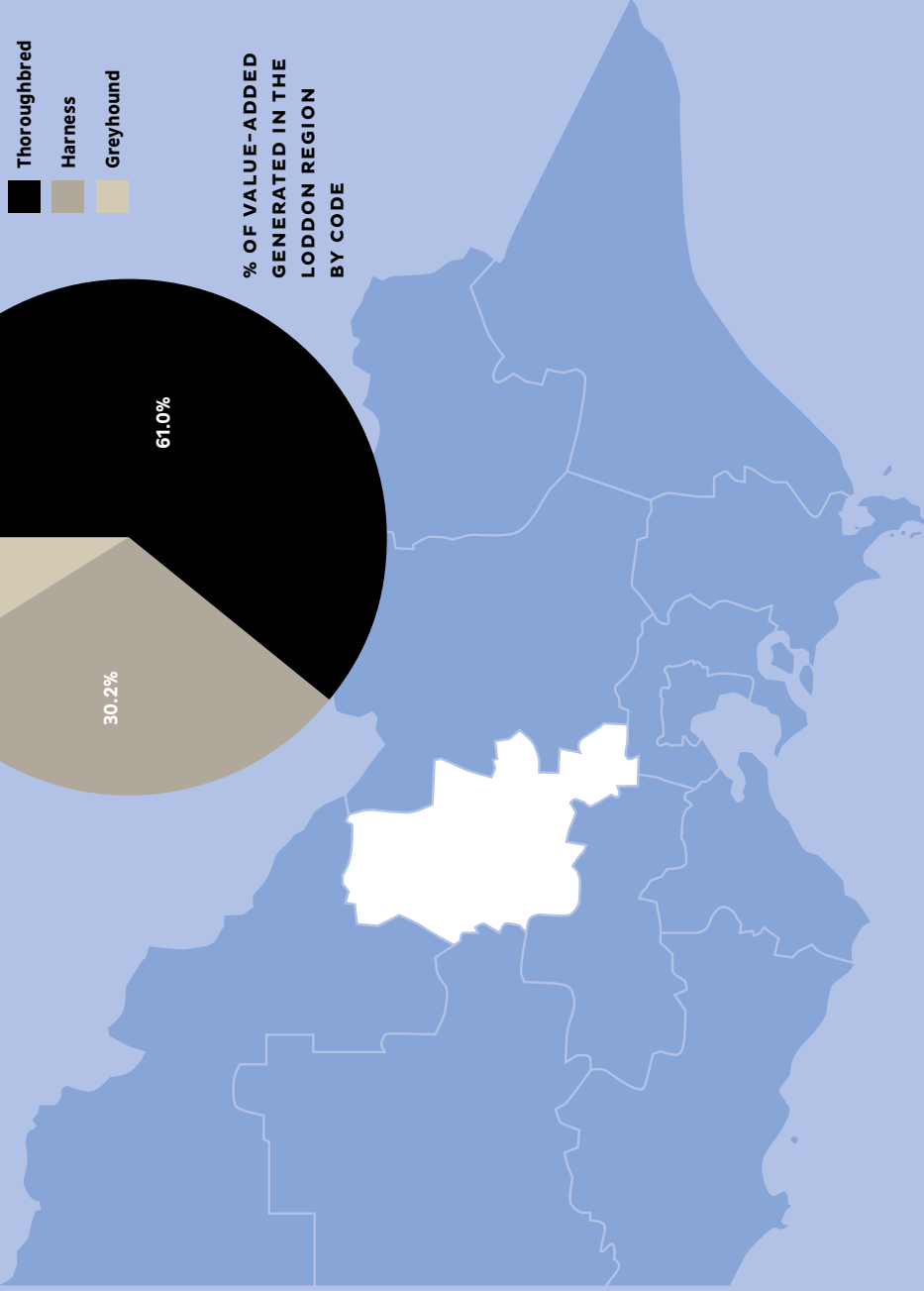
- + Bendigo Harness Racing Club
- + Elmore Harness Racing Club
- + Maryborough Harness Racing Club
- + Sebastian Harness Racing Club
- + Wedderburn Harness Racing Club

GREYHOUND

- + Bendigo Greyhound Racing Association



% OF VALUE-ADDED GENERATED IN THE LODDON REGION BY CODE



THE ECONOMIC VALUE OF THE RACING INDUSTRY IN THE **LODDON REGION IS \$166.1 MILLION** – 5.9% OF THE VICTORIAN TOTAL

At a glance

9 Racing clubs

THOROUGHBRED 2
HARNESS 6
GREYHOUND 1

205 Race Meetings

THOROUGHBRED 32
HARNESS 75
GREYHOUND 98

1,953 Races

THOROUGHBRED 249
HARNESS 599
GREYHOUND 1,105

1,377 Racing Club Members

THOROUGHBRED 735
HARNESS 497
GREYHOUND 145

99,696 Attendances

THOROUGHBRED 49,595
HARNESS 40,772
GREYHOUND 9,329

* Some totals do not add due to rounding

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Harness	Greyhound	Total
Breeders	159	510	77	746
Breeders Staff	477	314	46	837
Owners & Syndicate Owners	1,353	973	791	3,117
Trainers	95	428	252	775
Stable/Kennel Employees	265	245	80	590
Participants in Producing Racing Animals	2,349	2,470	1,246	6,065
Full Time Club Staff	20	4	2	26
Part Time Club Staff	7	7	2	16
Casual/Contractor Club Staff	313	26	12	351
Club Volunteer	37	28	5	70
Jockeys, Drivers & Apprentices	16	165	0	181
Barrier & Catching Pen Attendants	12	30	58	100
Stewards	7	2	5	14
Participants in Producing the Racing Product	412	262	84	758
Industry Administration Staff	1	0	0	1
Total	2,762	2,732	1,330	6,824

RACE MEETINGS IN THE LODDON REGION ATTRACT ATTENDANCES IN EXCESS OF 99,600 OR 5.4% OF TOTAL ATTENDANCES AT RACE MEETINGS IN VICTORIA

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Spent on producing foals & pups	\$34.2m	\$9.0m	\$1.8m	\$45.0m
Spent on preparing racehorses & greyhounds	\$29.4m	\$26.4m	\$6.3m	\$62.1m
Total Direct Expenditure	\$93.8m	\$54.2m	\$16.1m	\$164.2m
Value Added ³	\$101.3m	\$50.2m	\$14.7m	\$166.1
Full Time Equivalent Employment	986	506	152	1,644

THERE ARE 6,824 PEOPLE WHO PARTICIPATE IN THE RACING INDUSTRY IN THE LODDON REGION - APPROXIMATELY 1 IN EVERY 20 ADULTS LIVING IN THE REGION

Mallee

- + The Mallee region of Victoria takes in four Local Government Areas, the largest of which is Mildura. The population of the Mallee region is 89,601 (2011 Census) with the largest Local Government Areas (LGA) being:
 - + Mildura – 51,848
 - + Swan Hill – 20,830
- + There are a total of thirteen racing clubs operating in the region, six of which are thoroughbred clubs, with seven harness racing clubs.
- + The racing industry in the Mallee region is responsible for generating more than \$58.2 million in value added contribution to Gross State Product. This equates to 2.1% of the total impact generated by the Victorian Racing Industry.

- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 577 fulltime equivalent (FTE) jobs in the region.
- + With more than 3,000 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 22 adults has a direct employment or participant involvement with the racing industry in the region.

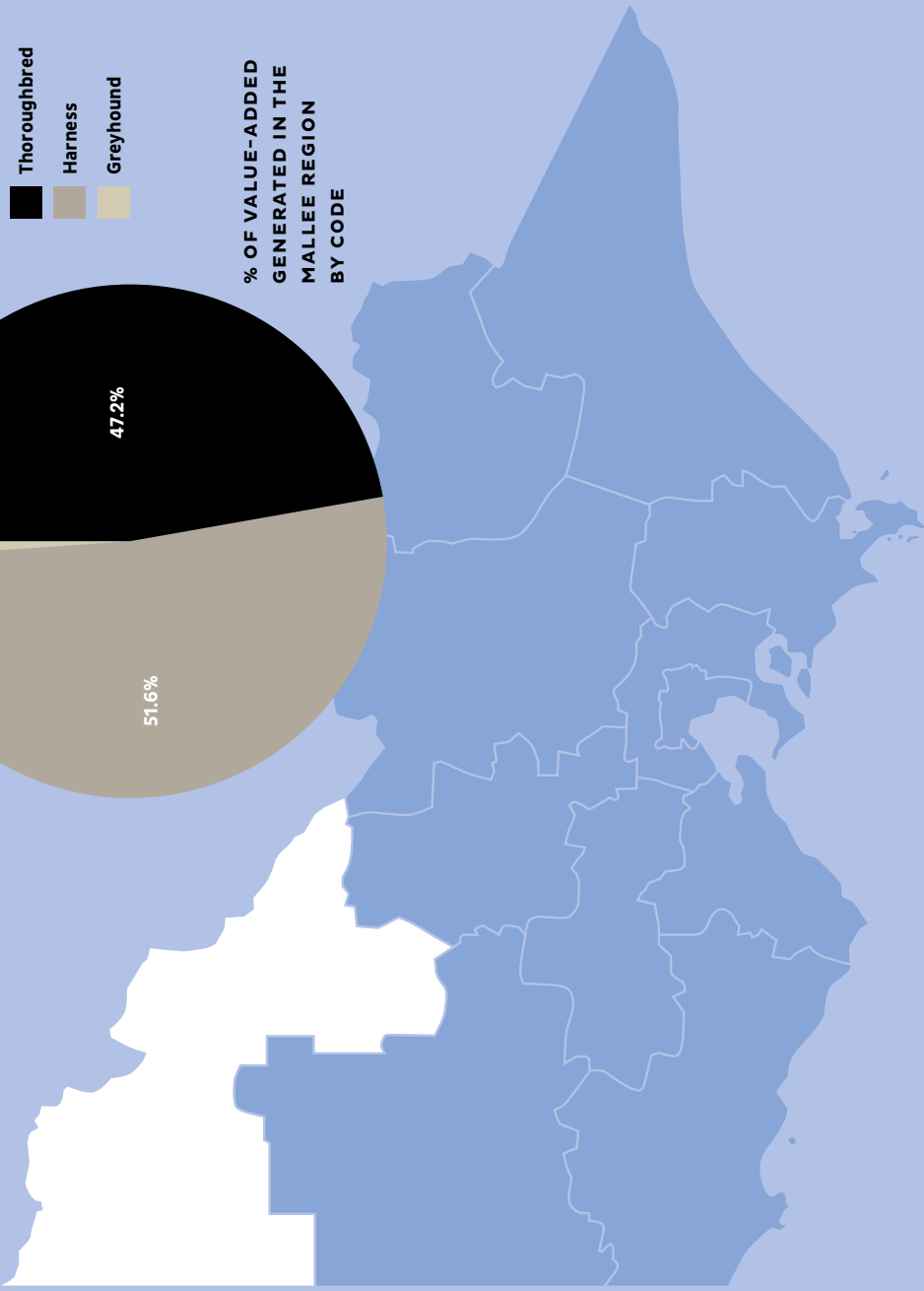
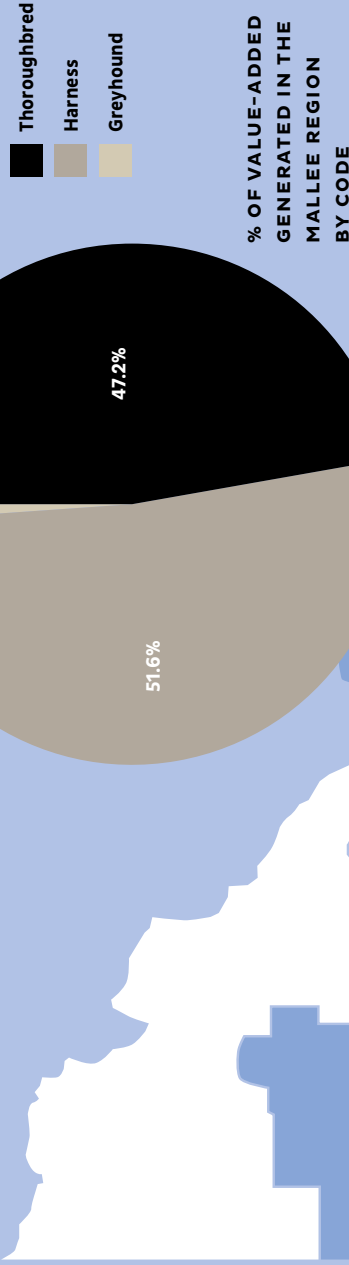
RACING CLUBS IN THE REGION

THOROUGHBRED

- + Donald Racing Club
- + Kerang Turf Club
- + Manangatang Racing Club
- + Mildura Racing Club
- + Mt Wycheproof & District Racing Club
- + Swan Hill Jockey Club

HARNESSES

- + Birchip Harness Racing Club
- + Charlton Harness Racing Club
- + Donald Harness Racing Club
- + Mildura Harness Racing Club
- + Nyah Harness Racing Club
- + Ouyen Harness Racing Club
- + Robinvale Harness Racing Club



THE ECONOMIC VALUE OF THE RACING INDUSTRY IN THE **MALLEE REGION IS \$58.2 MILLION** – 2.1% OF THE VICTORIAN TOTAL

At a glance

13 Racing clubs

THOROUGHBRED 6
HARNESSES 7

93 Race Meetings

THOROUGHBRED 30
HARNESSES 63

727 Races

THOROUGHBRED 219
HARNESSES 508

1,210 Racing Club
Members

THOROUGHBRED 892
HARNESSES 318

54,585 Attendances

THOROUGHBRED 31,696
HARNESSES 22,889

* Some totals do not add due to rounding

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Harness	Greyhound	Total
Breeders	29	212	11	252
Breeders Staff	23	130	7	160
Owners & Syndicate Owners	681	700	127	1,508
Trainers	25	184	40	249
Stable/Kennel Employees	57	128	9	194
Participants in Producing Racing Animals	815	1,354	194	2,363
Full Time Club Staff	5	2	0	7
Part Time Club Staff	3	6	0	9
Casual/Contractor Club Staff	217	99	0	316
Club Volunteer	137	47	0	184
Jockeys, Drivers & Apprentices	2	71	0	73
Barrier & Catching Pen Attendants	3	35	10	48
Stewards	1	0	0	1
Participants in Producing the Racing Product	368	260	10	638
Industry Administration Staff	1	0	0	1
Total	1,184	1,614	204	3,002

RACE MEETINGS IN THE MALLEE REGION ATTRACT ATTENDANCES IN EXCESS OF 54,500 OR 3.0% OF TOTAL ATTENDANCES AT RACE MEETINGS IN VICTORIA

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Spent on producing foals & pups	\$0.9m	\$3.4m	\$0.1m	\$4.3m
Spent on preparing racehorses & greyhounds	\$4.6m	\$11.1m	\$0.7m	\$16.3m
Total Direct Expenditure	\$25.5m	\$32.5m	\$0.7m	\$58.6m
Value Added ³	\$27.5m	\$30.0m	\$0.7m	\$58.2m
Full Time Equivalent Employment	268	303	7	577

THERE ARE 3,002 PEOPLE WHO PARTICIPATE IN THE RACING INDUSTRY IN THE MALLEE REGION - APPROXIMATELY 1 IN EVERY 22 ADULTS LIVING IN THE REGION

Metropolitan Melbourne

+ The metropolitan Melbourne region of Victoria takes in twenty-two Local Government Areas, the largest of which is Brimbank. The population of the metropolitan Melbourne region is 2,798,418 (2011 Census) with the largest Local Government Areas (LGA) being:

- + Brimbank – 191,084
- + Monash – 177,970
- + Booroondara – 166,818

+ There are a total of five racing clubs operating in the region, three of which are thoroughbred clubs, with two greyhound racing clubs.

+ The racing industry in the metropolitan Melbourne region is responsible for generating more than \$1,510.5 million in value added contribution to Gross State Product. This equates to 53.4% of the total impact generated by the Victorian Racing Industry.

+ The economic impact generated by the racing industry in this region is responsible for sustaining a total of 13,598 full time equivalent (FTE) jobs in the region.

+ With more than 32,200 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 68 adults has a direct employment or participant involvement with the racing industry in the region.

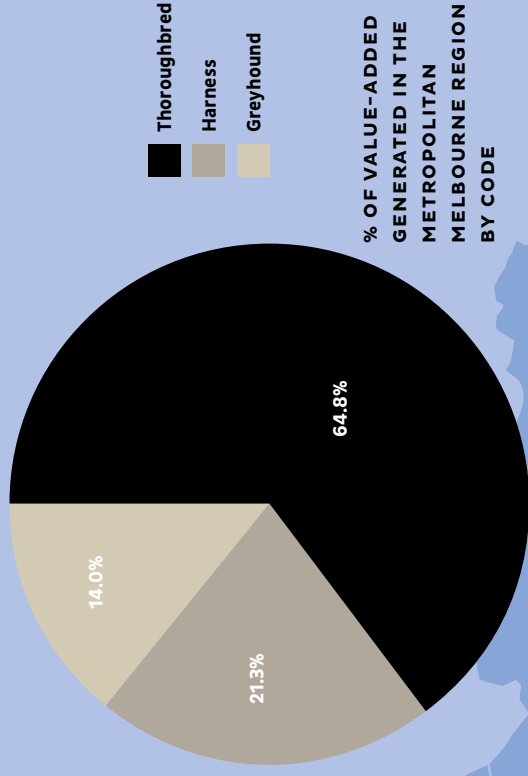
RACING CLUBS IN THE REGION

THOROUGHBRED

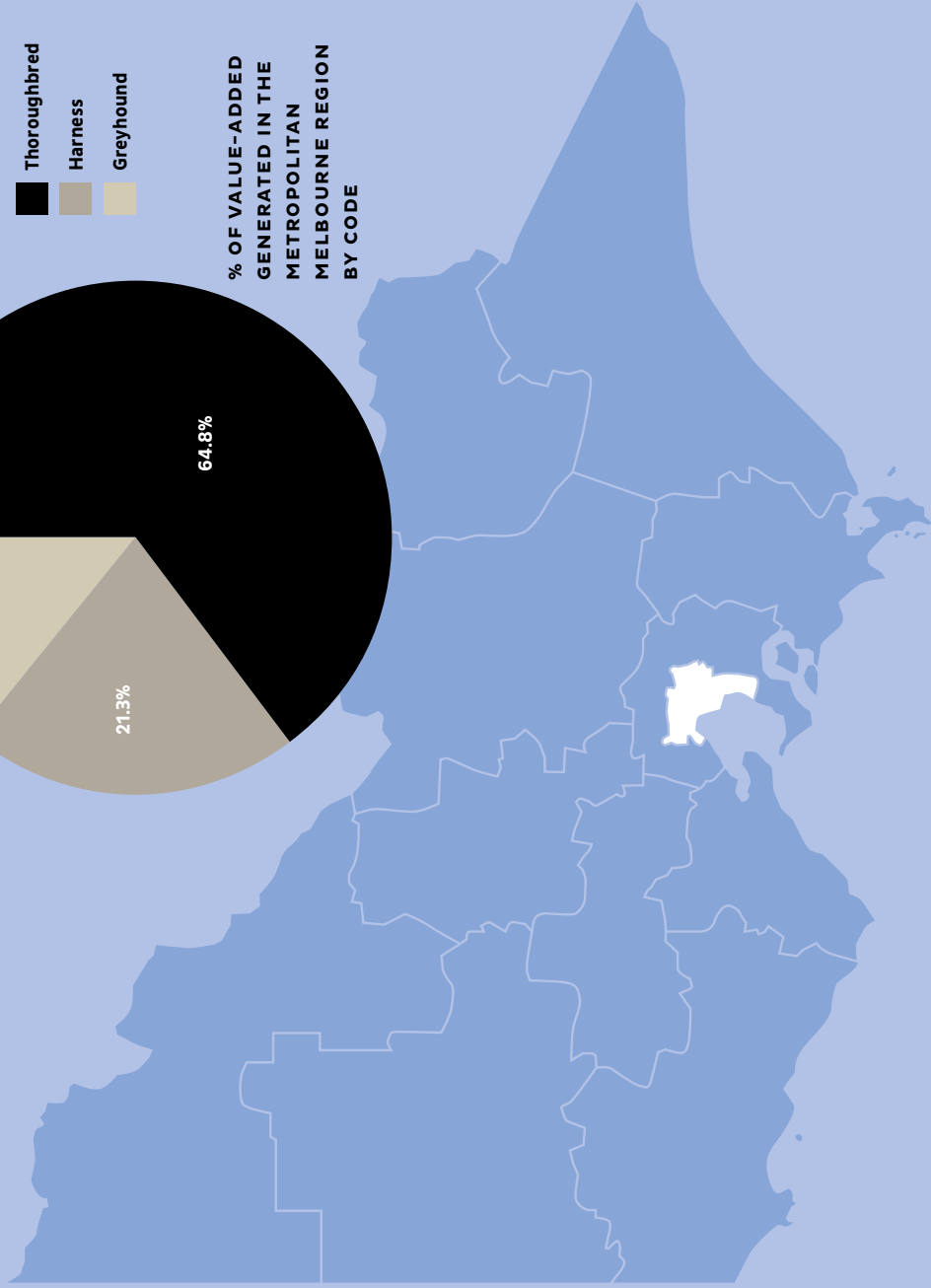
- + Melbourne Racing Club
- + Victoria Racing Club
- + Moonee Valley Racing Club

GREYHOUND

- + Melbourne Greyhound Racing Association (The Meadows)
- + Sandown Greyhound Racing Club



% OF VALUE-ADDED GENERATED IN THE METROPOLITAN MELBOURNE REGION BY CODE



THE ECONOMIC VALUE OF THE RACING INDUSTRY IN THE METROPOLITAN MELBOURNE REGION IS \$1,510.5 MILLION – 53.4% OF THE VICTORIAN TOTAL

At a glance

5 Racing clubs

THOROUGHBRED 3
GREYHOUND 2

321 Race Meetings

THOROUGHBRED 114
GREYHOUND 207

3,215 Races

THOROUGHBRED 870
GREYHOUND 2,345

45,008 Racing Club Members

THOROUGHBRED 44,802
GREYHOUND 206

932,595 Attendances

THOROUGHBRED 874,868
GREYHOUND 57,727

RACE MEETINGS IN THE METROPOLITAN MELBOURNE REGION ATTRACT ATTENDANCES IN EXCESS OF 932,000 OR 50.6% OF TOTAL ATTENDANCES AT RACE MEETINGS IN VICTORIA

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Harness	Greyhound	Total
Breeders	554	453	70	1,077
Breeders Staff	776	279	0	1,055
Owners & Syndicate Owners	16,678	2,106	4,309	23,093
Trainers	74	111	346	531
Stable/Kennel Employees	693	127	60	880
Participants in Producing Racing Animals	18,775	3,076	4,785	26,636
Full Time Club Staff	410	0	18	428
Part Time Club Staff	19	0	4	23
Casual/Contractor Club Staff	4,473	0	87	4,560
Club Volunteer	15	0	0	15
Jockeys, Drivers & Apprentices	60	41	0	101
Barrier & Catching Pen Attendants	12	0	96	108
Stewards	15	1	7	23
Participants in Producing the Racing Product	5,004	42	212	5,258
Industry Administration Staff	199	70	54	323
Total	23,978	3,188	5,051	32,217

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Spent on producing foals & pups	\$5.4m	\$5.7m	\$0.6m	\$11.7m
Spent on preparing racehorses & greyhounds	\$80.8m	\$5.9m	\$4.6m	\$91.3m
Total Direct Expenditure	\$777.0m	\$15.4m	\$32.9m	\$825.4m
Value Added ³	\$1,236.8m	\$142.2m	\$131.5m	\$1,510.5m
Full Time Equivalent Employment	11,313	1,172	1,113	13,598

THERE ARE 32,217 PEOPLE WHO PARTICIPATE IN THE RACING INDUSTRY IN THE METROPOLITAN MELBOURNE REGION - APPROXIMATELY 1 IN EVERY 68 ADULTS LIVING IN THE REGION

* Some totals do not add due to rounding

Outer Melbourne

+ The outer Melbourne region of Victoria takes in nine Local Government Areas, the largest of which is Casey. The population of the outer Melbourne region is 1,370,123 (2011 Census) with the largest Local Government Areas (LGA) being:

- + Casey – 260,404
- + Hume – 175,063
- + Wyndham – 166,038

+ There are a total of fourteen racing clubs operating in the region, eight of which are thoroughbred clubs, with four harness and two greyhound racing clubs.

+ The racing industry in the outer Melbourne region is responsible for generating more than \$375.7 million in value added contribution to Gross State Product. This equates to 13.3% of the total impact generated by the Victorian Racing Industry.

+ The economic impact generated by the racing industry in this region is responsible for sustaining a total of 3,726 full time equivalent (FTE) jobs in the region.

+ With more than 18,800 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 50 adults has a direct employment or participant involvement with the racing industry in the region.

RACING CLUBS IN THE REGION

THOROUGHBRED

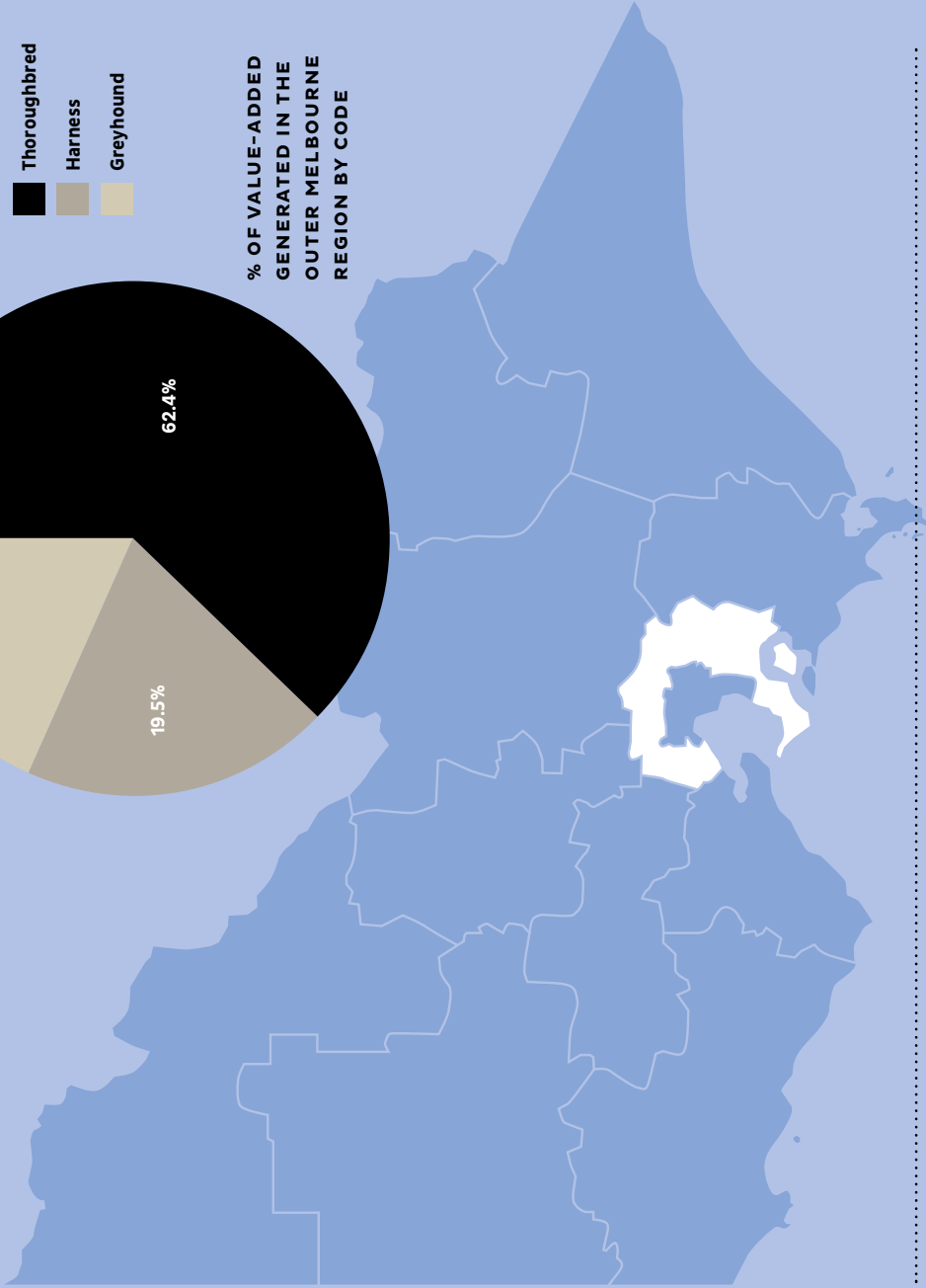
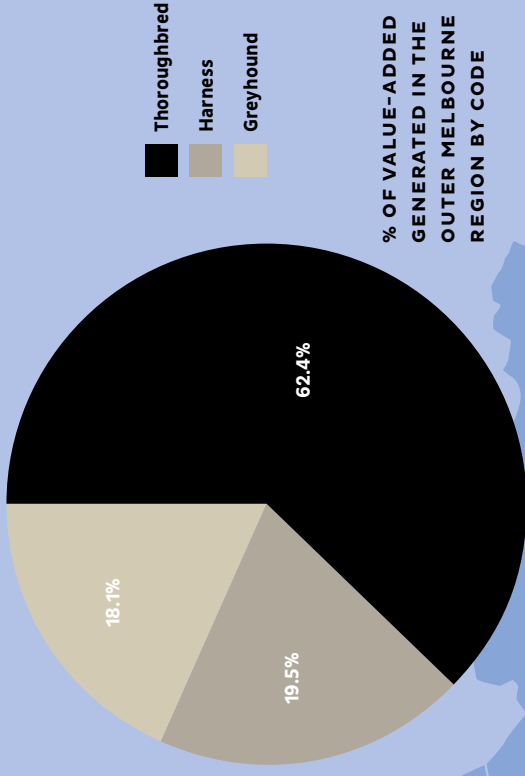
- + Balharring Picnic Racing Club
- + Cranbourne Turf Club
- + Healesville Amateur Racing Club
- + Melbourne Racing Club (Mornington)
- + Pakenham Racing Club
- + Pakenham Picnic Racing Club
- + Werribee Racing Club
- + Yarra Valley Racing

HARNES

- + Cranbourne Harness Racing Club
- + Harness Racing Victoria (Melton)
- + Yarra Valley Racing
- + Yarrambat Harness Racing Club

GREYHOUND

- + Cranbourne Greyhound Racing Club
- + Healesville Greyhound Association



THE ECONOMIC VALUE OF THE RACING INDUSTRY IN THE OUTER MELBOURNE REGION IS \$375.7 MILLION – 13.3% OF THE VICTORIAN TOTAL

At a glance

14 Racing clubs

THOROUGHBRED 8
HARNESS 4
GREYHOUND 2

279 Race Meetings

THOROUGHBRED 69
HARNESS 119
GREYHOUND 91

2,542 Races

THOROUGHBRED 610
HARNESS 969
GREYHOUND 963

6,545 Racing Club Members

THOROUGHBRED 5,393
HARNESS 549
GREYHOUND 603

238,758 Attendances

THOROUGHBRED 203,958
HARNESS 18,906
GREYHOUND 15,894

* Some totals do not add due to rounding

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Harness	Greyhound	Total
Breeders	269	466	168	903
Breeders Staff	807	287	101	1,195
Owners & Syndicate Owners	6,976	1,246	4,035	12,257
Trainers	283	339	682	1,304
Stable/Kennel Employees	727	203	211	1,141
Participants in Producing Racing Animals	9,062	2,541	5,197	16,800
Full Time Club Staff	51	8	4	63
Part Time Club Staff	10	9	2	21
Casual/Contractor Club Staff	973	308	27	1,308
Club Volunteer	167	12	67	246
Jockeys, Drivers & Apprentices	61	135	0	196
Barrier & Catching Pen Attendants	13	0	143	156
Stewards	7	1	12	20
Participants in Producing the Racing Product	1,282	473	255	2,010
Industry Administration Staff	1	0	0	1
Total	10,345	3,014	5,452	18,811

RACE MEETINGS IN THE OUTER MELBOURNE REGION ATTRACT ATTENDANCES IN EXCESS OF 238,700 OR 13.0% OF TOTAL ATTENDANCES AT RACE MEETINGS IN VICTORIA

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Spent on producing foals & pups	\$19.3m	\$7.9m	\$16.3m	\$43.5m
Spent on preparing racehorses & greyhounds	\$98.4m	\$25.1m	\$16.1m	\$139.6m
Total Direct Expenditure	\$217.2m	\$79.2m	\$74.7m	\$371.1m
Value Added ³	\$234.4m	\$73.3m	\$68.0m	\$375.7m
Full Time Equivalent Employment	2,283	738	705	3,726

THERE ARE 18,811 PEOPLE WHO PARTICIPATE IN THE RACING INDUSTRY IN THE OUTER MELBOURNE REGION - APPROXIMATELY 1 IN EVERY 50 ADULTS LIVING IN THE REGION

Ovens-Murray

+ The Ovens-Murray region of Victoria takes in five Local Government Areas, the largest of which is Wodonga. The population of the Ovens-Murray region is 96,590 (2011 Census) with the largest Local Government Areas (LGA) being:

- + Wodonga – 36,043
- + Wangaratta – 27,110

+ There are a total of five racing clubs operating in the region, four of which are thoroughbred clubs, with one harness racing club.

+ The racing industry in the Ovens-Murray region is responsible for generating more than \$39.2 million in value-added contribution to Gross State Product. This equates to 1.4% of the total impact generated by the Victorian Racing Industry.

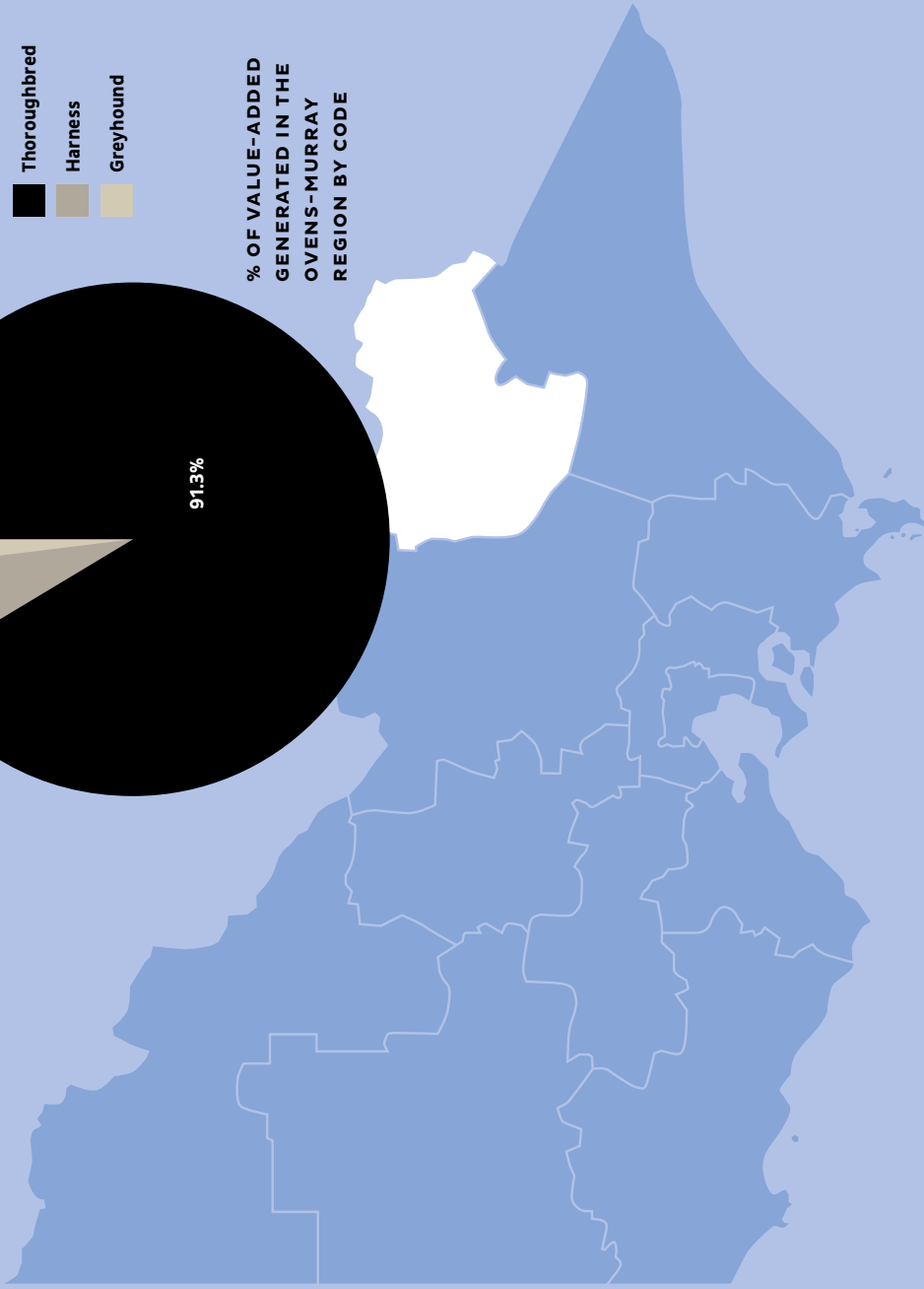
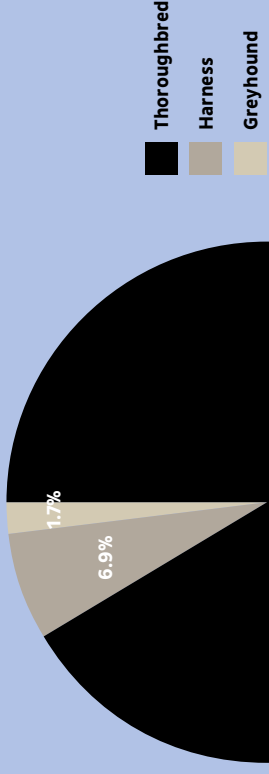
+ The economic impact generated by the racing industry in this region is responsible for sustaining a total of 383 full time equivalent (FTE) jobs in the region.

+ With more than 1,600 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 44 adults has a direct employment or participant involvement with the racing industry in the region.

RACING CLUBS IN THE REGION

- THOROUGHBRED**
- + Dederang Picnic Racing Club
 - + Towong Turf Club
 - + Wangaratta Turf Club
 - + Wodonga & District Turf Club

- HARNES**
- + Wangaratta Harness Racing Club



THE ECONOMIC VALUE OF THE RACING INDUSTRY IN THE OVENS-MURRAY REGION IS \$39.2 MILLION – 1.4% OF THE VICTORIAN TOTAL

At a glance

5 Racing clubs

THOROUGHBRED 4
HARNESSES 1

32 Race Meetings

THOROUGHBRED 27
HARNESSES 5

239 Races

THOROUGHBRED 200
HARNESSES 39

848 Racing Club
Members

THOROUGHBRED 723
HARNESSES 125

32,908 Attendances

THOROUGHBRED 31,376
HARNESSES 1,532

* Some totals do not add due to rounding

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Harness	Greyhound	Total
Breeders	65	44	11	120
Breeders Staff	59	27	7	93
Owners & Syndicate Owners	640	78	98	816
Trainers	34	31	42	107
Stable/Kennel Employees	105	16	9	130
Participants in Producing Racing Animals	903	196	167	1,266
Full Time Club Staff	7	0	0	7
Part Time Club Staff	2	0	0	2
Casual/Contractor Club Staff	198	0	0	198
Club Volunteer	83	5	0	88
Jockeys, Drivers & Apprentices	5	11	0	16
Barrier & Catching Pen Attendants	6	5	14	25
Stewards	1	2	0	3
Participants in Producing the Racing Product	302	23	14	339
Industry Administration Staff	1	0	0	1
Total	1,206	219	181	1,606

RACE MEETINGS IN THE OVENS-MURRAY REGION ATTRACT ATTENDANCES IN EXCESS OF 32,900 OR 1.8% OF TOTAL ATTENDANCES AT RACE MEETINGS IN VICTORIA

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Spent on producing foals & pups	\$5.9m	\$0.7m		\$6.6m
Spent on preparing racehorses & greyhounds	\$10.5m	\$1.0m	\$0.7m	\$12.2m
Total Direct Expenditure	\$33.2m	\$2.9m	\$0.7m	\$36.8m
Value Added ³	\$35.8m	\$2.7m	\$0.7m	\$39.2m
Full Time Equivalent Employment	348	27	7	383

THERE ARE 1,606 PEOPLE WHO PARTICIPATE IN THE RACING INDUSTRY IN THE OVENS-MURRAY REGION - APPROXIMATELY 1 IN EVERY 44 ADULTS LIVING IN THE REGION

Western District

- + The Western District region of Victoria takes in five Local Government Areas, the largest of which is Warrnambool. The population of the Western District region is 101,324 (2011 Census) with the largest Local Government Areas (LGA) being:
 - + Warrnambool – 32,592
 - + Glenelg – 19,843
- + There are a total of fourteen racing clubs operating in the region, ten of which are thoroughbred clubs, with three harness and one greyhound racing club.
- + The racing industry in the Western District region is responsible for generating more than \$100.1 million in value added contribution to Gross State Product. This equates to 3.5% of the total impact generated by the Victorian Racing Industry.
- + The economic impact generated by the racing industry in this region is responsible for sustaining a total of 986 full time equivalent (FTE) jobs in the region.
- + With more than 5,440 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 14 adults has a direct employment or participant involvement with the racing industry in the region. This makes the Western District region the most active Victorian region in terms of rate of participation.

RACING CLUBS IN THE REGION

THOROUGHBRED

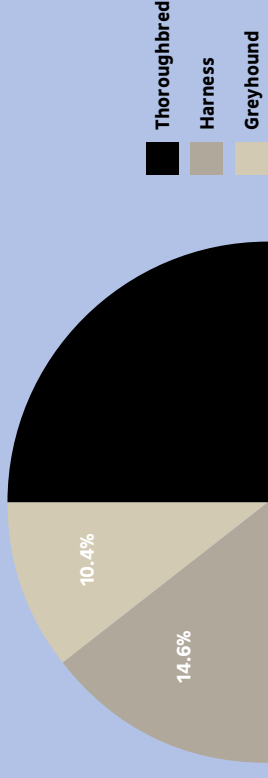
- + Camperdown Turf Club
- + Casterton Racing Club
- + Coleraine Racing Club
- + Dunkeld Racing Club
- + Hamilton Racing Club
- + Mortlake Racing Club
- + Peshurst & District Racing Club
- + Terang & District Racing Club
- + Warrnambool Racing Club
- + Woodford Racing Club

HARNES

- + Hamilton Harness Racing Club
- + Terang Harness Racing Club
- + Warrnambool Harness Racing Club

GREYHOUND

- + Warrnambool Greyhound Racing Club



% OF VALUE-ADDED GENERATED IN THE WESTERN DISTRICT REGION BY CODE



THE ECONOMIC VALUE OF THE RACING INDUSTRY IN THE WESTERN DISTRICT REGION IS \$100.1 MILLION – 3.5% OF THE VICTORIAN TOTAL

At a glance

14 Racing clubs

THOROUGHBRED 10
HARNESS 3
GREYHOUND 1

134 Race Meetings

THOROUGHBRED 48
HARNESS 25
GREYHOUND 61

1,270 Races

THOROUGHBRED 339
HARNESS 200
GREYHOUND 731

3,599 Racing Club Members

THOROUGHBRED 3,138
HARNESS 387
GREYHOUND 74

88,327 Attendances

THOROUGHBRED 67,045
HARNESS 10,773
GREYHOUND 10,509

* Some totals do not add due to rounding

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Harness	Greyhound	Total
Breeders	112	162	62	336
Breeders Staff	157	100	37	294
Owners & Syndicate Owners	1,792	307	764	2,863
Trainers	95	114	180	389
Stable/Kennel Employees	246	83	45	374
Participants in Producing Racing Animals	2,402	766	1,088	4,256
Full Time Club Staff	21	0	4	25
Part Time Club Staff	10	4	1	15
Casual/Contractor Club Staff	639	37	22	698
Club Volunteer	278	24	11	313
Jockeys, Drivers & Apprentices	12	52	0	64
Barrier & Catching Pen Attendants	11	15	44	70
Stewards	2	0	4	6
Participants in Producing the Racing Product	973	132	86	1,191
Industry Administration Staff	2	0	0	2
Total	3,377	898	1,174	5,449

RACE MEETINGS IN THE WESTERN DISTRICT REGION ATTRACT ATTENDANCES IN EXCESS OF 88,300 OR 4.8% OF TOTAL ATTENDANCES AT RACE MEETINGS IN VICTORIA

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Spent on producing foals & pups	\$4.3m	\$2.4m	\$0.2m	\$6.9m
Spent on preparing racehorses & greyhounds	\$20.3m	\$7.4m	\$3.5m	\$31.2m
Total Direct Expenditure	\$69.6m	\$15.8m	\$11.4m	\$96.8m
Value Added ³	\$75.1m	\$14.6m	\$10.4m	\$100.1m
Full Time Equivalent Employment	731	147	108	986

THERE ARE 5,449 PEOPLE WHO PARTICIPATE IN THE RACING INDUSTRY IN THE WESTERN DISTRICT REGION - APPROXIMATELY 1 IN EVERY 14 ADULTS LIVING IN THE REGION

Wimmera

+ The Wimmera region of Victoria takes in five Local Government Areas, the largest of which is Horsham.

The population of the Wimmera region is 48,794 (2011 Census) with the largest Local Government Areas (LGA) being:

- + Horsham – 19,540
- + Northern Grampians – 11,942

+ There are a total of twelve racing clubs operating in the region, eight of which are thoroughbred clubs, with three harness and one greyhound racing club.

+ The racing industry in the Wimmera region is responsible for generating more than \$37.0 million in value added contribution to Gross State Product. This equates to 1.3% of the total impact generated by the Victorian Racing Industry.

+ The economic impact generated by the racing industry in this region is responsible for sustaining a total of 367 full time equivalent (FTE) jobs in the region.

+ With nearly 1,970 individuals participating in the racing industry as an employee, volunteer or participant, it is estimated that nearly 1 in every 19 adults has a direct employment or participant involvement with the racing industry in the region.

RACING CLUBS IN THE REGION

THOROUGHBRED

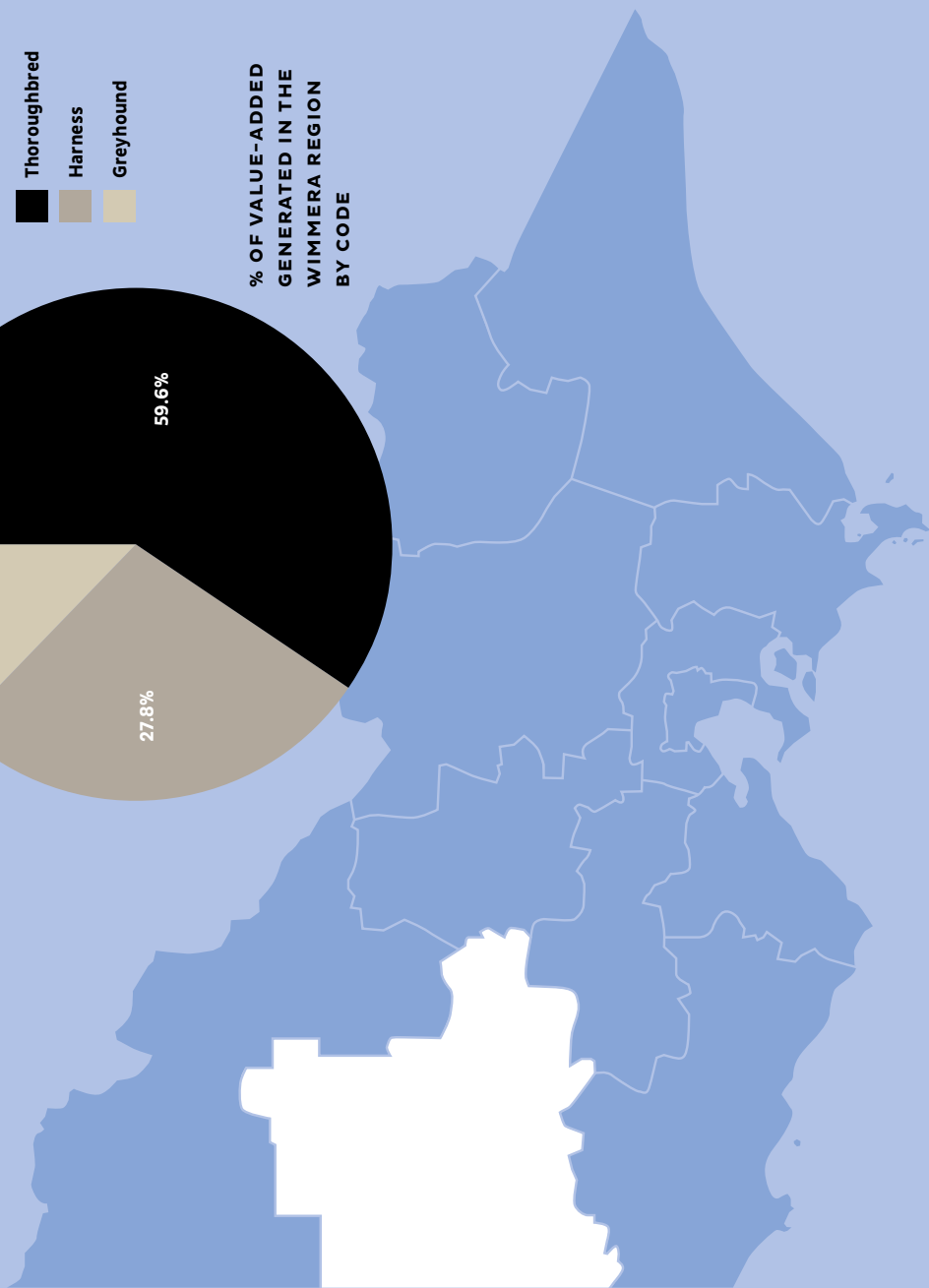
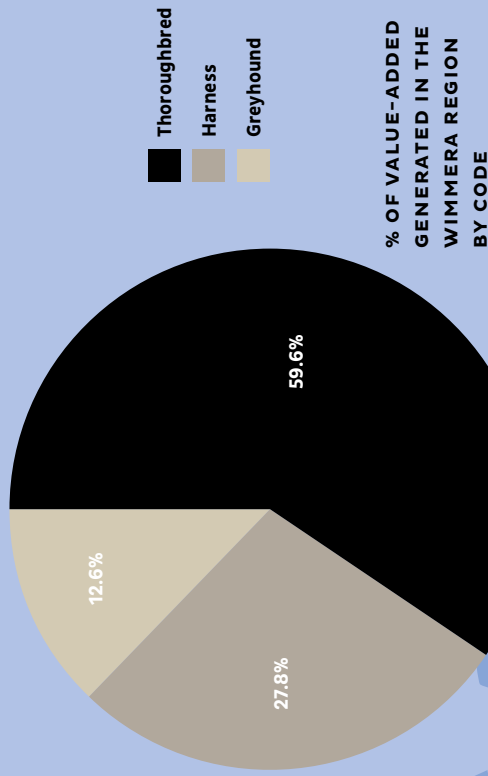
- + Apsley Racing Club
- + Edenhope Race Club
- + Horsham & District Racing Club
- + Murtoa/Mairma Racing Club
- + Nhill & District Racing Club
- + St Arnaud Turf Club
- + Stawell Racing Club
- + Warracknabeal Racing Club

HARNESS

- + Horsham Harness Racing Club
- + St. Arnaud Harness Racing Club
- + Stawell Harness Racing Club

GREYHOUND

- + Horsham Greyhound Racing Club



THE ECONOMIC VALUE OF THE RACING INDUSTRY IN THE **WIMMERA REGION IS \$37.0 MILLION** – 1.3% OF THE VICTORIAN TOTAL

At a glance

14 Racing clubs

THOROUGHBRED 8
HARNESS 4
GREYHOUND 2

102 Race Meetings

THOROUGHBRED 23
HARNESS 27
GREYHOUND 52

947 Races

THOROUGHBRED 149
HARNESS 214
GREYHOUND 584

942 Racing Club Members

THOROUGHBRED 695
HARNESS 147
GREYHOUND 100

29,887 Attendances

THOROUGHBRED 21,108
HARNESS 4,731
GREYHOUND 4,048

* Some totals do not add due to rounding

PARTICIPANT TYPE (NUMBER OF)

	Thoroughbred	Harness	Greyhound	Total
Breeders	26	101	14	141
Breeders Staff	34	62	8	104
Owners & Syndicate Owners	497	185	187	869
Trainers	25	72	68	165
Stable/Kennel Employees	60	48	16	124
Participants in Producing Racing Animals	642	468	293	1,403
Full Time Club Staff	4	7	1	12
Part Time Club Staff	5	5	4	14
Casual/Contractor Club Staff	165	48	9	222
Club Volunteer	186	43	6	235
Jockeys, Drivers & Apprentices	5	28	0	33
Barrier & Catching Pen Attendants	5	15	17	37
Stewards	3	1	3	7
Participants in Producing the Racing Product	373	147	40	560
Industry Administration Staff	2	0	0	2
Total	1,017	615	333	1,965

ECONOMIC IMPACTS

	Thoroughbred	Harness	Greyhound	Total
Spent on producing foals & pups	\$0.6m	\$1.2m	\$0.1m	\$1.9m
Spent on preparing racehorses & greyhounds	\$6.0m	\$4.1m	\$1.3m	\$11.4m
Total Direct Expenditure	\$20.4m	\$11.1m	\$5.1m	\$36.7m
Value Added ³	\$22.1m	\$10.3m	\$4.7m	\$37.0m
Full Time Equivalent Employment	215	104	48	367

THERE ARE **1,965 PEOPLE WHO PARTICIPATE IN THE RACING INDUSTRY IN THE WIMMERA REGION** - APPROXIMATELY 1 IN EVERY 19 ADULTS LIVING IN THE REGION

RACE MEETINGS IN THE WIMMERA REGION ATTRACT ATTENDANCES IN EXCESS OF 29,800 OR 1.6% OF TOTAL ATTENDANCES AT RACE MEETINGS IN VICTORIA

About IER

IER is a leading strategic consulting business specialising in the tourism, events and entertainment industries. For over twenty years, IER has undertaken a considerable amount of economic impact evaluation for both private and Government level clients.

In particular, IER has specialised in the horse and greyhound racing industries in Australia and New Zealand over this time. This study constitutes an economic and social impact evaluation of the entire Thoroughbred, Harness and Greyhound Racing Industry in Victoria. 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:

- + South Australian Racing Industry (3 Codes)
- + Queensland Racing Industry (3 Codes)
- + Thoroughbred Racing Industry in Country Victoria
- + Northern Territory Thoroughbred Racing Industry
- + Standardbred and Thoroughbred Racing in British Columbia
- + Australian Harness Racing Industry
- + New Zealand Racing Industry (3 Codes)
- + Western Australian Racing Industry (3 Codes)

ASSOCIATE PROFESSOR BARRY BURGAN

Barry Burgan (B Ec (Hons), FINSIA (Fellow)) is a director on 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 CGE and I/O 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 South Australian Racing Industry
- + Economic and Social Impact Study of Harness Racing in Australia
- + The Economic Impact of the 2010 Melbourne Fringe Festival, For the Melbourne Fringe, 2011 (with Econsearch)
- + Analysis of economic impact (CGE modelling exercise) of 2006 Commonwealth Games on the Victorian economy (with KPMG, 2005)
- + Pre event evaluation of impacts of the Sydney Olympic Games on NSW – with KPMG
- + Adelaide Festival (1992 and 1996, 2004) for the SA Government
- + Annual assessment of the Adelaide Fringe, Wom Adelaide and Clipsal 500 (over the last 5-10 years)
- + Size and Scope Study of Thoroughbred Racing Industry in NT
- + Size and Scope of the Western Australian Racing Industry

Barry provides the economic modelling and advisory services to IER.

The purpose of this study is to measure the contribution made by the racing industry towards the Victorian economy. In this way, it is a generalised measure of the industry's contribution to the State's economy. The economic contribution of an industry refers to the contribution that the industry makes in terms of:

- + gross state or regional product;
- + household income, and
- + the employment that these income measures support.

Industries do this in two ways – by the employment and activity it supports directly (and in the industries that depend on it as a customer); and the flow on effects which filters through the economy. 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 (after netting out leaked expenditure on items such as imports).

It is also generally acknowledged that, in addition to the jobs in direct suppliers of services to the production processes of the industry, the production expenditure also has a multiplier effect within the community. In this way, the direct expenditure impact of the racing industry generates a 'flow on impact' on other sectors through the expenditure of wages and purchases of the direct suppliers to the industry.

The use of multipliers, derived from input-output tables, has been a prominent process for translating directly created expenditure (a final demand stimulus) of industries or projects into jobs and incomes. The multipliers allow for the measurement of the extent of the flow-on impact generated in the economy, as a result of the racing industry expenditure. There has been some level of academic argument about appropriate models for converting increases in external expenditure (final demand) into regional economic impacts. The critics of using input output tables often argue that multipliers are

used to overstate the value of an industry – with the term multiplier taken as ratcheting up the value (or overstating the impact). This criticism used to 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 a 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 one. Used correctly multipliers provide a more appropriate measure.

In short, the use of these input-output based multipliers allow for reporting of the estimated outcomes of that industry in terms of both:

- + the effect of expenditure or turnover on value-added across a regional economy, and
- + in terms of job creation

These measures are consistent with national accounting frameworks.

It should be emphasised that this methodology – of identifying the local expenditure associated with production by the industry and tracing the expenditure through the rest of the economy – cannot be interpreted as saying that Gross State Product or employment would fall by this amount if the industry somehow did not exist. In the first instance local people would spend their money on other activities and the contribution of those other sectors would rise and replace most or all of that which was previously generated by the racing industry. 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 as being 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 – which is the extent to which this industry expenditure is supported by revenues that can be considered new to the state. This would include the supply of services by the local industry to racing activities interstate (i.e. serving a visiting Mare from another State). It would also focus only on spending by tourists or visitors to the state who attend the races rather than the stimulus created by spending by all attendees where it is associated with engagement with the racing industry. Under this scenario, it would reasonably be expected that some race attendees would attend events interstate if they were not available in Victoria, and that some operators would base their operations interstate if this was the case. Whilst a valid approach, this particular approach (net economic impact) does not fit the purpose of this study.

It is noted that there have recently been studies of the Harness racing industry and of racing in Country Victoria. This study uses consistent methodologies and gets consistent results with the estimates in these reports.

ACKNOWLEDGEMENTS

IER would like to acknowledge the contribution of the following organisations and individuals:

- + Racing Victoria
- + Harness Racing Victoria
- + Greyhound Racing Victoria
- + Country Racing Victoria
- + Racing Information Services Australia
- + Australian Bureau of Statistics
- + Department of Foreign Affairs and Trade
- + Victorian Breeders, Trainers & Owners who agreed to provide financial data
- + Australian Stud Book
- + Harness Racing Australia
- + Victorian Thoroughbred, Harness & Greyhound Racing clubs

The analysis has been undertaken in a consistent format and with consistent assumptions to evaluations of other projects and studies of the horse racing industry. An input output model, as used herein, 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 (e.g. through a major project) can be traced through to its effect on other sectors, allowing a more comprehensive look at the effects of the project. It is based on assumptions that all changes in final demand can be met by the economy without constraint. A computable general equilibrium (CGE) model is also an economy wide model and has a similar outcome, but differs from input-output models in that it includes supply side and macro-economic constraints, thereby limiting the extent that the change in final demand will be fully captured in other sectors (because of market limitations). The labour market is, in effect, the most significant constraining factor. At the national level such constraints will be critical, and as such national impacts are best assessed on this framework. However at a state level, where supply constraints in the labour market are demonstrably small (responded to by immigration) and there are also limited capital market constraints – the estimates of jobs and GSP outcomes are of a similar order of magnitude at the state level. Both models would generally show a project in one region causing a positive effect in that region. A CGE model would show that project causing negative impacts in other regions to heavily offset the gains. In this analysis we are clearly concerned with the impacts at the 'state economy' level.



