Size and Scope of Harness Racing Australia

An Economic and Social Impact Assessment

PREPARED BY IER I AUGUST 2026





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Key Findings

Economic Impacts

$1.77 BIL

GROSS VALUE ADDED[1] GENERATED BY HARNESS RACING

DIRECT AND FIRST ROUND IMPACT	$0.63 BIL
INDUCED IMPACT	$1.14 BIL

11,372

FTE JOBS SUSTAINED BY HARNESS RACING ACTIVITY

DIRECT AND FIRST ROUND IMPACT	5,623 FTE
INDUCED IMPACT	5,749 FTE

$0.93 BIL

HOUSEHOLD INCOME[2] GENERATED BY HARNESS RACING ACTIVITY

DIRECT AND FIRST ROUND IMPACT	$0.39 BIL
INDUCED IMPACT	$0.54 BIL

The Australian Harness Racing Industry is estimated to contribute $1.77 billion in Economic Impact - sustaining close to 11,400 FTE jobs nationally.



Prizemoney

$151.6 MIL

PRIZEMONEY ON OFFER

Sources of Expenditure

$108.4 MIL

BREEDING - PRODUCTION STANDARDBREDS

$433.6 MIL

TRAINING - PREPARATION OF STANDARDBREDS

$781.1 MIL

RACING AND WAGERING ACTIVITIES

TOTAL DIRECT SPENDING[3] GENERATED **$1,323.1 MIL**

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

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

3. Direct expenditure is defined as expenditure associated with producing foals (breeding), preparing racehorses (training), racing customer expenditure and expenditure by PRAs and racing clubs on operating the industry. Direct expenditure is counted at the point at which it leaves the racing industry and reaches the broader economy.

Harness

2,758
FOALS PRODUCED

4,082
STALLION SERVICES#

13,598
HORSES IN TRAINING

Data provided by the State Controlling Body in conjunction with RISE Racing



Harness Racing

86
RACING CLUBS

14,177
RACES

83
RACE TRACKS

795,752
ATTENDANCES

1,709
RACE MEETINGS

21,227
MEMBERS

Roles Occupied in Harness Racing

3,595
BREEDERS AND BREEDERS STAFF

2,106
STABLE EMPLOYEES

1,462
DRIVERS

2,989
RACING CLUB AND INDUSTRY EMPLOYEES

2,447
TRAINERS

10,450
OWNERS

7,727
VOLUNTEERS

30,776
TOTAL ROLES OCCUPIED IN HARNESS RACING

Note: There is some level of duplication in some of the participation categories as a participant in Harness Racing can occupy numerous roles in the industry. For example a breeder can also be a trainer and an owner.

Introduction

PURPOSE OF THE STUDY

Harness Racing Australia (HRA) commissioned IER to prepare a study into the size and scope of the Harness Racing Industry in Australia. This study represents an aggregation of previous studies undertaken over the last three years, in order to provide an overall measure of the size and scale of the industry nationally.

The key focus of the study is to investigate the following outcomes attributable to the harness racing industry in each state and nationally:

+ The employment generated by harness racing industry activities
+ The number of participants (i.e. trainers, breeders, owners etc.) in the industry
+ The total direct expenditure contribution that the industry makes, in its current form, to the economy
+ The extent to which the harness racing industry contributes to the combined Gross State/Domestic Product of these jurisdictions
+ The social and community impact of harness racing

The last study of this type was undertaken in 2012. Whilst much has changed in the industry, and indeed the world since then, IER has attempted to maintain a consistent approach wherever possible. This study is based on the 2024-25 racing season. Data for the Queensland, South Australian and Victorian industries was taken from the recently completed state-based studies (FY25). New South Wales, Tasmania and Western Australia last undertook state studies in FY22. For these jurisdictions, IER has remodelled based on updated data for FY25.

STUDY METHODOLOGY

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

For the purpose of this study, the racing industry is defined as covering the full spectrum of activities associated with the conduct of harness racing across the region. This includes racing activity at both TAB and non-TAB racing clubs.

The data that underpins this study has been gathered from studies undertaken for each jurisdiction over the last 3 years. Within each of these studies, the analysis was assisted with data gathered from the following sources:

+ The Principal Racing Authorities provided financials, wagering data and data related to racing activities
+ Racing clubs provided financial data as well as data relating to their club and raceday operations
+ RISE Racing Pty Ltd provided breeding related data for the industry
+ IER also interviewed a number of breeders, trainers and owners in order to build a profile of the cost of production and preparation of racing horses in each State.

Throughout the report, data has been presented at both a State and National level. Within each state, the data is further presented at a metro/non metro level.

The determination of metro and non-metro regions is based in the ABS SA4 geographic framework. Under this framework, metropolitan areas are generally based on the Greater Capital City Statistical Area framework.

ECONOMIC METHODOLOGY

The development of an economic model of the harness racing industry requires a strong understanding of the internal and external flows of money. The harness racing industry is built on a series of inter-related sectors which sees funds flowing back and forth, with one sector's expenditure often representing another sector's revenue. For instance, punters bet on harness racing (expenditure) which sees funds flow through to wagering operators and then through to peak racing authorities (revenues). Some of these funds then flow to racing clubs (funding operational expenditure) and participants (prizemoney). IER has taken care, throughout the model to ensure that duplicate expenditures have been identified and excluded from the total expenditure calculations. In this regard, the key is to identify the final expenditures - ensuring not to count the same expenditures as they flow between internal racing industry transactions.

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

The final expenditure profile of the harness racing industry is based on the following key inputs:

+ Production (breeding related activities) of standardbred horses – the expenditure generated by the breeding sector in maintaining sires and broodmares and producing and caring for foals
+ Preparation (training related activities) of standardbreds for racing – the expenditure by owners and trainers on training services as well as other non-training related expenses such as agistment, major veterinary, transport etc.
+ Racing club and industry expenditure - the expenditure generated by racing clubs and the Principal Racing Authorities on running their operations, businesses and events within each state
+ Other wagering operator expenditure - the net wagering revenues that flow to the Government (through wagering taxes) as well as expenditure by wagering operators to fund their operations in each state

+ Racing customer off-course expenditure – expenditure made by racegoers, off-course, as part of their attendance at the races

It is important to note that racing and wagering are assessed as a complete unit because they are so completely entwined. In many jurisdictions, peak racing authorities generate a significant portion of their income from wagering revenues. These wagering revenues are used to fund prizemoney, infrastructure projects and operations of racing clubs. Racing clubs then run race meetings where punters wager on the racing product and the cycle continues.

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 Industrial Classification (ANZSIC) structure. For modelling purposes, it is necessary to allocate direct expenditures to the appropriate industry sectors. The majority of expenditures are classified within their relevant ANZSIC codes. A number of horse racing activities are contained within ANZSIC classification R – Arts and Recreation Services, specifically within the following sectors:

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

3. Economic modelling
In each of the studies underpinning this report, IER has utilised an input-output methodology for the calculation of economic impacts associated with the racing industry. The input-output model provides direct and indirect impacts in relation to value added, income and employment. This study is based on the most recently available national input-output tables at the time of preparing each study.

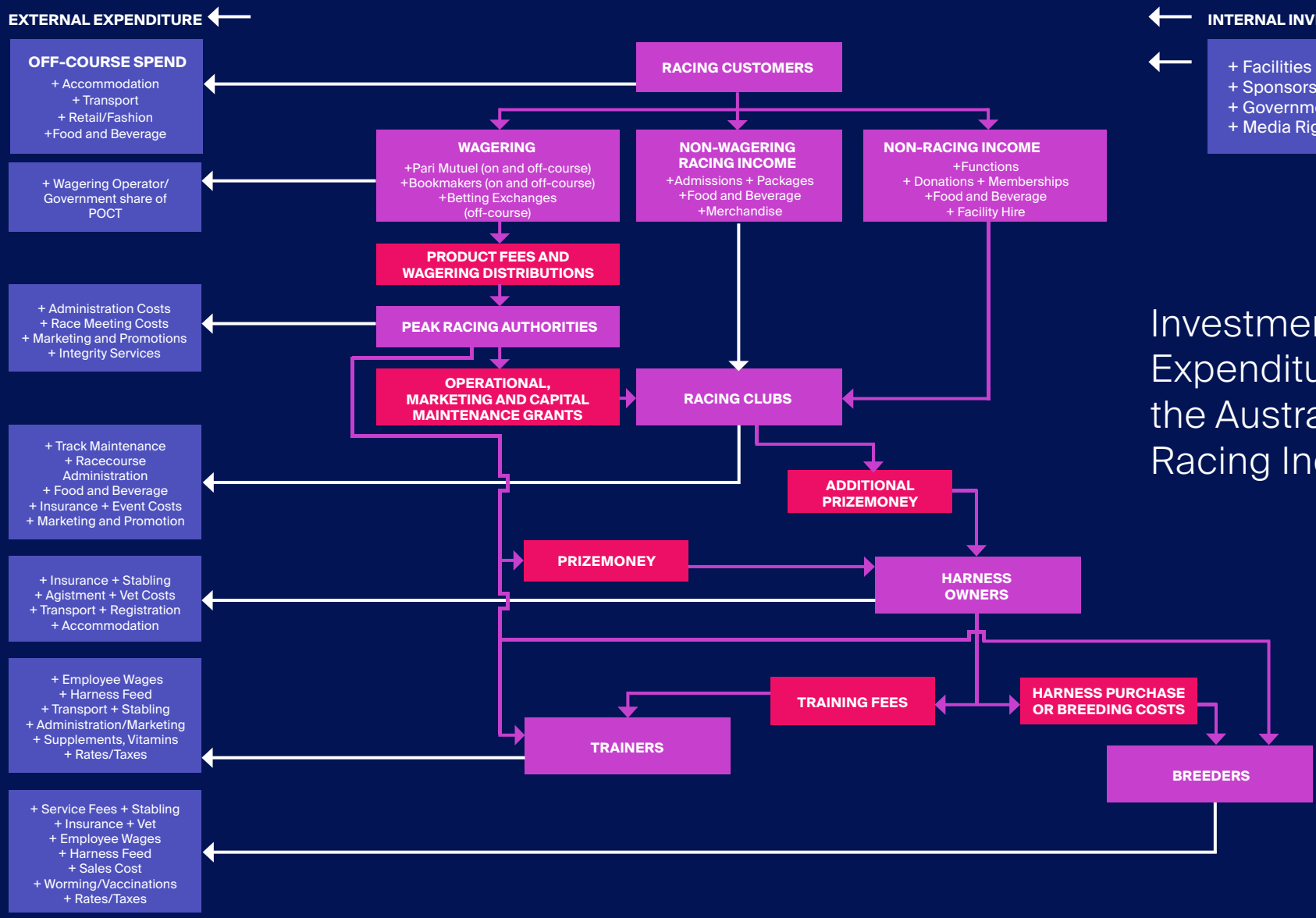
Value added and employment are units of measurement that are based on economic multipliers derived from the national accounts. It is based on the level of value added and employment that is created within specific industry sectors in order to meet final demand expenditure.

In some regions, the report illustrates racing and economic activity despite the fact that there may not be racing in that region. This is generally a result of participation (i.e. ownership, training or breeding) and wagering activities occurring in those regions.

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



Investment and Expenditure flow of the Australian Harness Racing Industry




CARLTON DRAUGHT
BALLARAT

Harness Racing in Australia

Harness Racing in Australia is significant in size and scale. Peak Racing Authorities within each state are charged with the responsibility of running their industry whilst racing clubs manage the day-to-day operation of the racing activities. There are 86 harness racing clubs across the nation.

There are approximately 1,709 race meetings held across Australia, hosting 14,177 races. On average there are approximately 5 race meetings held in Australia each day.

The racing program, in 2024-25, provided an opportunity for harness racing participants to compete for approximately $151.6 million in prizemoney.

Harness racing jurisdictions and racing clubs play a central role in promoting and growing the sport. Their activities include attracting new audiences, increasing club memberships, marketing and promoting feature racing events such as the Inter Dominion, and recognising the achievements of industry participants through awards and other celebratory initiatives.

Key Racing Statistics

RACING CLUBS	86
RACES	14,177
RACE MEETINGS	1,709
ATTENDANCES	795,752





Harness racing generates significant economic and social impacts. From a social perspective, harness racing plays an important role in community building and inclusiveness, particularly in terms of participants in the industry. In many places, harness racing is one of the oldest leisure pursuits whilst in regional areas, club infrastructure is often an important community asset for more than just the racing industry.

Additionally, peak racing authorities and racing clubs actively contribute to specific causes through their community and philanthropic initiatives.

Economically, harness racing is a significant contributor to the economy (both in terms of contribution to GDP and also generation of employment opportunities).

Harness Racing in Australia is responsible for generating more than $1.77 billion in value added contribution to the economy.

This economic activity is responsible for supporting 11,372 FTE jobs across the nation. The actual number of jobs would be higher than this given the high ratio of part-time and casual roles that are supported.

The employment supported by the harness racing industry is responsible for generating in excess of $0.93 billion in household income.

Key Racing Statistics

VALUE ADDED CONTRIBUTION TO THE ECONOMY **$1.77 BIL**

FTE JOBS SUPPORTED BY RACING INDUSTRY ACTIVITY **11,372**

HOUSEHOLD INCOME GENERATED **$0.93 BIL**

Economic Contribution by Jurisdiction



ULTIMATE DRIVER CHAMPIONSHIP GENERATES GLOBAL INTEREST

The Ladbrokes Ultimate Driver Championship has established itself as an innovative showcase for Queensland harness racing, bringing together 10 of the world's leading drivers at Albion Park. The unique slot-racing concept features 20 races across two nights, with slot holders selecting their drivers and strategically drafting horses through a snake-draft format. Following a highly successful inaugural event in 2025, prizemoney increased from $250,000 to $350,000 in 2026.

The inaugural Championship generated strong on-course attendance and almost $6.8 million in wagering turnover - an increase of 83% compared with the corresponding meetings in 2024. Friday night turnover approached $3 million, up 96%, while Saturday night generated $3.8 million, representing a 71% increase. These results demonstrate the capacity for new racing concepts to stimulate wagering, attract spectators and create renewed interest in harness racing.

The Championship has also elevated the international profile of Queensland harness racing. Competitors have included leading drivers from Australia, New Zealand, Canada, the United States and Sweden, while international streaming attracted audiences across North America, Europe and New Zealand. In 2026, Victorian driver James Herbertson secured the title after winning six of the 20 races, defeating an elite field that included five-time Canadian champion James MacDonald.

By combining world-class talent, an engaging competition format and international coverage, the Ultimate Driver Championship provides an important platform for promoting harness racing to existing and new audiences. Its success supports greater attendance and wagering activity, creates commercial and sponsorship opportunities, and reinforces Albion Park's position as a leading harness racing venue capable of hosting innovative events with national and international appeal.


THE HERB FACTOR

Direct Spending by the Harness Racing Industry in Australia

It is estimated that harness racing in Australia generates $1,323.1 million in direct expenditure. Spending generated by racing participants, businesses and customers as a result of the racing industry included[1]:

- Spending by breeders on the production of foals, maintenance of sires and broodmares
- Spending by owners and trainers on the preparation of standardbreds for racing
- Revenues generated by peak racing authorities, (primarily from wagering) and other business activities including media, publications and retail
- Revenue generated by racing clubs (excluding any distributions received from peak racing authorities). Some racing clubs also have additional non-racing revenue streams such as hospitality and gaming
- Revenues generated for wagering service providers and for the Government as a result of betting on harness racing
- Spending by racegoers, off-course, as a result of their engagement with racing (i.e. tourism-related expenditure including travel and accommodation)

The breeding sector, through its activities in producing racehorses for racing, is directly responsible for creating an expenditure impact of more than $108.4 million.

The training sector, through its activities in preparing standardbreds for racing, is responsible for creating an expenditure impact of $433.6 million. The calculation of expenditure on the preparation of standardbreds for racing takes into account the various training and non-training related expenditures incurred by owners and trainers.

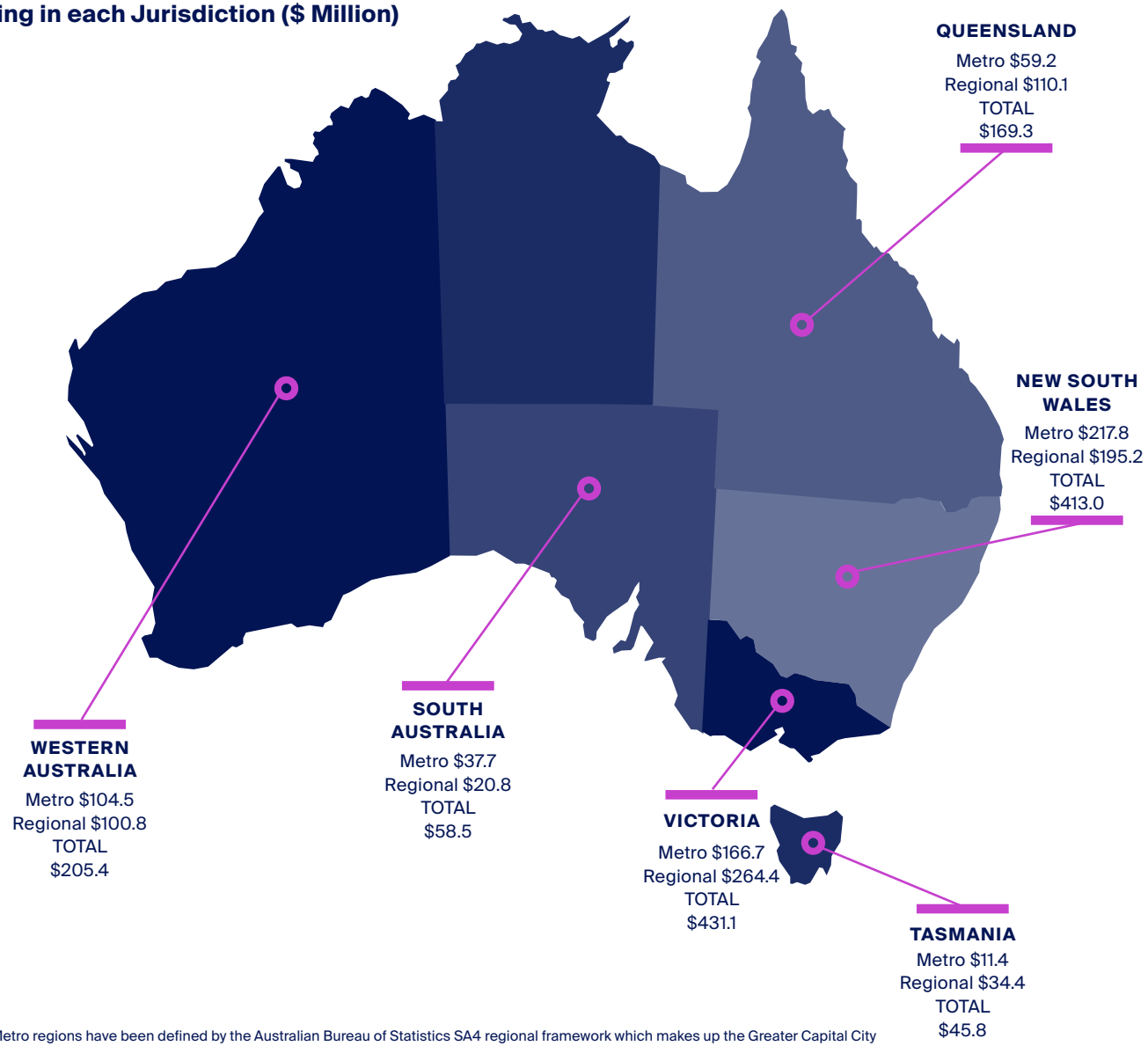
Racing and wagering activities generate more than $781.1 million in expenditure. Overall, net wagering revenues (including product fee payments to the industry, point of consumption taxes to state governments and operational expenditure by wagering service providers) make up the largest proportion of this spending whilst also being the largest funding source for the industry. The operations of wagering service providers, to the extent that they are funded by revenues generated through harness racing, are also significant contributors to the economic impact generated.

Sources of Final Expenditure



[1] Direct expenditure is defined as expenditure associated with producing standardbreds (breeding), preparing standardbreds for racing (training), racing customer expenditure, net wagering revenues and expenditure by peak racing bodies and racing clubs on operating the industry. Direct expenditure is counted at the point at which it leaves the racing industry and reaches the broader economy.

Direct Spending Generated by Harness Racing in each Jurisdiction ($ Million)



Note: Metro regions have been defined by the Australian Bureau of Statistics SA4 regional framework which makes up the Greater Capital City Statistical Area (GCCSA). This means some traditional non-metropolitan harness racing tracks are considered as being in metro regions.

The Australian Harness Racing Industry generated more than $1,323.1 million in direct spending in 2024-25

Economic Contribution of the Harness Racing Industry

The expenditure generated by the harness racing industry leads to economic impacts which benefit the broader economy.

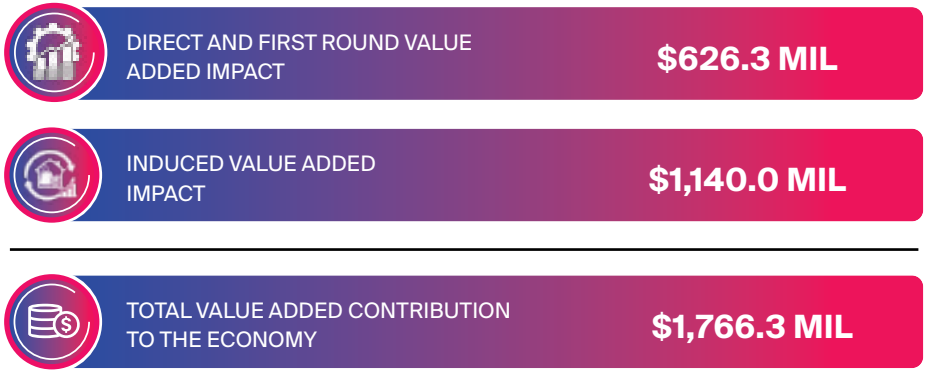
The harness racing industry is responsible for generating a direct and first round value added impact of $626.3 million. This comprises expenditures by the racing industry as well as the wages, salaries and part of the gross operating surplus of the businesses that supply goods and services directly to the racing industry.

In addition, there are induced value added impacts derived as a result of the racing industry activity. These induced value added impacts include production based impacts (i.e. the chain of activities when retailers transact with wholesalers, who in turn transact with manufacturers and raw material providers) and consumption induced impacts (e.g. when workers spend their wages and salaries earned as a result of racing industry activity).

When the flow-on (induced value-added) impacts of this created demand are also considered, the total value added impact rises to $1,766.3 million[1].

Generally, the level of economic activity will not always proportionally follow the origin of expenditures. Regions will have differing capacities of meeting the created demand, meaning that some will have higher import penetrations than others.

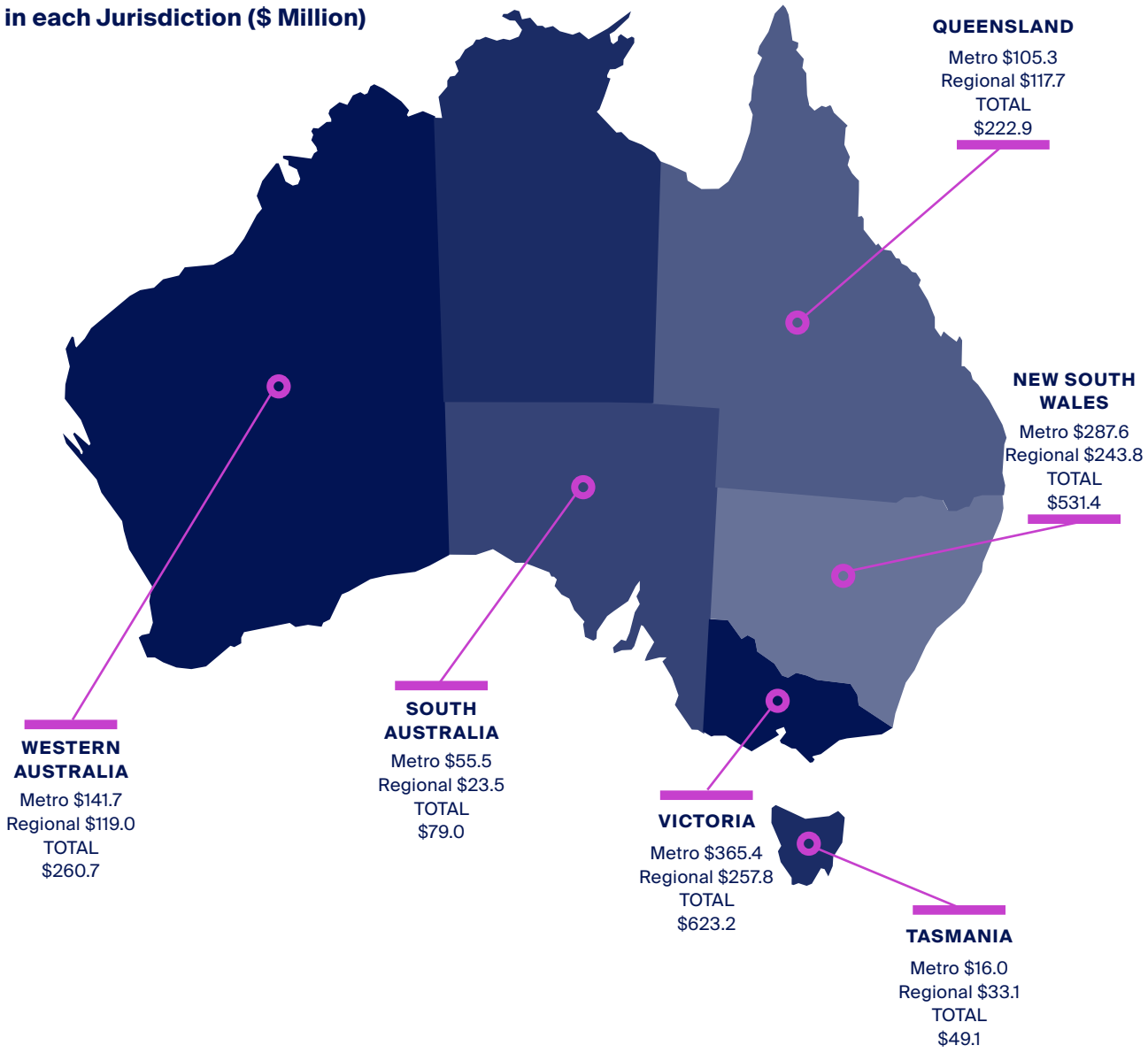
Economic Impacts Generated



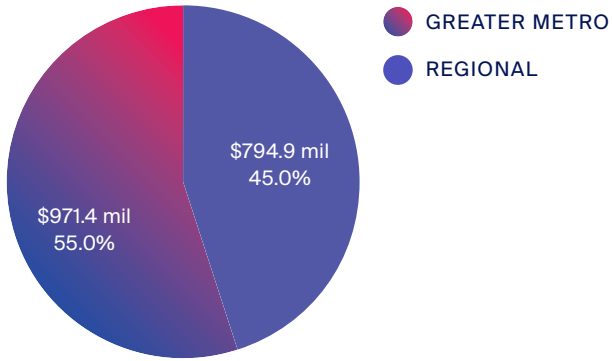
In 2024-25, the Harness Racing Industry in Australia contributed more than $1.77 billion to the national economy

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

Economic Impact Generated by Harness Racing in each Jurisdiction ($ Million)



Economic Contribution by Region in Australia



Note: Metro regions have been defined by the Australian Bureau of Statistics SA4 regional framework which makes up the Greater Capital City Statistical Area (GCCSA). This means some traditional non-metropolitan harness racing tracks are considered as being in metro regions.

AUSTRALIAN DRIVING CHAMPIONSHIP CELEBRATES THE SPORT'S LEADING DRIVERS

Established in 2014, the Australian Driving Championship brings together 12 of the nation's leading harness racing drivers to represent their respective states in a highly competitive series of races. In addition to showcasing the skill and professionalism of Australia's best reinspeople, the Championship strengthens relationships between participants from different jurisdictions and generates national interest in harness racing.

The Championship trophy has been renamed the Chris Alford Trophy in recognition of one of the greatest drivers in Australian harness racing history. Affectionately known as "The Puppet", Alford has recorded more than 8,300 Australian victories, including 141 Group 1 wins, and has claimed the Australian Drivers Premiership 15 times. Alford has been closely involved with the Championship throughout its history and fittingly won the 2017 series at Elwick in Tasmania.

Victorian reinsman James Herbertson became the first recipient of the renamed trophy after securing his second Australian Driving Championship in Hobart in December 2025. Herbertson accumulated 61 points across six heats, recording two victories and two additional placings to finish ahead of South Australian representative Ryan Hryhorec. The achievement capped an outstanding season for Herbertson, who led the national drivers' premiership and recorded victories across Australia, New Zealand, Europe and the United States.

The Australian Driving Championship provides an important platform for recognising both the legends of harness racing and the current generation of leading participants. Through interstate competition, compelling racing and the celebration of individual achievement, the Championship raises the profile of drivers, strengthens connections across the industry and provides engaging stories capable of attracting existing followers and new audiences to Australian harness racing.


Tasracing
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Roles Occupied in Harness Racing

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

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

For many of those involved in harness racing, the industry provides an opportunity to seek gainful employment using their specific skillset where they may find it difficult otherwise. This is especially true in relation to the trainers, breeders, drivers and particularly for supply businesses for whom harness racing provides the market for which to sell their goods or services.

Overall, there are close to 31,000 roles occupied by licensed participants, employees and volunteers who are directly involved in the harness racing industry in Australia. The key participants in the racing industry are outlined opposite:

In 2024-25, there were 30,776 roles occupied in the Harness Racing Industry - more than 67% of which were in regional areas of Australia

Participant	Roles	Number
Breeders & Breeder Staff	+ Own and maintain sires and/or broodmares + Responsible for producing the foals that provide the population of racing horses	3,595
Trainers	+ Tasked with preparing racehorses so that they are ready for racing	2,447
Owners	+ Purchase standardbreds (from breeders, trainers and/or other owners) for racing + Engage trainers to prepare their standardbred for racing	10,450
Stable Employees	+ Licensed support staff who provide care of standardbreds during race meetings	2,106
Racing Club & Industry Staff	+ Full time, part time and casual employees of racing clubs + Includes raceday and non-raceday employees + Employees of peak racing authorities + Includes wagering staff to the extent that racing activity supports the wagering activity in that jurisdiction	2,989
Drivers	+ Licensed participant who guides a standardbred from a two-wheeled sulky during training and races	1,462
Volunteers	+ Racing club and raceday volunteers who assist with the delivery of race meetings + Volunteers who assist trainers or breeders with their operations	7,727
Total		**30,776**

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

Racing Industry Supplier Network





Employment Generated by the Harness Racing Industry

JOBS SUPPORTED

In 2024-25, the economic activity generated by the harness racing industry in Australia was responsible for sustaining 11,372 full time equivalent (FTE) jobs.

Around 5,623 FTE jobs are supported within the racing sector (direct) and within businesses that support racing (first-round).

When the flow-on (induced) impacts of this created demand are also considered, total employment rises to 11,372. Employment in this sector includes both production induced effects (i.e. employment opportunities in the supply chain of production) as well as the jobs linked to consumption induced effects (when workers spend their wages and salaries – earned as a result of racing industry activity – back into the economy).

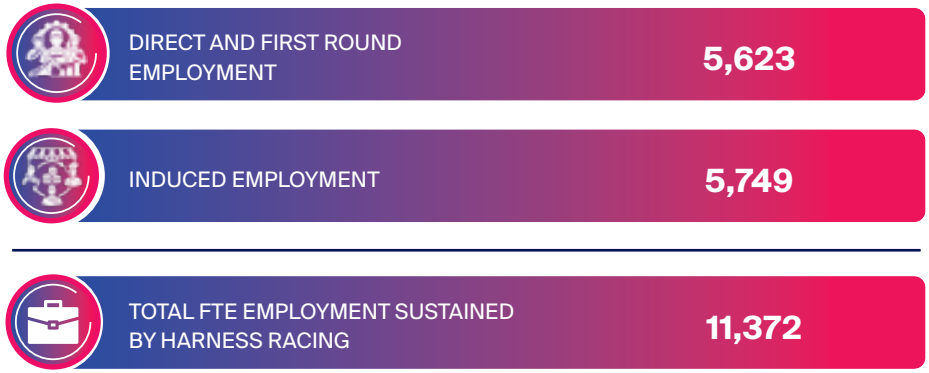
HOUSEHOLD INCOME

Harness racing generates extensive employment and therefore significant household income. The jobs that are directly sustained by harness racing created demand resulting in more than $386.0 million in wages and salaries. This represents the household incomes for those employed directly by the harness racing industry, or by those businesses who supply goods and services directly to the industry.

Additionally, those employed as a result of the induced demand created are beneficiaries of more than $545.2 million in household income.

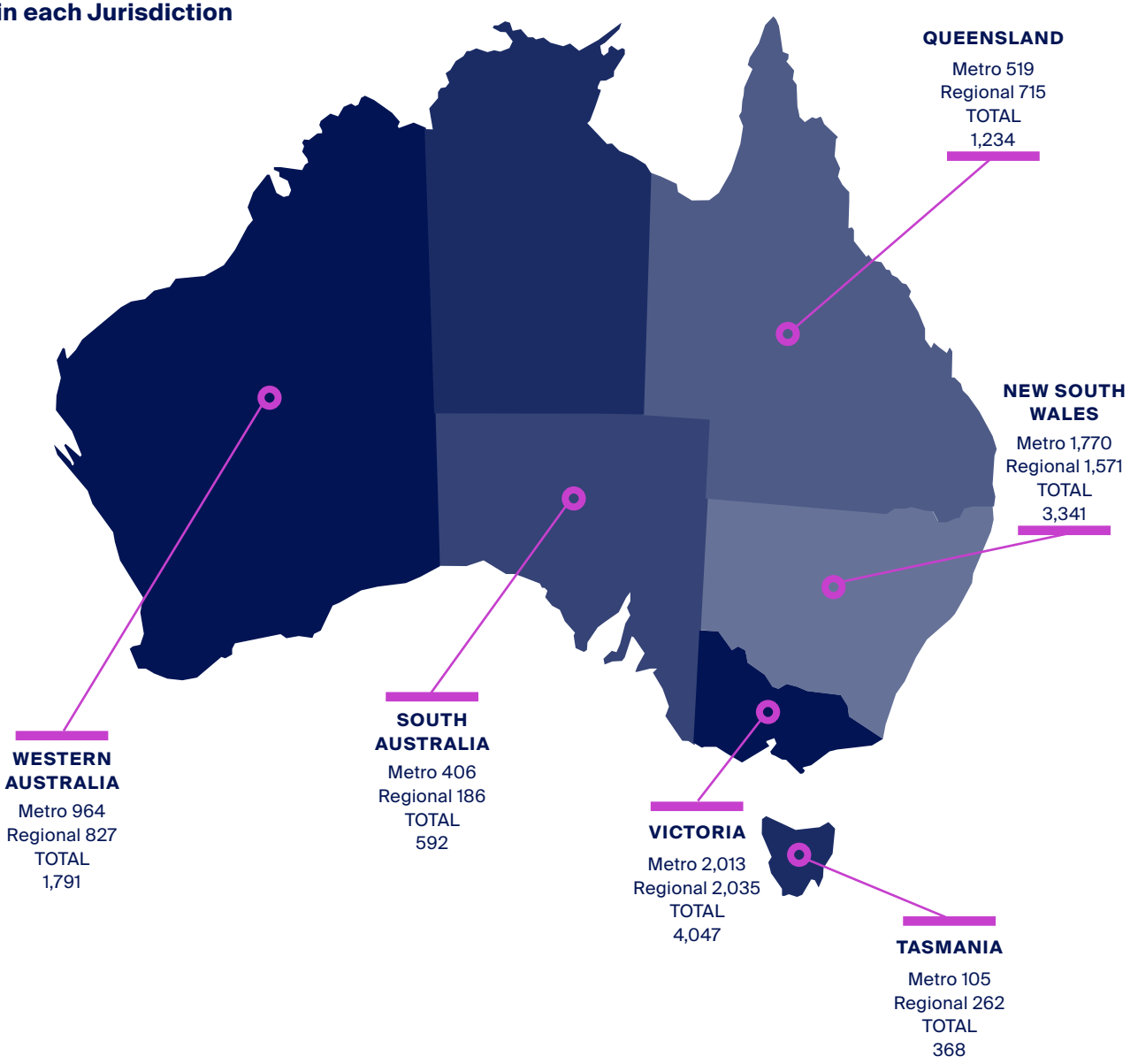
Therefore, the total household income generated, as a result of harness racing industry created demand, amounts to $931.3 million.

FTE Employment Sustained by Racing

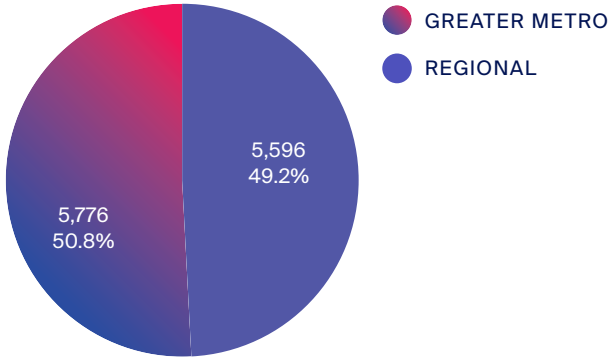


In 2024-25, the Australian Harness Racing Industry was responsible for supporting more than 11,300 jobs - 5,623 of which were direct and first-round employment impacts

FTE Jobs Supported by Harness Racing in each Jurisdiction



FTE Jobs by Region in Australia



Note: Metro regions have been defined by the Australian Bureau of Statistics SA4 regional framework which makes up the Greater Capital City Statistical Area (GCCSA). This means some traditional non-metropolitan harness racing tracks are considered as being in metro regions.

BATHURST HARNESS RACING TRAINING CENTRE

A new $4.7 million harness racing training centre has opened at Bathurst Harness Racing Club, strengthening the region's position as one of New South Wales' leading harness racing destinations.

The NSW Government contributed $2.9 million towards the development, which provides stabling for up to 72 horses and modern facilities for trainers and drivers.

The centre has been designed to make participation in harness racing more accessible, particularly for young and emerging industry participants who may not have the financial capacity to purchase or maintain their own training property.

Horse safety and welfare have been central to the development. Gates and other security features have been installed throughout the centre, while a sandy jog track located approximately 200 metres from the stables provides a suitable area for exercise and training drills.

Supporting infrastructure includes a new gravel car park with 27 spaces and a dedicated horse float parking area, making the facility more practical and accessible for participants travelling with horses.

Importantly, the centre is located alongside Bathurst Harness Racing Club, allowing participants to train close to one of the state's largest and most successful harness racing venues.

The Club conducts approximately 52 TAB race meetings each year and hosts several major events, including the annual Gold Crown Carnival in March. Proximity to the racecourse gives aspiring trainers and drivers direct exposure to a strong racing environment and creates opportunities to learn from experienced industry participants.

The facility is expected to help attract and retain the next generation of trainers and drivers by addressing one of the most significant barriers to participation—the cost of accessing suitable land, stabling and training infrastructure.

By making it easier for people to enter and remain involved in harness racing, the centre will help strengthen the local participant base and support the long-term sustainability of the industry.

The benefits will also extend beyond harness racing. Trainers, drivers and other participants from surrounding towns are expected to travel to Bathurst to use the centre and attend race meetings, generating additional expenditure across accommodation, hospitality, retail, fuel and other local businesses.

The training centre represents an important investment in regional racing infrastructure. It supports employment, encourages visitation and economic activity, improves horse welfare and provides a more inclusive and affordable pathway into harness racing.

Together with Bathurst Harness Racing Club's established racing program and major events, the centre will help Bathurst continue to develop as a hub for harness racing participation, training and competition in regional New South Wales.



Registered Breeders

	GREATER METRO	REGIONAL	TOTAL
New South Wales	154	599	753
Queensland	20	166	186
South Australia	61	50	111
Tasmania	1	84	85
Victoria	206	418	624
Western Australia	210	384	594
AUSTRALIA	**653**	**1,700**	**2,353**

Stallion Services#

	GREATER METRO	REGIONAL	TOTAL
New South Wales	276	1,076	1,352
Queensland	64	373	437
South Australia	56	94	150
Tasmania	3	167	170
Victoria	154	1,277	1,431
Western Australia	192	349	541
AUSTRALIA	**745**	**3,337**	**4,082**

Data provided by the State Controlling Body in conjunction with RISE Racing

Breeders Support Staff (Incl. Volunteers)

	GREATER METRO	REGIONAL	TOTAL
New South Wales	461	1,978	2,439
Queensland	61	547	608
South Australia	111	90	201
Tasmania	3	159	162
Victoria	252	510	761
Western Australia	378	691	1,069
AUSTRALIA	**1,265**	**3,974**	**5,239**

Foals Born

	GREATER METRO	REGIONAL	TOTAL
New South Wales	202	784	986
Queensland	54	195	249
South Australia	37	63	100
Tasmania	2	110	112
Victoria	103	851	954
Western Australia	126	231	357
AUSTRALIA	**523**	**2,234**	**2,758**

*Some totals may not add due to rounding

Note: Metro regions have been defined by the Australian Bureau of Statistics SA4 regional framework which makes up the Greater Capital City Statistical Area (GCCSA). This means some traditional non-metropolitan harness racing tracks are considered as being in metro regions.

Breeding Activity

The breeding sector provides the vitally important replenishment of racing horses to the racing industry.

At the top end of the breeding sector, 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 breeding foals.

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

Breeding operators derive the majority of their income from service fees, mare agistment and the public and private sale of their stock. This is funded by 'hands-off' breeders who invest in the development of standardbred bloodstock. This particular sector of the industry has great potential to generate economic impacts for the states, as breeders often sell their stock to interstate and overseas buyers, at sales events – generating export revenue for their individual jurisdictions.

A strong racing industry is an important precursor for a strong breeding sector.

In 2024-25, breeders in the Australian harness racing industry spent more than $108.4 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 and stallions as well as in the process of breeding and care for foals. In addition to this, breeders also incur costs for:

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

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

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



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

Key Breeding Statistics

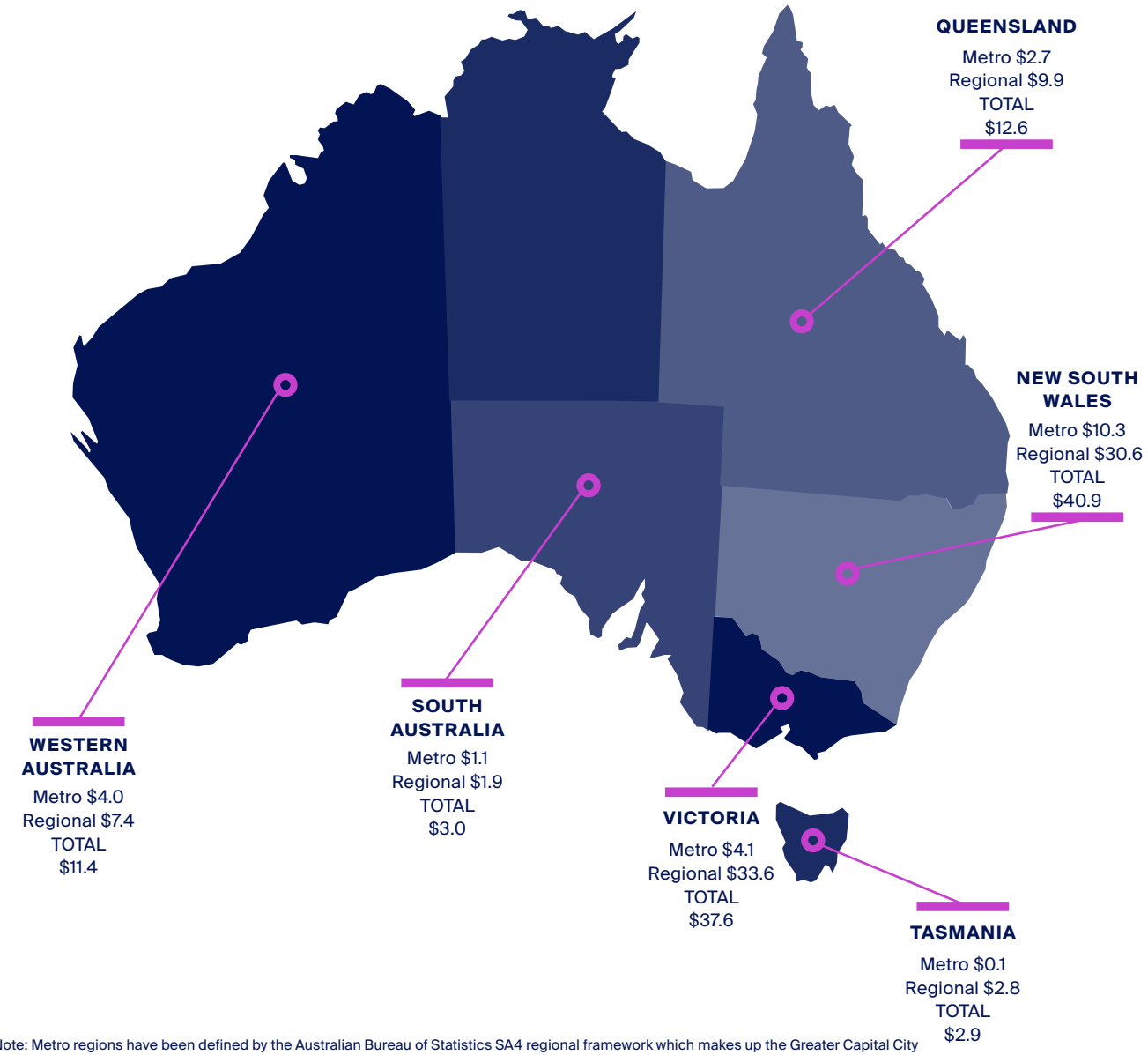
BREEDERS	2,353
STAFF AND VOLUNTEERS	5,239
STALLION SERVICES[#]	4,082
FOALS BORN	2,758

$108.4 MIL

EXPENDITURE BY THE BREEDING SECTOR ON PRODUCING STANDARDBREDS FOR RACING

[#] Data provided by the State Controlling Body in conjunction with RISE Racing

Total Expenditure by the Breeding Sector in Producing Horses for Harness Racing ($ Million)



Note: Metro regions have been defined by the Australian Bureau of Statistics SA4 regional framework which makes up the Greater Capital City Statistical Area (GCCSA). This means some traditional non-metropolitan harness racing tracks are considered as being in metro regions.

In 2024-25, more than $108.4 million was spent in the process of breeding horses for harness racing in Australia




Ladbrokes
GLOBE DERBY PARK
GLOBE DERB
South Australian Harne

Pacing for Pink – Harness Racing Supporting Cancer Care

Pacing for Pink continues to be a powerful example of the South Australian harness racing industry's commitment to community wellbeing, compassion and collective action. The initiative raises awareness and vital funds for the McGrath Foundation, supporting McGrath Cancer Care Nurses who provide essential care to individuals and families affected by cancer across regional and rural Australia.

In 2024, the Pacing for Pink campaign achieved an outstanding national fundraising result of $164,000. South Australia played a significant role in this success, with a record 26 drivers participating in the Pink Pants initiative. Drivers proudly wore customised pink driving pants throughout the campaign, helping to promote awareness, acknowledge sponsors and visibly demonstrate the industry's support for cancer care.

South Australia also introduced additional fundraising initiatives, which contributed to a record national total and were warmly acknowledged by the Pacing for Pink committee.

The Pink Pants initiative operates through a month-long sponsorship model, with drivers securing sponsorship to fund the production of pink driving pants branded with both driver and sponsor names. Drivers are encouraged to acknowledge their sponsors at race meetings and through media opportunities, strengthening connections between participants, businesses and the wider community. Since its inception, the initiative has attracted strong participation nationwide, with 250 drivers - male and female - supporting the campaign in 2024 alone.

Beyond the fundraising outcomes, Pacing for Pink has fostered a strong sense of camaraderie and unity across the South Australian harness racing industry. The initiative has helped position harness racing as a sport grounded in empathy and social responsibility, particularly given the personal impact cancer has had on many within the racing community. Funds raised directly support the McGrath Foundation's expanding workforce, which now includes more than 250 Breast Care Nurses, alongside an additional 100 nurses trained to support people with other forms of cancer.

As the Pacing for Pink team prepares for the 2026 campaign, there is a strong focus on building on previious year's success and further increasing participation across South Australia. With continued support from drivers, sponsors and industry stakeholders, Pacing for Pink demonstrates how racing can leverage its profile, people and partnerships to deliver meaningful social impact and make a genuine difference in communities across Australia.

Registered Owners (Incl. Syndicate Members)

	GREATER METRO	REGIONAL	TOTAL
New South Wales	862	2,094	2,956
Queensland	143	676	819
South Australia	436	364	800
Tasmania	53	452	505
Victoria	1,242	2,219	3,461
Western Australia	1,234	675	1,909
AUSTRALIA	**3,970**	**6,480**	**10,450**

Registered Trainers

	GREATER METRO	REGIONAL	TOTAL
New South Wales	155	550	705
Queensland	8	237	245
South Australia	88	82	170
Tasmania	43	95	138
Victoria	191	638	829
Western Australia	236	124	360
AUSTRALIA	**721**	**1,726**	**2,447**

Registered Stable Employees

	GREATER METRO	REGIONAL	TOTAL
New South Wales	105	267	372
Queensland	12	161	173
South Australia	107	87	194
Tasmania	45	80	126
Victoria	200	668	867
Western Australia	262	113	375
AUSTRALIA	**731**	**1,376**	**2,106**

Horses in Training

	GREATER METRO	REGIONAL	TOTAL
New South Wales	1,234	3,377	4,611
Queensland	13	1,083	1,096
South Australia	402	344	746
Tasmania	16	639	655
Victoria	835	3,760	4,595
Western Australia	1,140	755	1,895
AUSTRALIA	**3,640**	**9,958**	**13,598**

*Some totals may not add due to rounding

Ownership and Training

Owners and trainers play a central role in the harness racing industry in Australia. Owners provide much of the capital required to purchase, prepare and race standardbreds, while trainers turn that investment into the day-to-day care, preparation and raceday management of horses.

Ownership

There are 10,450 owners with an interest in racehorses in the harness racing industry nationally. Of these, 62% live in regional areas and 38% live in metropolitan areas. Their investment is a critical source of funding for trainers and supports employment and activity throughout the wider industry.

For many owners, participation is driven by a passion for racing and the enjoyment of ownership, rather than financial return alone. However, the $151.6 million in prizemoney on offer provides an opportunity to offset some of the costs involved and, in some cases, achieve a return on that investment.

Training

The training sector is responsible for preparing 13,598 horses for racing. It comprises 2,447 trainers and is supported by 4,013 stable employees and volunteers. Approximately 73% of training activity occurs in regional areas, with the remaining 27% occurring in metropolitan areas.

Training services typically include daily care, education, conditioning, trialling and raceday preparation. In most cases, owners fund these services through a daily training fee, which covers much - but not all - of the cost of caring for and preparing a racehorse.

Economic contribution of training

Owners spend an estimated $433.6 million each year preparing standardbreds for racing. This expenditure includes training fees as well as other costs associated with keeping horses in work and preparing them to race.

Expenditure varies by location and by stage of a horse's lifecycle. For example, the cost of educating an unraced horse differs from the cost of preparing an established three-year-old for racing. The assessment therefore applies expenditure profiles that reflect these differences and calculates the impact on a per-horse-in-training basis.

The assessment for each state also includes horses owned outside the state but trained within the jurisdiction. This ensures that all local training activity is captured, regardless of where the owner lives.

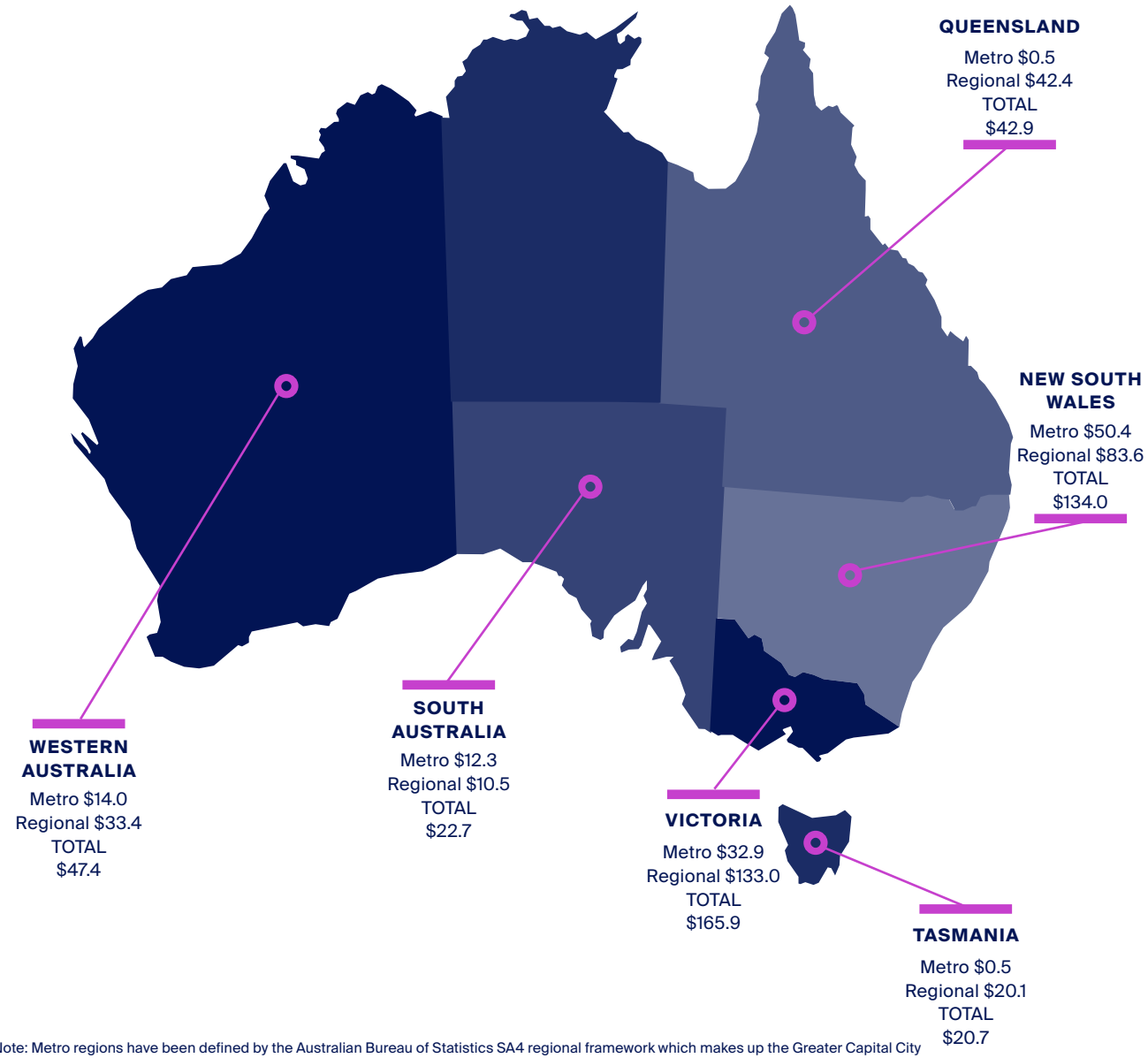
Key Training Statistics

TRAINERS	2,447
STABLE EMPLOYEES AND VOLUNTEERS	4,013
HORSES IN TRAINING	13,598
OWNERS	10,450
PRIZEMONEY ON OFFER	$151.6 MIL

$433.6 MIL

EXPENDITURE BY THE TRAINING SECTOR ON PREPARING STANDARDBREDS FOR RACING

Total Expenditure by the Training Sector in Preparing Horses for Racing ($ Million)



Note: Metro regions have been defined by the Australian Bureau of Statistics SA4 regional framework which makes up the Greater Capital City Statistical Area (GCCSA). This means some traditional non-metropolitan harness racing tracks are considered as being in metro regions.

In 2024-25, more than $433.6 million was spent in the process of preparing horses for harness racing in Australia


Ladbrokes
Ladbrokes
Ladbrokes
Australian Pacing Gold
Gatton Grass Cup Pace

Racing Reels Transforms Harness Racing's Digital Reach

Hamilton Content Creators has delivered a standout example of digital innovation through its Racing Reels series for Gloucester Park. Across the 2025 season, the series generated more than 18 million views on Facebook, attracted nearly 21,000 new followers and recorded almost 900,000 engagements - significantly expanding Gloucester Park's reach beyond traditional harness racing audiences.

Using on-cart GoPro footage, innovative camera angles and real-time audio, Racing Reels provided viewers with an immersive perspective of the speed, skill and intensity of harness racing. By presenting the sport through short, engaging and highly shareable videos, the series connected strongly with existing racing followers while making harness racing more accessible and entertaining for new and casual audiences. One of the most positively received videos featured leading trainer-driver Aiden De Campo narrating a race live from the sulky. Captured using three GoPros and a microphone, the video followed De Campo from the birdcage and warm-up through to the race itself, giving viewers a rare insight into the decisions, emotions and physical demands experienced by a driver. The season's most-viewed reel featured a rear-facing GoPro capturing Hillview Bondi charging three-wide and attracted approximately 1.3 million views.

The success of Racing Reels demonstrates how creative digital storytelling can increase awareness, strengthen audience connection and introduce harness racing to an entirely new generation of followers. The series established a new benchmark for the promotion of the sport and was recognised nationally through the 2025 Joseph Coulter Media Awards' Award of Merit for Demonstrated Excellence in Social Media Usage and Innovation.


BAR

Racing Clubs

	GREATER METRO	REGIONAL	TOTAL
New South Wales	4	23	27
Queensland	1	3	4
South Australia	2	6	8
Tasmania	1	6	7
Victoria	3	25	28
Western Australia	1	11	12
AUSTRALIA	**12**	**74**	**86**

Racetracks

	GREATER METRO	REGIONAL	TOTAL
New South Wales	4	22	26
Queensland	1	2	3
South Australia	2	4	6
Tasmania	1	7	8
Victoria	3	25	28
Western Australia	1	11	12
AUSTRALIA	**12**	**71**	**83**

Race Meetings

	GREATER METRO	REGIONAL	TOTAL
New South Wales	168	319	487
Queensland	152	144	296
South Australia	87	51	138
Tasmania	41	56	97
Victoria	119	317	436
Western Australia	98	157	255
AUSTRALIA	**665**	**1,044**	**1,709**

Races

	GREATER METRO	REGIONAL	TOTAL
New South Wales	1,357	2,660	4,017
Queensland	1,345	1,213	2,558
South Australia	804	356	1,160
Tasmania	327	423	750
Victoria	983	2,617	3,600
Western Australia	867	1,225	2,092
AUSTRALIA	**5,683**	**8,494**	**14,177**

Note: Metro regions have been defined by the Australian Bureau of Statistics SA4 regional framework which makes up the Greater Capital City Statistical Area (GCCSA). This means some traditional non-metropolitan harness racing tracks are considered as being in metro regions.

Racing and Wagering

There are 86 harness racing clubs currently operating throughout Australia. The majority of these clubs all race at their own tracks although some are tenants (at another club's track) and a couple operate in a shared facility under either a dual-code or tri-code arrangement. In total there are 83 harness racing tracks in Australia.

In 2024-25, these racing clubs were responsible for hosting 1,709 race meetings. In addition to hosting race meetings, a number of racing clubs also hold trials for the purposes of providing opportunities for standardbreds to prepare under race-like conditions.

Overall, harness racing clubs conduct 14,177 races across the racing season – or approximately 39 races per day. Race meetings not only provide the opportunity for participants to race their standardbreds, they also provide an important social destination for racing enthusiasts and in many regions, are an important part of the social fabric of the community. It is estimated that harness race meetings in 2024-25 attracted more than 795,000 attendances (including participants).

The clubs generally provide a bar service, catering and betting facilities for these on-track patrons. Some tracks also provide additional entertainment elements such as raffles, betting information and themed entertainment nights.

There are about 21,227 individuals who hold memberships with their harness racing club and many more who attend weekly as part of their social calendar.

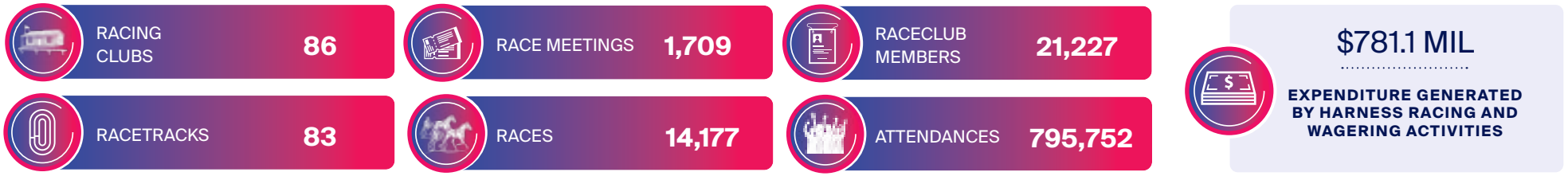
In 2024-25, racing and wagering activities were responsible for the generation of more than $781.1 million in expenditure.

This expenditure is made up of the following elements:

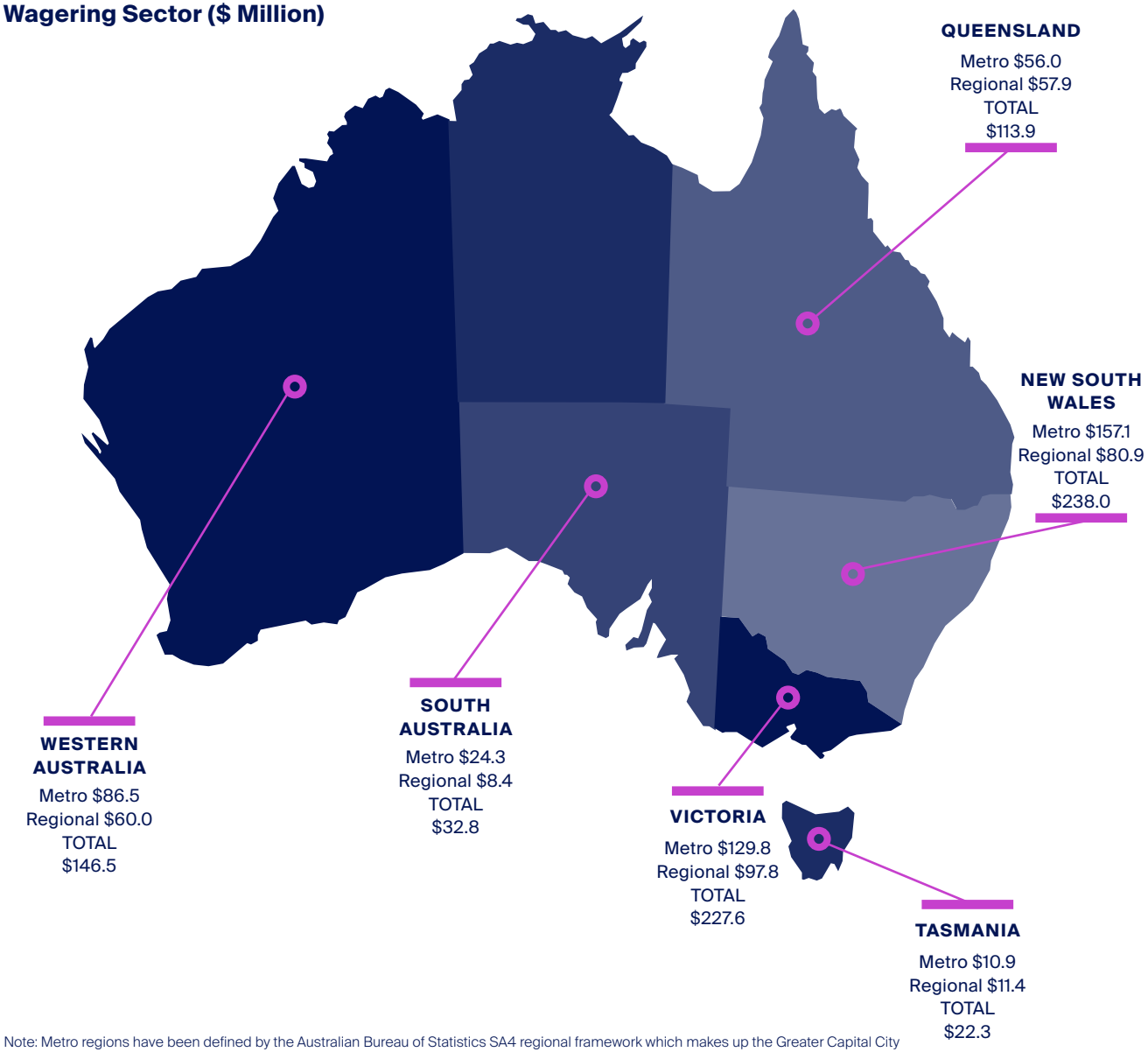
+ racing customer spending on raceday and non-raceday racing club products
+ product fee payments made by wagering service providers to peak racing authorities in each jurisdiction
+ wagering taxes paid by wagering service providers as a result of point-of-consumption turnover on harness racing
+ operational expenditure incurred by wagering service providers proportional to their fielding of harness racing wagers
+ racing customer spending off-track related to their attendance at the races
+ other non-wagering related revenues generated by peak racing authorities and racing clubs.

Note: the inclusion of wagering service provider expenditure impacts is based on the operational expenditure that is funded out of wagering activity, on harness racing, in each State and is based on data provided by Totalisator Agency Boards (TABs) and select corporate bookmaker organisations in Australia.

Key Racing Statistics



Total Expenditure within the Racing and Wagering Sector ($ Million)



In 2024-25 Harness Racing and wagering activities were responsible for generating more than $781.1 Million in spending nationally.

Note: Metro regions have been defined by the Australian Bureau of Statistics SA4 regional framework which makes up the Greater Capital City Statistical Area (GCCSA). This means some traditional non-metropolitan harness racing tracks are considered as being in metro regions.

Members

	GREATER METRO	REGIONAL	TOTAL
New South Wales	13,208	1,154	14,362
Queensland	280	228	508
South Australia	280	500	780
Tasmania	80	375	455
Victoria	1,079	2,756	3,835
Western Australia	370	917	1,287
AUSTRALIA	**15,297**	**5,930**	**21,227**

Attendances

	GREATER METRO	REGIONAL	TOTAL
New South Wales	136,550	151,500	288,050
Queensland	32,995	31,209	64,204
South Australia	21,800	9,825	31,625
Tasmania	20,440	23,300	43,740
Victoria	139,836	107,847	247,683
Western Australia	66,000	54,450	120,450
AUSTRALIA	**417,621**	**378,131**	**795,752**

Note: Metro regions have been defined by the Australian Bureau of Statistics SA4 regional framework which makes up the Greater Capital City Statistical Area (GCCSA). This means some traditional non-metropolitan harness racing tracks are considered as being in metro regions.



Running of the Bulls

The inaugural Running of the Bulls at Birchip showcased how innovation and community collaboration can breathe new life into country harness racing. Developed through a partnership between the Birchip Harness Racing Club, Harness Racing Victoria and major sponsor Cargill, Victoria's first harness slot race transformed a long-standing country meeting into one of the most anticipated events on the 2026 racing calendar.

The $125,000 feature demonstrated that major racing innovations do not need to be confined to metropolitan venues, with regional communities equally capable of creating destination events that capture industry and public attention.

Unlike traditional slot races that have focused on elite performers, the Running of the Bulls was specifically designed to celebrate grassroots harness racing. Restricted to emerging horses and country competitors, the race created opportunities for trainers, owners and drivers who may not ordinarily compete for feature race prizemoney. The innovative race conditions ensured the event remained accessible while encouraging widespread industry participation, with slot holders actively engaging in the promotion of both the race and the Birchip community.

The event exceeded expectations, with more than 5,000 patrons travelling to Birchip to witness the inaugural Running of the Bulls. The capacity crowd created an atmosphere more commonly associated with the sport's premier metropolitan events, delivering a significant boost to local businesses, accommodation providers and community organisations. Beyond the race itself, the event demonstrated how a feature harness race can become a catalyst for regional visitation, economic activity and community pride, while strengthening Birchip's reputation as a destination for country racing.

The Running of the Bulls highlights the important role that country harness racing clubs play in driving innovation across the Victorian racing industry. By combining community partnerships, local sponsorship, volunteer commitment and creative event design, Birchip has established a model that illustrates how regional racing can continue to evolve while preserving the grassroots values that underpin the sport. It provides a blueprint for other country clubs seeking to strengthen participation, grow attendance, increase tourism and create lasting economic and social benefits for their local communities.



New South Wales

KEY IMPACTS

VALUE ADDED ECONOMIC IMPACT
$531.4 MILLION

FTE EMPLOYMENT SUSTAINED
3,341 JOBS

HOUSEHOLD INCOME GENERATED
$269.9 MILLION

ROLES OCCUPIED IN RACING
9,692 ROLES

VOLUNTEERS
3,006 INDIVIDUALS

Harness racing in **New South Wales** is responsible for generating an economic contribution of **$531.4 million** - 45.7% of which is in regional areas

Racing and Wagering

INDICATOR	VALUE
Racing Clubs	27
Race Meetings	487
Races	4,017
Attendances	288,050
Prizemoney	$49.9 MIL

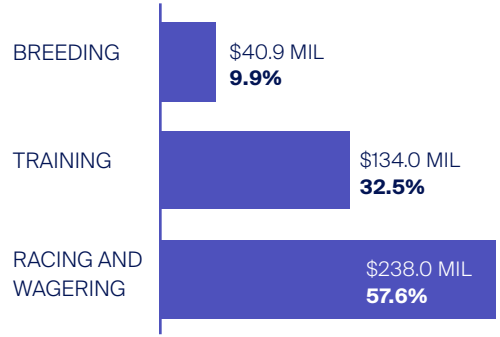
Training

INDICATOR	VALUE
Trainers	705
Stable Staff	372
Horses in Training	4,611
Owners and Syndicate Members	2,956

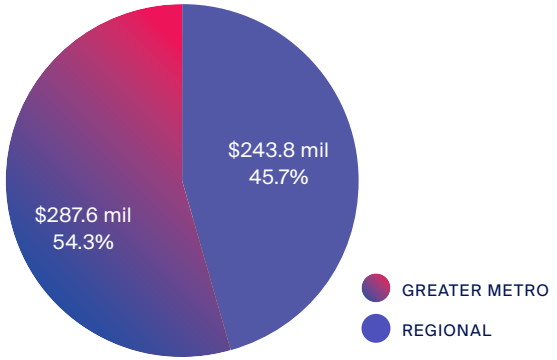
Breeding

INDICATOR	VALUE
Breeders	753
Breeders Staff	377
Stallion Services#	1,352
Foals Born	986

Contribution to Direct Spending Generated



Distribution of Value Added Economic Impacts



Note: Metro regions have been defined by the Australian Bureau of Statistics SA4 regional framework which makes up the Greater Capital City Statistical Area (GCCSA). This means some traditional non-metropolitan harness racing tracks are considered as being in metro regions.

Data provided by the State Controlling Body in conjunction with RISE Racing


J.P. STRATTON STAND

Queensland



KEY IMPACTS

VALUE ADDED ECONOMIC IMPACT
$222.9 MILLION

FTE EMPLOYMENT SUSTAINED
1,234 JOBS

HOUSEHOLD INCOME GENERATED
$122.4 MILLION

ROLES OCCUPIED IN RACING
2,715 ROLES

VOLUNTEERS
841 INDIVIDUALS

Harness racing in **Queensland** is responsible for generating an economic contribution of **$222.9 million** - 52.8% of which is in regional areas

Racing and Wagering

INDICATOR	VALUE
Racing Clubs	4
Race Meetings	296
Races	2,558
Attendances	64,204
Prizemoney	$25.5 MIL

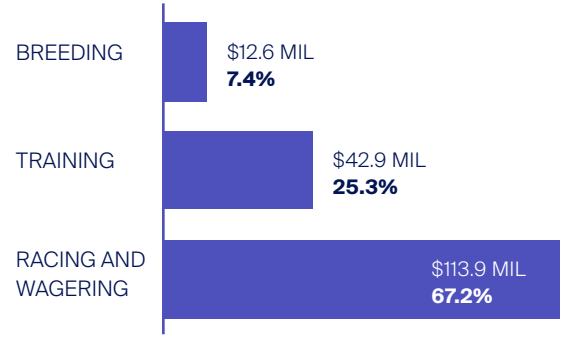
Training

INDICATOR	VALUE
Trainers	245
Stable Staff	173
Horses in Training	1,096
Owners and Syndicate Members	819

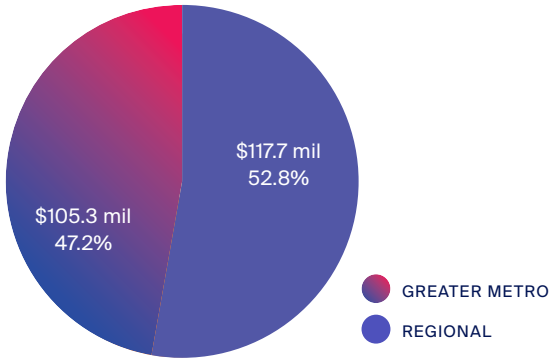
Breeding

INDICATOR	VALUE
Breeders	186
Breeders Staff	93
Stallion Services#	437
Foals Born	249

Contribution to Direct Spending Generated



Distribution of Value Added Economic Impacts



Note: Metro regions have been defined by the Australian Bureau of Statistics SA4 regional framework which makes up the Greater Capital City Statistical Area (GCCSA). This means some traditional non-metropolitan harness racing tracks are considered as being in metro regions.

Data provided by the State Controlling Body in conjunction with RISE Racing

South Australia

KEY IMPACTS

VALUE ADDED ECONOMIC IMPACT
$79.0 MILLION

FTE EMPLOYMENT SUSTAINED
592 JOBS

HOUSEHOLD INCOME GENERATED
$44.8 MILLION

ROLES OCCUPIED IN RACING
1,941 ROLES

VOLUNTEERS
446 INDIVIDUALS

Harness racing in **South Australia** is responsible for generating an economic contribution of **$79.0 million** - 70.3% of which is in metropolitan areas

Racing and Wagering

INDICATOR	VALUE
Racing Clubs	8
Race Meetings	138
Races	1,160
Attendances	31,625
Prizemoney	$6.2 MIL

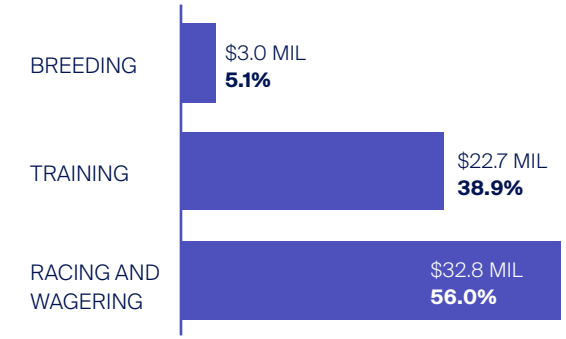
Training

INDICATOR	VALUE
Trainers	170
Stable Staff	194
Horses in Training	746
Owners and Syndicate Members	800

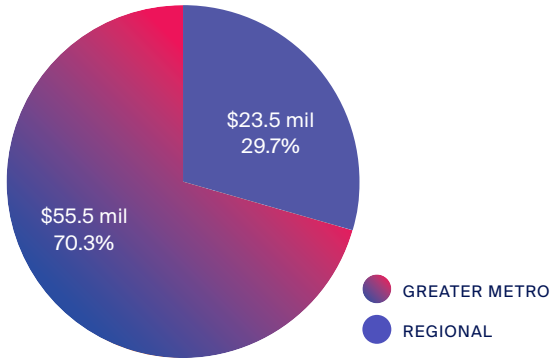
Breeding

INDICATOR	VALUE
Breeders	111
Breeders Staff	56
Stallion Services[#]	150
Foals Born	100

Contribution to Direct Spending Generated



Distribution of Value Added Economic Impacts



Note: Metro regions have been defined by the Australian Bureau of Statistics SA4 regional framework which makes up the Greater Capital City Statistical Area (GCCSA). This means some traditional non-metropolitan harness racing tracks are considered as being in metro regions.

[#] Data provided by the State Controlling Body in conjunction with RISE Racing

Tasmania

KEY IMPACTS

VALUE ADDED ECONOMIC IMPACT
$49.1 MILLION

FTE EMPLOYMENT SUSTAINED
368 JOBS

HOUSEHOLD INCOME GENERATED
$24.1 MILLION

ROLES OCCUPIED IN RACING
1,542 ROLES

VOLUNTEERS
345 INDIVIDUALS

Harness racing in **Tasmania** is responsible for generating an economic contribution of **$49.1 million** - 67.5% of which is in regional areas

Racing and Wagering

INDICATOR	VALUE
Racing Clubs	7
Race Meetings	97
Races	750
Attendances	43,740
Prizemoney	$8.3 MIL

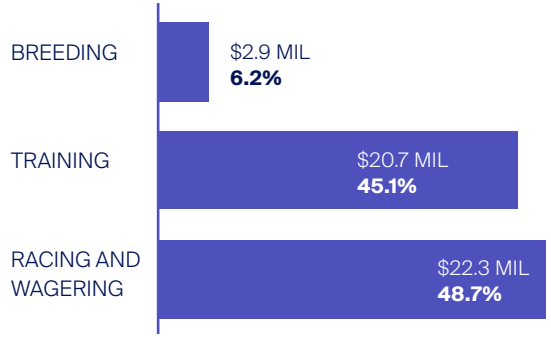
Training

INDICATOR	VALUE
Trainers	138
Stable Staff	126
Horses in Training	655
Owners and Syndicate Members	505

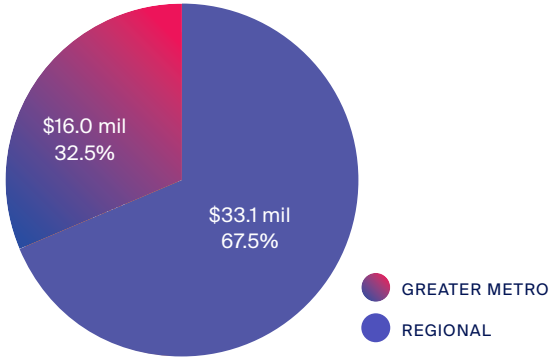
Breeding

INDICATOR	VALUE
Breeders	85
Breeders Staff	51
Stallion Services#	170
Foals Born	112

Contribution to Direct Spending Generated



Distribution of Value Added Economic Impacts



Note: Metro regions have been defined by the Australian Bureau of Statistics SA4 regional framework which makes up the Greater Capital City Statistical Area (GCCSA). This means some traditional non-metropolitan harness racing tracks are considered as being in metro regions.

Data provided by the State Controlling Body in conjunction with RISE Racing

Victoria



KEY IMPACTS

VALUE ADDED ECONOMIC IMPACT
$623.2 MILLION

FTE EMPLOYMENT SUSTAINED
4,047 JOBS

HOUSEHOLD INCOME GENERATED
$332.9 MILLION

ROLES OCCUPIED IN RACING
9,143 ROLES

VOLUNTEERS
1,818 INDIVIDUALS

Harness racing in **Victoria** is responsible for generating an economic contribution of **$623.2 million** - 41% of which is in regional areas

Racing and Wagering

INDICATOR	VALUE
Racing Clubs	28
Race Meetings	436
Races	3,600
Attendances	247,683
Prizemoney	$31.6 MIL

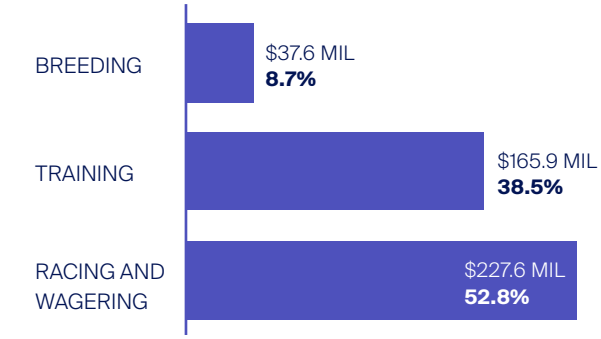
Training

INDICATOR	VALUE
Trainers	829
Stable Staff	867
Horses in Training	4,595
Owners and Syndicate Members	3,461

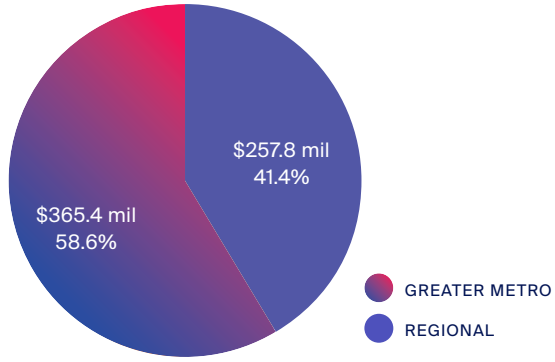
Breeding

INDICATOR	VALUE
Breeders	624
Breeders Staff	368
Stallion Services#	1,431
Foals Born	954

Contribution to Direct Spending Generated



Distribution of Value Added Economic Impacts



Note: Metro regions have been defined by the Australian Bureau of Statistics SA4 regional framework which makes up the Greater Capital City Statistical Area (GCCSA). This means some traditional non-metropolitan harness racing tracks are considered as being in metro regions.

Data provided by the State Controlling Body in conjunction with RISE Racing

Western Australia



KEY IMPACTS

VALUE ADDED ECONOMIC IMPACT
$260.7 MILLION

FTE EMPLOYMENT SUSTAINED
1,791 JOBS

HOUSEHOLD INCOME GENERATED
$137.2 MILLION

ROLES OCCUPIED IN RACING
5,743 ROLES

VOLUNTEERS
1,271 INDIVIDUALS

Harness racing in **Western Australia** is responsible for generating an economic contribution of **$260.7 million** - 45.6% of which is in regional areas

Racing and Wagering

INDICATOR	VALUE
Racing Clubs	12
Race Meetings	255
Races	2,092
Attendances	120,450
Prizemoney	$30.1 MIL

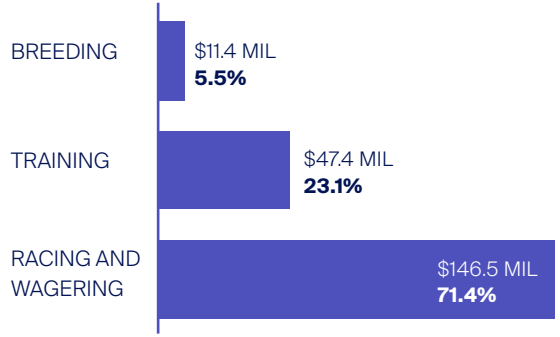
Training

INDICATOR	VALUE
Trainers	360
Stable Staff	375
Horses in Training	1,895
Owners and Syndicate Members	1,909

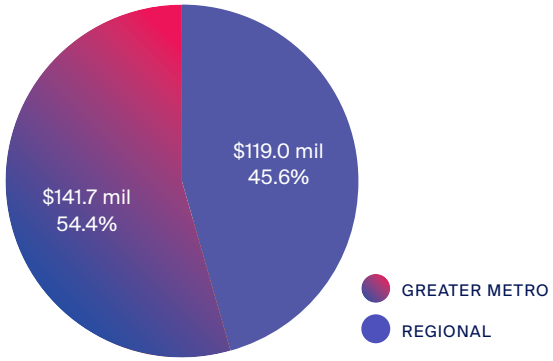
Breeding

INDICATOR	VALUE
Breeders	594
Breeders Staff	297
Stallion Services#	541
Foals Born	357

Contribution to Direct Spending Generated



Distribution of Value Added Economic Impacts



Note: Metro regions have been defined by the Australian Bureau of Statistics SA4 regional framework which makes up the Greater Capital City Statistical Area (GCCSA). This means some traditional non-metropolitan harness racing tracks are considered as being in metro regions.

Data provided by the State Controlling Body in conjunction with RISE Racing


Ladies Club

About IER

IER is one of Australia's leading economic, social and strategic research consultancies, specialising in the tourism, events, sport, racing, arts and entertainment sectors. For more than three decades, IER has delivered independent economic and social impact assessments, industry benchmarking studies and strategic research for government agencies, industry bodies and private organisations throughout Australia, New Zealand and Asia.

The racing industry represents one of IER's core areas of expertise. Over the past thirty years, IER has undertaken comprehensive Size and Scope studies for every major racing jurisdiction in Australia, providing governments and industry stakeholders with robust evidence on the economic, employment and social contribution generated by the thoroughbred, harness and greyhound racing industries.

Recent racing industry studies undertaken by IER include:

+ Victorian Racing Industry - 3 codes
+ New South Wales Racing Industry - harness and greyhounds
+ Queensland Racing Industry - 3 codes
+ Western Australian Racing Industry - 3 codes
+ South Australian Racing Industry - 3 codes
+ Tasmanian Racing Industry - 3 codes
+ Northern Territory Thoroughbred Racing Industry
+ New Zealand Racing Industry - 3 codes
+ Asian Racing Federation - 27 jurisdictions

Beyond racing, IER has also undertaken Size and Scope studies across a range of major sporting and entertainment sectors. This includes preparing the Australian Football League's national Size and Scope study over the past five years, along with economic contribution studies for numerous major sporting organisations, events and venues throughout Australia and New Zealand.

ECONOMIC MODELLING

The economic modelling for this study has been undertaken by Barry Burgan (B.Ec (Hons)), Director of Economic Research Consultants Pty Ltd.

Barry is one of Australia's most experienced economic impact practitioners, with extensive expertise in economic modelling, regional development, public policy and cost-benefit analysis. Throughout his career he has worked across government, academia and the private sector, specialising in the application of input-output and computable general equilibrium modelling to major industries, infrastructure projects and events.

Barry has been responsible for the economic modelling underpinning many of Australia's leading racing industry studies and continues to provide independent economic modelling and advisory services to IER.

Economic Methodology

The purpose of this study is to measure the contribution made by the Harness Racing Industry nationally. In this way, it is a generalised measure of the industry's contribution to each of the state economies and, in aggregate form, to the national economy.

BASIS OF EVALUATION

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

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

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

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

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

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

The result of an unconstrained whole of economy or general equilibrium model underpinned by input-output tables, is a prominent process for translating direct created expenditure (a final demand stimulus) of industries or projects into jobs and incomes, and for establishing the extent of the flow-on impact.

There is some level of academic argument about appropriate models for converting increases in external expenditure (final demand) into regional economic impacts. The critics of using unconstrained models such as input-output tables often argue that they overstate the value of an industry – and reference that "multiplier" impacts are taken as method of ratcheting up the stated value (noting that this study uses an impact assessment rather than multipliers per se). This criticism would be valid when analysts applied turnover multipliers but is not the case with the more appropriate use of value added multipliers – which translate the expenditure estimates to national accounting framework measure with a whole of economy context.

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

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

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

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

It should be emphasised that this methodology includes the identification and inclusion of local expenditure associated with harness racing within the state economy. The economic impacts determined by this approach do not represent the value that would be lost to the state if the industry did not exist. Generally, when considering expenditure by locals it is often held that substitution is a significant factor in whether that spending would be lost to the economy. Taking the harness racing industry as an example, it is likely (under a scenario where it no longer existed) that much of the local resident spend would substitute to other activities. Depending on where this spending occurs the overall economic impact of that spending could be higher or lower than what it was when spent on racing.

What this study calculates is the level of direct and induced employment and income that is linked to people choosing to spend their entertainment dollar on racing (after allowing for imports which are used in the production process). This could be considered the gross economic impact of the sector and is therefore a measure of its significance generally. If a similar gross impact was calculated for every other sector of the economy, then the sum of the impacts would be considerably greater than the size of the economy in total.

An alternative methodology would be to measure the net economic impact. Such a study would represent the extent to which this industry expenditure is supported by revenues that can be considered new to the state or region. This would include the supply of services by the local industry to harness racing activities in another state/territory. It would also include the spending made by tourists or visitors to the state whose main reason for visiting is to attend/ participate in the races and wagering by out-of-state residents on local racing product. Finally, it would include industry revenues that locals spend where they would not spend it in the state but for their involvement in the activities of racing.

It would also reasonably be expected that some race attendees would attend events interstate if they were not available in their home state, and that some operators would base their operations interstate if this was the case. The information required for this assessment is not available, and as such is out of the scope of this analysis.

ESTIMATES OF EXPENDITURE BY THE INDUSTRY

This study of the harness racing industry is undertaken by firstly identifying the expenditures generated by the industry and then applying this expenditure to each state's input-output model.

The state input-output models used to develop each state's analysis have been prepared using the latest ABS national input-output table as a base and has been created using the location quotient method and using state labour force and national accounts data and updated to the relevant year for inflation.

The model condenses the industry structure of the national input-output table to a 26 industry sector level focusing on industries more directly impacted by production activity in the racing industry. The approach identifies the structural context of expenditure and then applies this to industry sectors from which point it is assumed that the general industry production function can be applied.

The estimated harness racing industry expenditure is determined at two levels. Firstly, the industry expenditure generated by harness racing within each state is identified, as well as the region in which this spend occurs. Secondly, final expenditures are allocated to the model's industry sectors. Expenditure on labour in the racing sector itself is allocated to the sport and recreation sector.

By allocating these expenditures in this way, the imports required to support harness racing industry activity can be estimated for the production function of respective industry sectors and excluded as they represent a leakage from the state economy.

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

ADJUSTMENT OF EXPENDITURES

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

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

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

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

DISTRIBUTION TO REGIONS

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

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

ACKNOWLEDGEMENTS

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

- Harness Racing Australia
- Peak racing authorities in each jurisdiction
- Racing Clubs
- RISE Racing Pty Ltd
- Responsible Wagering Australia
- Various Australian based wagering providers
- Participants who provided financial data on breeding and training standardbreds

DISCLAIMER

This report (Report) has been produced independently by IER as requested by Harness Racing Australia (HRA).

The report has been prepared to meet the requirements set out by HRA within the terms of reference. The information, statements, statistics and commentary (together the 'Information') contained in this report have been prepared by IER from a combination of data sourced from the harness racing industry in each state and from government and private sector businesses aligned to the racing industry.

IER has prepared this report on the information that was received or obtained, on the basis that such information is accurate and, where it is represented to IER as such, complete. Some of the information contained in this report has not been subject to audit.

The analysis has been undertaken in a consistent format and with consistent assumptions to evaluations of other projects and studies of the racing industry (for consistency and comparative purposes). 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 though 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 in 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 dtate 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 on the economy in each state.

Definitions

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

- **Direct Expenditure** - is defined as expenditure associated with producing racing horses (breeding), preparing racing horses (training), racing customer expenditure, expenditure in each State funded by wagering revenues and expenditure by PRA and racing clubs on operating the industry. Direct expenditure is counted at the point at which it leaves the racing industry and hits the broader economy

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

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

- **Total Value Added** – is the sum of the Direct Value Added plus the Flow-on Impact – which represents the total wage and salary income plus gross operating surplus generated directly in providing the goods and services involved in the direct in-scope expenditure and the wages and salaries generated as an extension. It therefore represents the contribution to Gross State Product resulting from the events and activities of the harness racing industry in each state/territory

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

- **Household income** - is defined as being wages and salaries (before tax) earned from employment generated as a result of the activity of the harness racing industry

- **Participants in racing** - is defined as being the number of employees (full time, part time and casual), participants and volunteers directly involved in the harness racing industry. Does not include down-the-line suppliers of goods and services. Note: due to data kept on licensed participants, it is likely that there is some level of duplication in the analysis of participants in racing.

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

HRA
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