# Racing Victorian Government

**Submission to DEDJTR’s Regional and Economic Strategy and Service Delivery Model Review**

April 2015

## Introduction

Racing Victoria Limited is the governing body for the Victorian thoroughbred racing industry. On behalf of the racing industry we welcome the opportunity to contribute to the Government’s review of its regional and economic strategy and service delivery model.

The racing industry makes an enormous contribution to regional Victoria. More than 114,100 people are directly involved in the racing industry as an employee, volunteer or participant with over 60% of these residing in regional Victoria. The industry supports economic activity and employment in activities as diverse as on-course retail and hospitality, horse handling and training, breeding, wagering operations, track maintenance, marketing and promotion, accommodation and transport, tourism, veterinary medicine, animal feed and riding equipment.

Racing stages major regional events across Victoria, with country cups meetings often a critical driver of tourism and visitation to regions. In 2015, 62 country race tracks are expected to host over 400 race meetings across 363 days of the year. In 2013, country race meetings were attended by 641,828 patrons. Racing clubs are also important community facilities.

Whilst racing is undoubtedly part of the lifeblood of many regional communities, there is no doubt that it has not yet reached its full potential. Strategic investment in racing infrastructure and events, in partnership with government, is required to unleash the untapped potential of racing. With the right investments, racing can make an even larger contribution to the economic development of regional Victoria.

## Racing’s contribution to regional Victoria

*“Labor understands the importance of funds dedicated to regional jobs…sending a clear message…that Labor backs growth and employment in rural and regional Victoria.”* – Back On Track – Labor’s Plan for Regional Victoria, 2014.

Victoria’s thoroughbred racing industry makes a vital economic and social contribution to regional Victoria. The industry’s total value-added impact on regional Victoria was estimated to be $971 million in 2013.

The Victorian thoroughbred racing industry generates economic activity that sustains over 8,000 FTE jobs in rural and regional Victoria. Most of these jobs would simply not exist without the racing industry given they are not plentiful in the marketplace (e.g. horse care). As such, they are an important avenue of employment for young rural and regional Victorians in particular. The salaries and wages generated by those employed in the thoroughbred racing industry in regional Victoria total to approximately $336 million.

The thoroughbred breeding industry supports the racing industry through the production of racing stock. There are approximately 1,200 thoroughbred breeders in regional Victoria who spend a combined $157 million each year on producing almost 3,500 foals each year. Victoria’s thoroughbred breeding industry is supported by the Victorian Owners and Breeders Incentive Scheme (VOBIS), a joint initiative of Racing Victoria and the Victorian Government. Breeders play a crucial role in supporting the industry through the production of local racing stock through to providing avenues for racehorses to continue contributing to the industry after they retire from racing.

Racing is also an important driver of tourism to regional cities and towns, with iconic country race meetings such as the Warrnambool Cup Carnival, the Swan Hill Cup Carnival, Dunkeld Cup, Ballarat Cup, Geelong Cup and Hanging Rock Cup drawing thousands of visitors. These race meetings are the hook for large scale visitation which flows on to local hospitality and tourism businesses in particular.

Racing in Victoria has a deep connection with regional communities, with hundreds of community organisations and charities receiving financial assistance from racing clubs. Our industry also fosters the spirit of volunteerism with more than 2,000 people providing their time and services to racing clubs across Victoria. Importantly, racing is a family sport that is accessible to the whole community, with patrons and participants drawn from a diverse range of socioeconomic and cultural backgrounds and no gender barriers. Racing events are often paired with community and family activities, making them a fun and affordable entertainment option for families in regional communities.

In addition, racing facilities are shared with a wide range of community organisations such as Rotary Clubs, other sporting clubs, riding for the disabled, schools and universities, scout and girl guide groups and health and fitness groups – just to name a few. Racecourses also play a vital role for bushfire prone communities with many serving as designated CFA fire shelters.

Racing provides education and training opportunities for many of its participants through a number of nationally accredited Vocational Education and Training courses in disciplines such as horse training, riding, stablehand, stud management, racing administration, racecourse management, stewarding and barrier attendants.

Finally, Victorian racing expertise is in demand around the world, with exports estimated to be worth approximately $30 million per annum, with the major trading partners being Hong Kong, Singapore, South Africa and Japan.

## Racing’s potential to help drive economic growth in regional Victoria

Whilst racing makes a demonstrably significant contribution to regional economies and communities, its potential has not yet been fully realised. Racing Victoria believes that our industry can play an important role supporting the further economic development of regional Victoria.

Racing Victoria warmly welcomes the Andrews Government’s strong commitment to regional Victoria through the establishment of the $500 million Regional Jobs and Infrastructure Fund. With the racing industry’s importance to regional economies and communities as outlined above, Racing Victoria believes that strategic investment by the Government in racing infrastructure and events – in partnership with the industry – can protect and further grow these economic impacts.

Currently, the racing industry is self-funded. The small level of government funding the industry does receive is generally through the Victorian Racing Industry Fund (VRIF), which consists entirely of unclaimed wagering dividends. Unlike other sports, racing receives little in direct budget funding. This funding structure enables racing to survive rather than thrive. The Andrews Government’s Regional Jobs and Infrastructure Fund provides racing with an opportunity to partner with the Government to secure and create jobs, and build stronger regional communities.

Racing Victoria and Country Racing Victoria are preparing to implement our three year Victorian Country Racecourse and Training Facilities Infrastructure Plan. This plan will secure racing at each of the 62 country race tracks currently racing across Victoria as well as work towards strategic infrastructure upgrades at key race tracks, including the potential installation of lights to enable night racing at Pakenham and the widening of the track at Seymour. Options to widen and improve the tracks at Wodonga, Wangaratta, Kilmore, Swan Hill and Sale are also under investigation. There are numerous opportunities to enhance the visitor experience for racing patrons through upgrades to customer facilities in conjunction with individual racing clubs.

Where there are identified needs for additional general-purpose community facilities in regional Victoria, Racing Victoria encourages the Government to consider locating these on racecourses in partnership with the relevant racing club. This has the potential to significantly improve race day facilities for patrons as well as provide a general-purpose community facility for year-round use outside race days.

Better on-course patron facilities, coupled with a higher standard of racing infrastructure, will lead to greater patronage at country race meetings and ultimately an increased economic benefit for local communities.

Strategic investment in training facilities can also produce economic benefits for regional communities. For instance, Racing Victoria sees opportunities to attract interstate and international trainers to regional Victoria where appropriate facilities are established. Expansion of regional training facilities will create ongoing jobs and direct benefits to local businesses.

Opportunities also exist for racing infrastructure to play a role in achieving broader economic and community objectives in regional Victoria. In many communities racecourse land may lend itself well to commercial, residential and/or community development purposes. Racing facilities are also potentially well suited to enable significant sustainability initiatives such as water capture and storage or solar power. Racing Victoria would be pleased to work with the Government explore the scope for these broader opportunities.

## Conclusion

The racing industry makes a significant contribution to the economies and communities of regional Victoria. Its geographic spread enables it to make a contribution to employment, tourism and major events, training and skills development and export growth right across the length and breadth of the state.

This contribution should not be taken for granted, nor should its potential to significantly grow be ignored. By developing a partnership with government and through strategic investments, the racing industry can play a major role in ensuring strong economic growth and more jobs in regional Victoria. We look forward to opportunities to work with the Government to that end.