Racing NSW

# STRATEGIC PLAN

## 2024



# INTRODUCTION

**This Strategic Plan has been drafted in two parts.**

**The first part presents the current status of the industry and the challenges it faces.**

**The second part outlines the solutions and strategies to meet the challenges and to maintain and keep up the significant progress the industry has achieved**

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# PART 1

# CURRENT STATUS OF THE INDUSTRY

## *Industry Funding*

The continued payment of returns to owners and participants relies on the funding secured by Racing NSW for the NSW Thoroughbred Racing Industry.

Wagering revenues fund prizemoney, which supports the livelihoods of the 50,000 participants in the NSW Thoroughbred Racing Industry. Sustaining and growing wagering revenues is uniquely critical to racing. It ensures the industry remain viable.

This industry funding has grown through a long term strategy which includes:

1. Generating as much turnover as possible on the NSW product, through initiatives such as the following which have collectively seen turnover double since 2012

    a.Creating new innovative races to generate attention and awareness of the product, with the halo effect and publicity received from these races benefiting the entire industry year round;

    b. Improving field sizes by investing in racing and training infrastructure and programming and handicapping strategies;

    c. Increasing the reach of racing, such as by obtaining free to air broadcasts on Channel Seven each Saturday and improving international distribution;

    d. Growing engagement with racing, particularly with the younger demographic, with The Everest Carnival in particular being the single biggest contributor of attracting a new and younger audience to racing;

2. Ensuring that the NSW Thoroughbred Racing Industry is at all times obtaining the appropriate revenue share from turnover, or other sources. This includes:

    a. After identifying the need for new wagering operators to pay appropriate fees, Racing NSW sought legal advice on copyright which ultimately led to Race Field legislation. The new wagering operators challenged the racing industry's right to charge such fees. Accordingly, Racing NSW successfully defended the Race Field legislation and the right to charge race field fees to wagering operators in the High Court of Australia, in a victory that has already seen over $1.5 billion of revenue received by the industry since 2012.

b. Negotiating with the NSW Government for the NSW Racing Industry to receive parity with Victoria with regards to wagering taxes paid by Tabcorp. This tax parity was implemented over 5 years from 2016 and has since generated over $451 million of revenue for the industry.

c. Negotiating with the NSW Government for the NSW Racing Industry to receive a share of the Point of Consumption Tax when it was introduced in 2019, given that this tax would limit the industry's ability to ever increase it's own race field fees. Total revenues received from Point of Consumption Tax since 2019 are $257 million;

d. Maximising revenues from Tabcorp and holding Tabcorp to account for its obligations at all times;

e. Maximising media rights revenues for NSW race clubs, which included amalgamating all race club rights and selling these to Sky Racing at the time that TVN was dissolved. This transferred the industry from a financially disastrous agreement with TVN to one that has provided tens of millions of dollars in ongoing media rights fees, plus a $28 million upfront payment to the ATC which was used to repay an historic bank loan;

f. Securing new revenue opportunities such as selling digital vision rights which provided for a significant, but never before available revenue stream for the industry has provided tens of millions of dollars in ongoing media rights fees, plus a $28 million upfront payment to the ATC which was used to repay a historic bank loan.

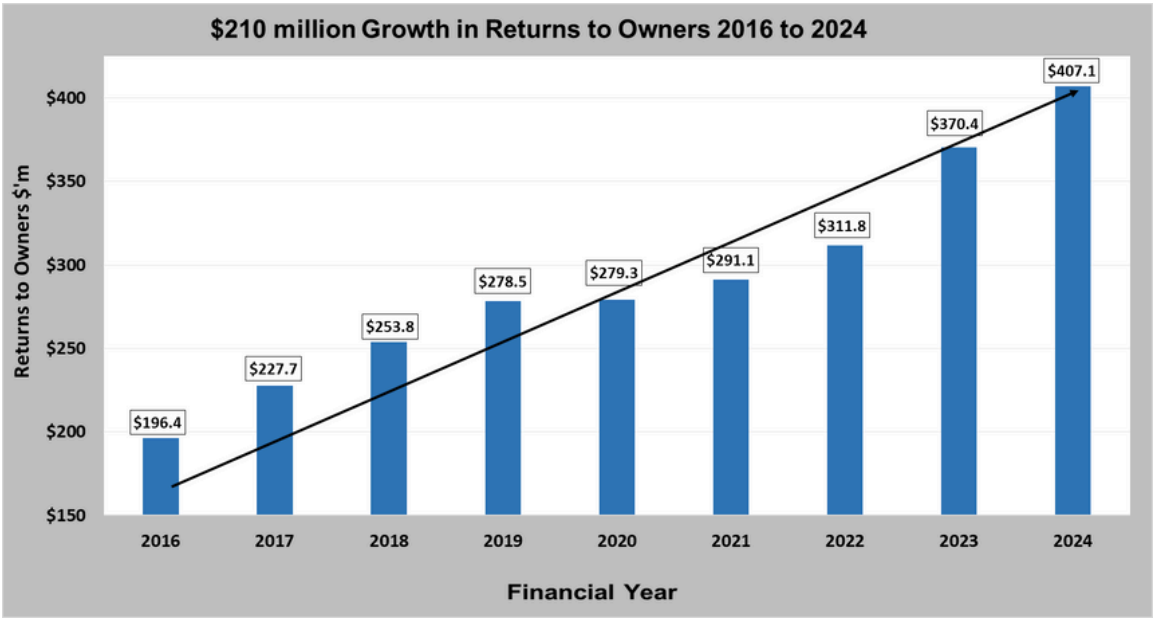
g. Negotiations on international pooling agreements and negotiating the sale of NSW races internationally, with these negotiations by Racing NSW now generating over $25 million of revenue per annum that is paid directly to NSW race clubs.

The above industry funding however cannot and should not be taken for granted. There are challenges to these revenue streams and Racing NSW's continued vigilance in protecting and growing this funding is critical to sustain the current levels of returns to owners and participants.

# Returns to Owners and Participants

Promoting the ownership of racehorses is a critical strategy to ensure the continued growth of the NSW Thoroughbred Racing Industry. Sustaining and growing field sizes is what drives wagering and to this end, increasing prizemoney levels and defraying the costs of owners has been a critical strategy for Racing NSW.

Returns to owners and participants in NSW has grown from $196 million in 2016 to over $407 million in 2024. That is an increase of $210 million or 107%.




Without this prizemoney, the continued investment by owners would not have been viable and the volume of horses in training would have drastically declined. Ownership of horses is expensive and there is still a significant disparity between total prizemoney paid and the total costs of ownership, meaning owners are subsidising the industry by as much as $273 million per annum as set out below.

# Net Contribution of Owners

Previous Strategic Plans discussed the collective returns to owners throughout NSW and how these returns compare to the costs of preparing horses for racing.

Racing NSW has collected training cost information from a cross-section of trainers in order to estimate the total payments made by owners for racehorse training, veterinary and spelling costs.

Assuming a horse is in work eight months and spelling four months each year, a survey of Metropolitan, Provincial and Country trainers reveals the average annual training, racing, spelling and veterinary costs to be:

| | |
|---|---|
| Metropolitan | $70,023 |
| Provincial | $57,166 |
| Country | $47,452 |
| Country (Hobbyist-Owner/Trainer | $18,564 |

Based on these figures and prizemoney paid for the 2023/24 financial year, the estimated total annual costs of having horses trained and returns to owners are:

| ***Description*** | ***$*** |
|---|---|
| Annual Training, Spelling, Veterinary, Racing Costs, and Other Costs (does not include cost to purchase or breed a horse) | 567m |
| Prizemoney and Bonuses; net of trainer's, jockey's and stablehand's percentages and welfare deductions | -295m |
| Deficit met collectively by owners | 273m |
| Collective Return on Training, Spelling, Veterinary and Racing Costs | 51.9% |

In short, owners receive $295 million yet pay out $567 million. This $273 million deficit places pressure on the viability of thoroughbred ownership and illustrates the critical importance of ensuring maximum levels of prizemoney can continue to be paid.

Minimizing the shortfall between training and racing costs and prizemoney paid to owners, is a key challenge as the costs of being involved as an owner is directly related to the continued growth or decline of the racing industry.

This is further compounded by the fact that there is a marked disparity in the distribution of returns among the collective group of owners in any given year. Owners of the most successful horses receive a return in excess of their costs of training and racing. Conversely a larger group of owners who race less successful horses have returns well below the collective average of 51.9%.

Owners are prepared to sustain losses up to the level which reflects their enjoyment as participants in the industry, which has been underpinned by minimum prizemoney increases and the spread of returns down to tenth place.

Therefore, minimizing this level of collective losses remains an important priority for the health of racing going forward.

Without increases in prizemoney and aspirational races, many owners would have either reduced their participation or left the industry entirely. Due to the many options a person has to spend their disposable income on for entertainment, there is a time when being part of horse ownership is no longer value for money compared to other entertainment pursuits. This would lead to a spiral of decline through smaller field sizes and lower wagering revenues.

The deficit between the costs of horses racing and training has been mitigated by increases in minimum prizemoney, with the non-feature prizemoney increases between 2017/2018 and 2023/24 summarised below.

# Minimum Prizemoney Levels

| Race Type | 2024 | 2018 | First Strategic plan 2004 |
|---|---|---|---|
| Metropolitan Saturday | $160,000 | $100,000 | $45,000 |
| Highway/Midway | $120,000 | $60,000 | N/a |
| Metropolitan Public Holiday | $65,000 | $50,000 | $40,000 |
| Metropolitan Midweek | $60,000 | $40,000 | $20,000 |
| Provincial | $42,000 | $30,000 | $9,000 |
| Country TAB | $27,000 | $20,000 | $5,000 |
| Country Sky 2 | $16,000 | $10,000 | N/a |
| Country Non-TAB | $12,000 | $6,000 | $3,500 |
| Picnic | $7,000 | $2,500 | $1,500 |
| Country Showcase | $30,000 | $30,000 | N/a |
| Metro Super maiden | $100,000 | N/a | N/a |
| Provincial super maiden | $60,000 | N/a | N/a |
| Country super maiden | $50,000 | N/a | N/a |
| Country boosted races | $30,000 | N/a | N/a |
| Country boosted Showcases | $35,000 | N/a | N/a |
| Provincial and Midway boosted races | $45,000 | N/a | N/a |

In addition to these increases, Country Showcase meetings with minimum prizemoney of $30,000 per race have been increased, Country Boosted races at $30,000 prizemoney per race for country-trained horses commenced in September 2022 along with Midway and Provincial only races added to provincial programmes with prizemoney of $42,000.

In September 2023, Racing NSW introduced $6.5 million per annum of Super Maidens across all sectors of racing.

In addition to minimum prizemoney for non-feature (bread and butter races), increases in minimum prizemoney for Group and Listed races between 2017/2018 and 2023/24 summarised below.

| Race Type | 2024 | 2018 | First strategic plan 2004 |
|---|---|---|---|
| Group 1 | $750,000 | $500,000 | $330,000 |
| Group 2 | $300,000 | $200,000 | $140,000 |
| Group 3 | $250,000 | $150,000 | $100,000 |
| Listed | $200,000 | $125,000 | $70,000 |

## Cost of Participation

A key element of all Racing NSW Strategic Plans is the defraying of owners costs. This has been met as much as possible by increasing prizemoney and also extending the proportion of prizemoney that is paid down to tenth placing in races.

However, feedback to Racing NSW from industry participants, including trainers, is that costs are too high. The issue is exacerbated by the abnormally high inflation of costs in recent years.

This issue is impacting the appetite of owners to continue to participate in the industry, notwithstanding the benefits of increased prizemoney and a broader distribution of prizemoney paid.

Accordingly, addressing these costs forms a critical component of this strategic plan.

# Returns to Trainers, Jockeys and Stablehands

The exponential increases in prizemoney in NSW has not only benefited the owners, but has seen trainers, jockeys and stablehands all receive growth in incomes that far outstrips any other state in Australia. This shared success through the distribution of prizemoney has ensured that all participants in NSW have been able to remain viable by sharing in the growing revenues.

## Trainers

As a group, Trainers have seen their returns from prizemoney and bonus percentages increase from $17.4 million in 2016 to $36.7 million in 2024. That is an increase of over $19.3 million or more than 111%.

The below table shows total Trainer income from prizemoney and bonuses in NSW:

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|
| Total ($ millions) | 36.75 | 33.20 | 27.66 | 25.93 | 24.64 | 24.54 | 22.19 | 20.12 | 17.4 |

## Jockeys

Jockeys have also seen their share of NSW prizemoney and income from ride fees increase at an extraordinary rate during this period, from $19.92 million in 2016 to $37.64 million. That is an increase of over $17.72 million or 89%.

Jockeys in NSW collectively earn 26% more than jockeys in Victoria and 49% more than jockeys in Queensland.

The below table shows the growth in total prizemoney, ride fee and other income to jockeys in NSW:

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|
| Total ($ millions) | 37.64 | 35.42 | 31.09 | 27.63 | 27.12 | 26.80 | 24.42 | 21.68 | 19.91 |

## ***Stablehands***

NSW is the only state that pays a share of prizemoney to stablehands. Commencing in 2012, this strategy ensures that the industry's lowest paid workers receive a share of the prizemoney earned by their stables. Initially paid at 1.5% of prizemoney since 2012, this was increased to 2% of prizemoney from September 2022 coinciding with a range of prizemoney increases at the time. Since the introduction of this scheme, over $30 million has been paid out to stablehands across NSW, providing an unprecedented incentive for the industry's lowest paid workers.

The below table shows total payments to stablehands from this prizemoney percentage:

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|
| Total ($ millions) | 4.70 | 3.52 | 2.52 | 2.27 | 2.52 | 2.32 | 1.97 | 1.73 | 1.66 |

# *ATC unsolicited proposal to the NSW Government for the sale of Rosehill Racecourse*

The ATC has been progressing an unsolicited proposal to the NSW Government for the sale of Rosehill Racecourse.

Racing NSW will be analysing this proposal in detail and ensuring the proper due diligence is completed and the outcomes are in the best interests of the NSW Thoroughbred Racing Industry.

# Impacts of COVID-19

Since the previous strategic plan update, the NSW Thoroughbred Racing Industry experienced the unprecedented and unforeseen impacts of the COVID-19 pandemic.

COVID-19 threatened the livelihoods of every single participant and risked the future viability of the industry.
It cannot be understated how significant it was for the industry to continue to race during this period, being one of very few industries globally that continued to operate through the pandemic.

Through initiatives led by Racing NSW, the industry was able to remain on the front foot at all times during unprecedented times and illustrate to Government that we were able to do so safely and without issue.

This not only maintained the employment and morale of the industry, it also prevented what would have been an inevitable drop-off from participation in racing, had any sort of extended shutdown occurred. The benefit of this both financially and in terms of maintained human capital and investment from owners and breeders within the industry is incalculable.

Most critically, Racing NSW identified the importance of detecting COVID-19 cases before they entered a racecourse in order to safeguard the industry from the wide-spread lockdowns being imposed on the majority of industries and businesses. The NSW Thoroughbred Racing Industry one of the first industries in Australia to utilise this Rapid Antigen Testing technology, which proved invaluable in identifying several positive COVID-19 cases before the persons entered the racecourse. Racing NSW's protocols were subsequently then used by other industries and government.

Whist NSW race clubs experienced financial losses from reduced patronage and hospitality sales, the ability for the clubs to continue to operate ensured they remained viable and well positioned to act as soon as attendance were again allowed. During this period Racing NSW provided financial support to race clubs in recognition of their reduced earning capacity.

# Reduction in Foal Crops

The horse population in NSW and Australia more broadly, has been impacted by a reducing number of horses being bred over the past fifteen years.

Success in breeding has become progressively concentrated, with the activity of breeding horses becoming more financially marginal for many small-medium breeders.

The chart shows the foal crops for NSW, Victoria, Queensland and the remainder of Australia.

| Year | NSW | % Chg. NSW | VIC | % Chg. Vic | QLD | SA | WA | TAS | NT | ACT | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2007/08 (EI*) | 6,526 | - | 4,340 | - | 2,737 | 704 | 1,960 | 389 | 3 | 34 | 16,693 |
| 2008/09 | 7,309 | 12.0% | 4,210 | -3.00% | 3,318 | 681 | 1,899 | 332 | 5 | 36 | 17,790 |
| 2009/10 | 6,924 | -5.30% | 3,806 | -9.60% | 2,879 | 637 | 1,818 | 342 | 6 | 33 | 16,445 |
| 2010/11 | 6,892 | -0.50% | 3,786 | -0.50% | 2,771 | 641 | 1,758 | 329 | 1 | 16 | 16,194 |
| 2011/12 | 6,506 | -5.60% | 3,698 | -2.30% | 2,680 | 483 | 1,460 | 257 | 2 | 16 | 15,102 |
| 2012/13 | 6,523 | 0.30% | 3,510 | -5.10% | 2,336 | 507 | 1,390 | 239 | 12 | 2 | 14,519 |
| 2013/14 | 6,214 | -4.70% | 3,379 | -3.70% | 2,114 | 520 | 1,307 | 251 | 14 | 0 | 13,800 |
| 2014/15 | 5,825 | -6.30% | 3,124 | -7.50% | 1,987 | 569 | 1,238 | 240 | 9 | 1 | 12,992 |
| 2015/16 | 5,847 | -0.40% | 3,091 | -1.10% | 2,072 | 536 | 1,039 | 265 | 6 | 2 | 12,858 |
| 2016/17 | 6,086 | 4.10% | 3,188 | 3.20% | 2,053 | 496 | 1,001 | 237 | 8 | 0 | 13,069 |
| 2017/18 | 6,112 | 0.43% | 3,239 | 1.60% | 1,950 | 519 | 954 | 297 | 4 | 0 | 13,075 |
| 2018/19 | 5,915 | -3.22% | 3,526 | 8.86% | 1,849 | 439 | 998 | 298 | 4 | 1 | 13,030 |
| 2019/20 | 5,771 | -2.42% | 3,546 | 0.55% | 1,847 | 417 | 898 | 282 | 5 | 1 | 12,767 |
| 2020/21 | 5,711 | -1.05% | 3,599 | 1.50% | 1,892 | 395 | 943 | 292 | 7 | 0 | 12,838 |
| 2021/22 | 5,918 | 3.63% | 3,592 | -0.20% | 1,968 | 384 | 1,024 | 345 | 7 | 0 | 13,238 |
| 2022/23 | 5,591 | -5.53% | 3,370 | -6.18% | 1,757 | 290 | 1,012 | 310 | 5 | 0 | 12,335 |

*Equine Influenza shut down racing in NSW and Queensland

# Reduction in Racehorse Registrations

As is the case with foal crops, racehorse registrations have been in decline across Australia over recent years.

At any given time, the horses racing in NSW will be drawn from several consecutive foal crops. A reduction in 100 horses registered and active in NSW becomes between three and four hundred horses that are active and racing at a given point into the future. The decline in horse registrations since 2010/11 of 400 equates to as many as 1,200 fewer active horses racing in NSW when multiplied over a three year period, with the impact of this being greatest on Metropolitan and Provincial racing.

| Year | NSW | % Chg. NSW | VIC | % Chg. Vic | QLD | SA | WA | TAS | NT | ACT |
|---|---|---|---|---|---|---|---|---|---|---|
| 2007/08 (EI*) | 4,085 | - | 3,701 | - | 2,508 | 757 | 1,696 | 378 | 48 | 109 |
| 2008/09 | 4,735 | 15.9% | 3,542 | -4.3% | 2,740 | 762 | 1,713 | 341 | 53 | 82 |
| 2009/10 | 3,965 | -16.3% | 3,465 | -2.2% | 2,540 | 685 | 1,774 | 385 | 48 | 88 |
| 2010/11 | 3,888 | -1.9% | 3,487 | 0.6% | 2,354 | 680 | 1,745 | 343 | 52 | 93 |
| 2011/12 | 4,008 | 3.1% | 3,207 | -8.0% | 2,361 | 712 | 1,803 | 300 | 67 | 103 |
| 2012/13 | 4,059 | 1.3% | 3,114 | -2.9% | 2,373 | 652 | 1,699 | 327 | 73 | 89 |
| 2013/14 | 3,854 | -5.1% | 3,197 | 2.7% | 2,282 | 707 | 1,696 | 276 | 58 | 85 |
| 2014/15 | 3,718 | -3.5% | 3,028 | -5.3% | 2,221 | 572 | 1,535 | 248 | 53 | 85 |
| 2015/16 | 3,642 | -2.0% | 3,074 | 1.5% | 2,037 | 625 | 1,447 | 271 | 34 | 84 |
| 2016/ 17 | 3,5 87 | -1.5% | 3,080 | 0.2% | 2,008 | 558 | 1,329 | 254 | 29 | 83 |
| 2017/18 | 3,580 | -0.2% | 3,022 | -1.9% | 1,895 | 645 | 1,301 | 215 | 78 | 53 |
| 2018/19 | 3,471 | -3.0% | 3,122 | 3.0% | 1,812 | 544 | 1,147 | 231 | 99 | 44 |
| 2019/20 | 3,442 | -0.8% | 3,140 | 0.9% | 2,045 | 592 | 1,068 | 263 | 80 | 27 |
| 2020/21 | 3,776 | 9.7% | 3,303 | 5.2% | 2,130 | 708 | 1,192 | 271 | 79 | 29 |
| 2021/22 | 3,381 | -10.5% | 3,241 | -1.9% | 1,887 | 594 | 1,121 | 242 | 74 | 32 |
| 2022/23 | 3,446 | 1.9% | 3,144 | -3.0% | 1,985 | 568 | 1,179 | 231 | 31 | 60 |

*Equine Influenza shut down racing in NSW and Queensland

# Horses Exported out of NSW

At the previous Strategic Plan, it was pointed out that exacerbating the decline in the foal rate and registration has been the sale of horses to Asia. The export of horses to Hong Kong and Singapore drains the available horse pool in NSW, especially for Metropolitan and Provincial racing.

Tried horses that are exported from NSW have demonstrated form or potential indicating they're potentially of Metropolitan standard.

With the impending closure of racing in Singapore, the focus of equine exports are those to Hong Kong.

The table below summarises the adverse impact on NSW racing of these exports.

Field sizes for Metropolitan and Provincial are affected by more than one starter per race across the entire year, which is significant in terms of field sizes of around 10 starters per race.

From a wagering viewpoint, the cost to the NSW Thoroughbred Racing Industry of the reduced number of starters is approximately $11.48 million of income annually.

| | Estimated Annual Race Starters 'Exported' | Ave. Number of Starters Lost per Meeting | Ave. Influence of Field Size | Estimated Annual Impact Interstate Wagering Turnover $'m |
|---|---|---|---|---|
| Metropolitan | 1,175 | 10.40 | 1.30 | 274.82 |
| Provincial | 221 | 1.74 | 0.21 | 20.12 |
| Country | 74 | 0.87 | 0.11 | 3.28 |
| Total | 1,470 | N/A | 0.58 | 298.21 |

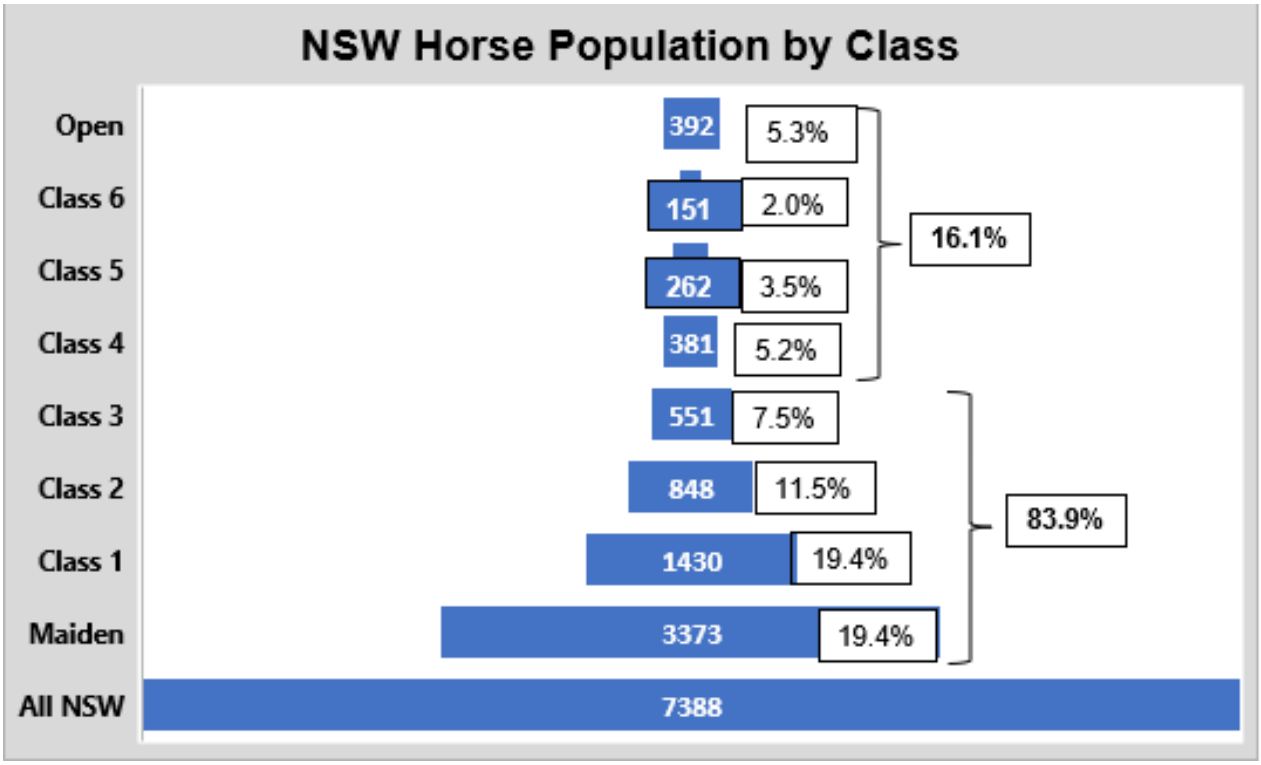
# Shortage of Higher Class Horses

The following chart highlights the challenge to maximise field sizes in the Metropolitan and Provincial sectors. In particular Metropolitan Saturday meeting programs for the higher quality horses.

The chart below shows that of the total pool of horses in NSW only 16.% of the population is available for Saturday Metropolitan programs.

Of the NSW horse population, 84% have won less than three races.

## Chart 1 -NSW Active Horse Population by Class




# Impacts on field size

With the backdrop of declining foal crops, lower horse registrations and exports out of NSW, race field sizes have been under pressure, although metropolitan fields have benefitted from improved programming and prizemoney since the previous Strategic Plan.

The change in field sizes over the period 2014, 2017 and 2024 for NSW and Victoria is summarised in the following tables. As set out in these tables, NSW metropolitan field sizes have performed particularly well, increasing since 2014 to now be higher than Victoria for the first time.

**NSW Average field sizes 2014 vs 2017 vs 2024**

| | 2014 Ave. Strs/Race by Type | | |
|---|---|---|---|
| **Sector** | **Non-feature** | **Group/ Listed** | **Total** |
| Metropolitan (excl. Highway) | 9.63 | 10.69 | 9.81 |
| Highway | 0 | 0 | 0 |
| Provincial | 9.69 | 11.43 | 9.72 |
| Country TAB | 10.77 | 15.25 | 10.78 |

| | 2017 Ave. Strs/Race by Type | | |
|---|---|---|---|
| **Sector** | **Non-feature** | **Group/ Listed** | **Total** |
| Metropolitan (excl. Highway) | 8.93 | 10.35 | 9.17 |
| Highway | 11.04 | 0 | 11.04 |
| Provincial | 8.17 | 9.38 | 8.18 |
| Country TAB | 10.47 | 14.40 | 10.48 |

| | 2024 Ave. Strs/Race by Type | | |
|---|---|---|---|
| **Sector** | **Non-feature** | **Group/ Listed/ Feat** | **Total** |
| Metropolitan (excl. Highway) | 9.18 | 11.57 | 9.97 |
| Highway/Midway | 12.90 | 0 | 12.90 |
| Provincial | 8.86 | 12.09 | 8.89 |
| Country TAB | 9.93 | 13.20 | 9.94 |

**VIC Average field sizes 2014 vs 2017 vs 2024**

| | 2014 Ave. Strs/Race by Type | | |
|---|---|---|---|
| **Sector** | **Non-feature** | **Group/ Listed** | **Total** |
| Metropolitan (excl. Highway) | 10.43 | 11.7 | 10.8 |
| Highway | 0 | 0 | 0 |
| Provincial | 9.72 | 11.86 | 9.74 |
| Country TAB | 9.94 | Incl above | 9.93 |

| | 2017 Ave. Strs/Race by Type | | |
|---|---|---|---|
| **Sector** | **Non-feature** | **Group/ Listed** | **Total** |
| Metropolitan (excl. Highway equivalent) | 10.25 | 11.62 | 10.55 |
| Highway equivalent | 11.98 | 0.00 | 11.98 |
| Provincial | 9.69 | 12.00 | 9.71 |
| Country TAB | 9.90 | Incl above | 9.90 |

| | 2024 Ave. Strs/Race by Type | | |
|---|---|---|---|
| **Sector** | **Non-feature** | **Group/ Listed/ Feat** | **Total** |
| Metropolitan (excl. Highway) | 9.50 | 10.79 | 9.78 |
| Highway/Midway Equivalent | 11.08 | 0.00 | 11.08 |
| Provincial | 9.46 | 11.70 | 9.48 |
| Country TAB | 10.04 | Incl above | 10.04 |




Kayla Nisbet on ASGARDA for the Newhaven Park Country Championships Final 2024

# PART 2

## SOLUTIONS AND STRATEGIES TO ADDRESS CHALLENGES AND TO MAINTAIN AND KEEP UP THE SIGNIFICANT PROGRESS THE INDUSTRY HAS ACHIEVED

This 2024 update to the rolling strategic plan incorporates a number of initiatives to address the challenges and headwinds facing the NSW Thoroughbred Racing Industry today and into the future. These include:

- **Promoting racehorse ownership by defraying owners costs**
- **Develop breeding programs to incentivise all size breeders to engage in breeding**
- **World's best practice animal welfare program and ensuring this is well communicated so that the community is well informed to understand and appreciate the industry's love and care for the horse**
- **Growing engagement in racing through all demographics**
- **Building the industry's workforce through the establishment of an industry training academy and selling the attractiveness of a career in racing**
- **Future proofing the industry through a strong balance sheet**
- **Supporting NSW Thoroughbred Race Clubs**
- **Developing Racing's Infrastructure**
- **Strengthening the integrity of racing through continued investment in technology and in world's best practice drug testing**

# Promoting Racehorse Ownership

As set out in Part 1, defraying owners costs is a critical component of this Strategic Plan.

With owners each year collectively losing $273 million in NSW, this focus on defraying costs is as important as ever to ensure that the industry continues to have the horse population and field sizes to generate maximum wagering revenues.

A key pillar of this strategy continues to also be the broad distribution of prizemoney to benefit as many owners as possible. This has seen:

- The vast majority of prizemoney increases focused on minimum prizemoney levels across all sectors of racing;
- Introduction of Highway and Midway races as weekly aspirational races for groups of owners who may otherwise not have had the opportunity to race for this level of prizemoney, or at feature Saturday race meetings;
- Introduction of restricted Country, Provincial and Midway races at Country and Provincial race meetings, which carry increased prizemoney above minimum levels;
- Introduction of Super Maiden races across all sectors to provide an increased reward for owners early in their horses careers.

The above initiatives have been implemented alongside the creation of aspirational races that provide the unique experiences and significant prizemoney opportunities that reward owners and keep them engaged in racing long term. This includes the Country Championships series, Provincial-Midway Championships series, Kosciuszko and Big Dance series, along with the uplift in feature race prizemoney both during Spring and Autumn carnivals.

The growth in returns to owners also needs to be accompanied with a strategy to increase participation in racehorse ownership. Through the introduction of The Everest and the expanded Spring Carnival in particular, thoroughbred racing in NSW has seen a resurgence in engagement with the under 35 demographic. This new audience for racing has already been proven to become return racegoers and regular punters, fuelling the recent increases in wagering turnover and crowds. However, the strategy to engage with this younger demographic also needs to incorporate the promotion of racehorse ownership.

There have never been more opportunities to engage in racehorse ownership and the advent of mico-syndication, where up to 1,000 individuals can share in ownership in just 1 horse, has made engaging in ownership easier and more affordable.

Racing NSW will work with industry groups, race clubs and other partners to identify ways to continue to grow the number of racehorse owners in NSW, in particular amongst the younger demographic.

# Minimising Costs of Owning a Horse

One of the most common items of feedback received from owners and trainers is that the costs to train a horse are getting too high.

These costs have been subject to the same high inflation that has occurred in the broader economy, but also exacerbated by the industry's own supply and demand issues.

There are costs that are unreasonable and the industry needs to become more efficient to reduce these costs of ownership. Defraying costs to owners through prizemoney is essential, but reducing unreasonable costs and increasing efficiencies in the first place is just as important.

Racing NSW has been working with trainers, owners, race clubs and suppliers to firstly identify the cost base of ownership and what elements of these costs can be addressed.

This process has already identified several areas that can be tackled and it is a key priority of this Strategic Plan to do so.

This review of costs will incorporate areas such as staffing, veterinary fees, feed supplies and transport to identify opportunities for the industry to reduce costs such as by maximising economies of scale or eliminating monopolistic behaviour.

# Racing Stock and Breeding Initiatives

## Breeding of Racehorses

Creating appropriate incentives for the breeding of horses in NSW remains a matter of strategic importance to ensure that the racing industry has a reliable and sustainable source of racing stock.

Various breeding incentives will be investigated and analysed in consultation with mare and stallion owners to identify those incentives that are the correct ones to encourage breeding in NSW.

The Breeder Owner Bonus scheme (BOBS) is currently the primary initiative to encourage people to reinvest in racehorse ownership in NSW and continues to prove extremely popular.

The introduction of the BOBS Double Up Vouchers provides further incentive for reinvestment of BOBS monies back into breeding in NSW. The total paid in BOBS Double Up Vouchers in FY24 was $4 million.

BOBS Double Up vouchers are paid to owners who win BOBS prizemoney and opt to double up the payment for expenditure in purchasing or breeding a horse in NSW. For a Saturday metropolitan race carrying BOBS status, normal BOBS prizemoney for an owner is $16,000, but under the Double Up scheme, this can be increased to $32,000. This ensure that funds remain in the racing industry and not extracted for other expenditure by owners. In reinvesting these funds, at double the rate of normal BOBS prizemoney, owners are instead directly boosting the breeding industry. Over $100 million worth of double up vouchers have been paid since commencement

Racing NSW is reviewing the current incentives in place to seek more effective ways of promoting thoroughbred breeding in NSW, which will include:

- Looking at ways of stimulating activity, particularly among small and medium operators;
- Review the BOBS system to further entice horses to remain and be raced in NSW (rather than interstate of overseas); and
- Consider expanding breeding incentives to be aligned to future prizemoney increases or cost reductions.

Whilst imported horses create an instant addition to racing stock and are quickly attractive for punters, a downside of imported horses is that the cost of creating the stock is largely overseas. By contrast, the cost of breeding and raring racehorses domestically contributes to the racing and broader economy, sustaining significant employment in rural areas.

Horses Imported to Race in NSW and Acquisition of Racehorses

The acquisition of tried racehorses from overseas was part of the 2019 Strategic Plan. This proposed targeting horses from the Northern Hemisphere and New Zealand. Some Northern Hemisphere markets were seen as attractive as the prizemoney in some countries is substantially less when compared to NSW.

The level of activity from syndicators and other private buyers in importing horses to race in NSW, obviated the need for Racing NSW to take a more direct role.

With the very strong levels of prizemoney in Australia, in recent years it has proven very attractive to buy overseas horses and import them to race in Australia, with various market players involved in this activity. This strength in Australian prizemoney has been led by Racing NSW.

Utilising the Canterbury Spring and Autumn quarantine sessions to include horses travelling one-way and entering NSW stables is proving increasingly attractive for horses seeking to contest carnival races and remain to be trained in NSW. This is proving fruitful for both the Carnival racing in Sydney and racing in subsequent periods.

However, there is a significant risk to the longer-term stock of racehorses if there is too much emphasis on imported racehorses and the local breeding industry is neglected. There is also a longer-term risk that European breeding and racing will come under pressure and be less sustainable.

# EQUINE WELFARE

All Thoroughbred horses deserve to find a suitable new home when they retire from racing and Racing NSW's Equine Welfare strategy incorporates specific Rules of Racing, minimum standards, compliance processes and a rehoming program to support this objective. This strategy also includes the continued development of Equimillion which provides a never before seen incentive for equestrian competitors to own retired Thoroughbred racehorses.

Racing NSW strongly believes it has the best rehoming protocols of any racing jurisdiction in the world.

## *Equine Welfare retraining and rehoming program*

Racing NSW maintains a direct approach to the care, retraining and rehoming of retired thoroughbred horses, with Racing NSW staff undertaking the retraining process on Racing NSW owned properties first hand.

The vast majority of owners continue to find suitable new homes for their horses upon retirement. However, the direct approach to rehoming ensures that there is at all times a safety net for those horses whose owners are unable to do so.

This safety net is a vital layer of protection for horses who would otherwise be at risk of ending up without a suitable new home after retirement.

As part of this program, Racing NSW staff also take action when horses are identified as being at risk or have been mistreated and not looked after by owners. This has included at times horses being seized from owners' properties, horses being rescued following natural disasters and horses being purchased at auction where they were at risk of being sold to a knackery or abattoir. Since commencement, over 200 horses have been taken in by Racing NSW for these reasons, in addition to the many hundreds of horses surrendered into the program by owners unable to find them a suitable new home.

Further, Racing NSW maintains partnerships with Corrective Services NSW and RSL Lifecare NSW to undertake retraining activities on their properties via joint venture agreements. These partnerships see participants engaged in equine therapy via the retraining process under the supervision of Racing NSW staff. These partnerships also includes future employment pathways for participants as an added mutual benefit.

## Rules of Racing

Underpinning these initiatives is a strong regulatory framework that is enshrined in Local Rule of Racing 114 which:

i) Prohibits the sending of horses to an abattoir or knackery;

ii) Prohibits the euthanasia of horses unless certified by a veterinarian that it is in the best interests of the horse on safety or welfare grounds;

iii) Requires owners to find a suitable new home for the horse upon retirement from racing;

iv) Prohibits owners from selling horses at unapproved livestock sales, with Racing NSW maintaining an approved list of sales that meet the required minimum standards such as collecting buyer details, meeting minimum reserve limits to protect against any sale that could see the horse end up anywhere other than a suitable new home; and

v) Prohibits owners from providing horses to anyone on the Racing NSW Excluded List. Where a decision has been made to retire a horse, or not to commence racing; and eligible horse, and that horse has been domiciled in NSW for the majority of its life, the manager must lodge retirement notification form prescribed by RNSW to support the traceability of Thoroughbreds following retirement

## Education and engagement

Racing NSW's Equine Welfare program represents an industry leading commitment to the protection of horses after their racing careers and communicating this message to the industry and the public is a key strategic objective.

This communication is achieved through a variety of initiatives, which will continue to develop and grow:

- Creation of content across social media and for mainstream media to promote the overall program and the success of retired thoroughbreds;

- Leveraging the success of Equimillion and to amplify the message of Racing NSW's initiatives more broadly;

- Leveraging the success of Equimillion and to amplify the message of Racing NSW's initiatives more broadly;

- Developing a joint brand of Team Thoroughbred NSW with the Racing NSW Training Department, so that the two teams can attend Pony Club events, school careers days and Equestrian competitions together to both promote the thoroughbred as an athlete and careers in the industry;

- Using ambassador horses such as retired champions Redzel and Happy Clapper to lead out the field in major races, wearing Team Thoroughbred branded rugs and also appearing oncourse for the public to meet and pose for photo's with;

This communication will continue to grow, with a focus on providing more opportunities for kids in particular to interact with thoroughbred horses and gain a more in depth understanding of the genuine love and care provided to these horses by the industry.




Team Thoroughbred Rehoming announcement post



Team Thoroughbred staff at Barts Farm

## *End of life welfare fund*

The End of Life Welfare Program provides funding for the costs of euthanasia where certified by a veterinarian that it is in the best interests of the horse on safety or welfare grounds. Racing NSW will cover such costs to ensure that at no stage should the cost of euthanasia be a deterrent for any future owner not to act in the best interests of the horse and allow it to continue to suffer unnecessarily.

## 1.5% Prizemoney Contribution

From 1 September 2022, the prizemoney contribution for the Equine Welfare Fund was increased from 1% to 1.5% and now totals over $5.6 million annually.

These funds are used exclusively for the care, retraining and rehoming of retired NSW thoroughbred horses. Specifically, these funds cover the cost of retraining staff, horse feed and veterinary care for the horse population across Racing NSW's properties which has remained at an average 550 at any time since 2019.

The funds to procure and develop the equine welfare properties, totalling over $38 million have been funded entirely by Racing NSW's capital reserves and not through the 1.5% Equine Welfare Fund.

## Compliance processes

Compliance with the obligations of LR114 by industry participants is closely monitored by Racing NSW stewards, veterinarians and investigators, being a paramount obligation of participants.

In particular, a thorough process of auditing retired horses to ensure that they have been rehomed in accordance with the rules is undertaken which includes inspections of over 500 rehomed horses each year. A dedicated traceability officer has been employed to oversee and manage this process, as well as to identify horses that may be at risk and in need of inspection by Racing NSW Stewards, Veterinarians and Investigators.

## Excluded List

The Excluded List of is a list maintained by Racing NSW that details the names of persons who are not permitted, due to horse welfare concerns, to be provided with and/or have in their care, custody or control thoroughbreds that have been domiciled in NSW for the majority of their lives.

This list provides a vital additional equine welfare protection, whereby non-licensed persons can be included to ensure that they are not provided with thoroughbred horses in the first place.

# Equimillion

Equimillion is a major equestrian event created by Racing NSW in 2023 which provides over $1 million in prizemoney exclusively for retired NSW thoroughbred racehorses competing in equestrian events of Dressage, Eventing, Showjumping and Show horse.

Conducted over the October long weekend at the Sydney International Equestrian Centre, Equimillion drew in over 300 horses competing in its inaugural year.

The prizemoney on offer through Equimillion is a game changer for retired thoroughbred racehorses, providing a stimulus for the equestrian market to purchase these horses. This stimulus is intended to further increase the current demand for these horses by equestrian competitors and greatly increase the exposure of thoroughbred horses in equestrian sports.

The prizemoney for Equimillion is predominately funded through the competitor registration fees and event sponsorship.

Further enhancements to Equimillion in 2024 have been designed to increase participation including free registration for horses who have recently retired and the introduction of specific classes for such horses. This initiative ensures the demand to purchase horses immediately after their racing careers is at its highest and the opportunity to immediately earn considerable prizemoney at Equimillion provides a ‘maiden like’ opportunity for new owners to defray their ongoing training costs.




Competitor in Show Jumping at the Inaugural Equimillion

# GROWING ENGAGEMENT IN RACING THROUGH ALL DEMOGRAPHICS

## Development of the Everest Carnival

The Everest has been an unprecedented success for the NSW Thoroughbred Racing Industry and has created a halo effect that benefits the entire NSW Thoroughbred Racing industry year round.

Since 2017, the further development of the Everest Carnival was a key priority for Racing NSW with a view to both developing our customer base and also growing the revenues to the NSW racing industry.

Prior to the introduction of The Everest in 2017, the size and quality of Sydney metropolitan race field sizes would drop dramatically after the October long weekend as NSW trainers took their horses south for the Victorian Spring Carnival. NSW trainers would not only take their best horses (impacting the quality of Sydney metropolitan race fields) but their second and third tier horses (impacting the size of Sydney metropolitan race fields). This would result in many punters ceasing to bet on NSW thoroughbred races during the Spring and focusing their attention on Victoria. Many of those punters would not return to betting on NSW thoroughbred races until the Autumn of the following year, often as late as April.

Importantly, the success of the revitalised Spring carnival has boosted turnover growth year round. Punters no longer cease betting on NSW during the Spring and remain engaged during the Spring and throughout the rest of the year.

Sustaining this interest of punters however, relies on more than just The Everest itself. It is the continued depth and quality of racing in Sydney through Spring that has provided the increased wagering revenues through retaining the interest of punters throughout October and November.

Further, the value of publicity generated by The Everest and other carnival races is valued in the tens of millions of dollars each year. This editorial coverage provides the industry with a level of public exposure that has never been achievable before. The Big Dance, through its country cups structure and the Golden Eagle through the charity partnerships in particular drive this editorial coverage off the back of the Everest which continues to lead the way.

Accordingly, the following additional feature races have been created to sustain the interest of punters and provide owners with a never before seen range of aspirational races and prizemoney.

At the time of the previous Strategic Plan Racing NSW had followed the creation of The Everest, with The Golden Eagle, over 1500m for four-year olds. This race which follows two weeks after The Everest headlines the feature meeting of the Spring at Rosehill Gardens supported by the Russell Balding Stks, Rosehill Gold Cup and Four Pillars Midway Race.

The success of these two race meetings enabled the Sydney Spring Carnival to be further developed to extend to five Saturdays in Sydney following the Epsom Hcp Saturday, the weekend of which was previously the highlight and conclusion of Spring feature racing in Sydney.

Complementing these two cornerstone meetings, the Sydney Spring Carnival has also seen the addition of new feature races such as The King Charles III, The Invitation, Five Diamonds, Silver Eagle, Golden Gift, Tapp-Craig Stks, Alan Brown Stks and changes invigorating existing races such as the Spring Champion Stks Gr1 and Stan Fox Stks Gr2 (Callendar-Presnell).

In 2022, the Big Dance race meeting was held for the first-time coinciding with the Melbourne Cup and providing a feature race day at Royal Randwick on a day when most people are engaged with racing and further tapping into the younger demographic. The Big Dance concept has also seen significant turnover increases in the lead up races given the increased promotion and awareness of the races that carry qualifying status for the Big Dance

From the 7 Stakes race meeting in September until the Hunter and Gong race meetings that round out the spring, the NSW Spring Carnival carries $86 million in prizemoney. By 2023, the NSW Spring Carnival had expanded rapidly and effectively and has consolidated itself in the Spring sporting calendar. The key races summarised in the table below for 2024.




Attractable winning the Big Dance 2023

# Everest Carnival Race Dates 2024

| Date | Venue | Feature |
|---|---|---|
| 07-Sep-24 | Royal Randwick | Concorde Stks ($1m), Chelmsford Stks |
| 14-Sep-24 | Rosehill Gardens | Run to the Rose, Theo Marks Stks |
| 21-Sep-24 | Royal Randwick | 7 Stks ($1m), The Shorts ($1m) |
| 28-Sep-24 | Rosehill Gardens | Golden Rose ($1m) |
| 05-Oct-24 | Royal Randwick | Epsom Hcp ($1.5m), Metropolitan ($750k), Flight Stks ($750k), Premiere Stks ($1m) |
| 12-Oct-24 | Rosehill Gardens | Hill Stks ($2m), Alan Brown Stks ($1.5m), Tapp-Craig |
| 19-Oct-24 | Royal Randwick | TAB Everest ($20m), King Charles III Stks ($5m), Sydney Stks ($2m), Kosciuszko ($2m), Silver Eagle ($1m) |
| 26-Oct-24 | Royal Randwick | Spring Champion Stks ($2m), The Invitation ($2m), Five Diamonds Prelude ($1m), Callandar-Presnell ($1m) |
| 02-Nov-24 | Rosehill Gardens | Golden Eagle ($10m), Russell Balding Stks ($3m) |
| 05-Nov-24 | Royal Randwick | Big Dance ($3m), Little Dance ($750k) |
| 09-Nov-24 | Rosehill Gardens | Five Diamonds ($2m), Golden Gift ($1m) |
| 16-Nov-24 | Newcastle | The Hunter ($1m) |
| 23-Nov-24 | Kembla Grange | The Gong ($1m) |

# *Promoting punter's interests*

## Generosities and online gambling reforms

In 2023 the Commonwealth Government held an inquiry into online gambling that considered a range of matters including advertising, regulations and the offering of generosities.

Unfortunately the Inquiry subsequently handed down its recommendations that were based on ideology and not fact. Racing NSW illustrated in its submission that the vast majority of gambling harm comes from poker machines and even lotteries were responsible for more problem gamblers than wagering on racing. However, the Inquiry had ideologically formed the view that all gambling was bad and drastic action was needed.

The Inquiry's recommendations included a complete ban on inducements, with the definition of inducements so broad that it would have banned the offering of generosities such as bonus bets. This would have been a disastrous outcome for punters and would have done nothing to reduce problem gambling. Racing NSW has thus far successfully prosecuted the case with the Commonwealth Government that the offering of generosities such as bonus bets should be protected as they are a reward for punters and not an inducement. Further, Racing NSW has continued to argue that Australia should not go the way of the United Kingdom in terms of introducing draconian affordability checks that would be an unfair and unreasonable impost on punters.

## Minimum Bet limits and regulation of wagering operators

Racing NSW's focus is to ensure that all punters are able to place a legitimate bet on NSW Thoroughbred races and not be discriminated against by having their accounts closed or bets refused simply because they are successful.

NSW was the first state to introduce minimum bet limits for wagering operators, who are obliged to bet Punters to a minimum return of $2,000 on Metropolitan NSW Thoroughbred races and $1,000 on Non-Metropolitan NSW Thoroughbred races.

Wagering operators are also required not to take actions such as closing a bona-fide punter's accounts, refusing to open a punter's account or placing restrictions on a punter's account solely to avoid complying with the minimum bet limit conditions.

Racing NSW has a robust reporting system and through investigation holds wagering operators to account to meet the punter's bets to the Minimum amount and not close or delay accounts.

Since introduction, Racing NSW has monitored the conditions to ensure that they are fair and practical for all parties, whether they are wagering operators, professional punters or recreational punters. Accordingly, Racing NSW has introduced amendments over the years to achieve the right balance for all parties, clarify some matters and also address some specific issues. These include reinforcing the requirement that operators bet all punters the same price via one set of publicly displayed odds. Racing NSW is able to, and has when warranted, direct wagering operators to comply with these regulations.

A new initiative to help punters will see the introduction of a condition that, to the extent that it is legally permissible, wagering operators cannot suspend or close a punter's account if a complaint has been lodged and an investigation begun. This will allow the punter to continue betting, and not be disadvantaged pending the outcome of the investigation. Punters will be permitted to operate their betting account to make deposits and place bets but will be restricted from making withdrawals until the complaint is resolved by Racing NSW.

Secondly, Racing NSW is reviewing the introduction of a consistent scale of betting deductions when there are scratchings, ensuring all wagering operators apply the same deduction (cents in the dollar) according to the scratching of a horse, rather than some of the inconsistencies that occur presently. For example, currently one wagering operator may deduct 11 cents in the dollar for a specific scratching while other wagering operators may deduct up to 15 cents for the same horse, which disadvantages one punter against another. Racing NSW will set a fair deduction, noting that will be a maximum and a wagering operator can choose to go even lower.

A further review of these minimum bet limits is underway to also consider the impacts of new betting products and whether it would be equitable for these to also be captured by the minimum bet limits.

**Access to replays, vision and data**

Racing NSW provides a user friendly website with access to fields, form and replays for all NSW race meetings that is designed to best service Punters doing the form.

The addition of a stewards cut of races has been incorporated to also provide multiple camera angles for each race, which gives punters a further tool in assessing performance and doing the form.

Racing NSW also engages form analysts to provide daily tips for NSW race meetings via the Racing NSW website, social media channels and via email subscription.

A technology refresh of the Punter's Intel app and timing system will see this sectional data and tracking information become more accessible and integrated into the form guide. The use of this data has become a vital tool for many punters and the new technology will ensure that regular and accurate data is provided on an ongoing basis.

## *Importance of Provincial Standalone feature meetings*

The next most populous cities in NSW outside of Sydney are Newcastle and then Wollongong. It is important for racing to have a strong presence in these regions with each now having their own major events in The Hunter and The Gong respectively.

These race days carry metropolitan prizemoney for all races, with the feature event carrying $1 million each which is unprecedented for racing outside of Sydney.

The Hunter and Gong have proven extremely popular with the local regions and like The Everest in Sydney, they are attracting a new and younger audience for racing and generating media coverage in their local areas. For the clubs, these meetings represent a chance to get maximum exposure for their sponsors and also to introduce new punters to betting on their meetings, resulting in recurring wagering uplift once punters gain familiarity with the quality of these two tracks.

To further expand this concept, The Coast race meeting has been created at Gosford and now followed up with the Lakes meeting at Wyong. These two race meetings provide the Central Coast with their own standalone meetings to mirror the success of the Hunter and The Gong.

Hawkesbury also continues to host its highly successful standalone Saturday, being the first club to initiate this concept.

## *Develop Thoroughbred Racing's Customer Base*

As touched on above, Racing NSW has tackled the development of racing's customer base in part by the development of races and race meetings that seek to tap into younger racegoers.

This has included The Everest which was unique in Australian racing at the time and the Big Dance race day pitched particularly at younger racegoers. The success of The Everest concept is highlighted by the introduction of other slot races throughout Australia that have emulated this success.

The broader revitalisation of Spring racing has also been pivotal to developing interest in racing at a key time of year and retaining it throughout the rest of the year.

Racing NSW has also pursued the creation of relevant, interesting content related to racing and wagering through its own distribution channels and on the Sky Thoroughbred Central racing channel.

# The Winx Stand

Opened in 2021, the $46 million Winx Stand at Royal Randwick provides world leading public facilities for racegoers in Sydney.

The Winx Stand has delivered premium public facilities in the spectator precinct including an array of bars and food outlets, lounge areas and a terrace area providing superb views over the home straight. Most importantly, access to the Winx Stand is included in general admission ticketing with no additional fees or charges to enter and use any part of the Winx Grandstand.

This new stand has become the first touch point with racing for many new customers and the quality of the facilities ensures that their first experience will see them coming back in the future.

Driven by Racing NSW's determination that Royal Randwick have premium facilities for the general public, the Winx Stand delivers these facilities as well as providing the ATC with a new revenue opportunity both on race days and for non-race day events.




Racegoers enjoying the Winx Stand.

# Industry Training, upskilling and recruitment of staff – Building Racing's Workforce

## Establish a Racing Training Academy

Since 2019 Racing NSW has been operating as a Registered Training Organisation (RTO) providing training courses for stablehands, trackwork riders, apprentice jockeys and trainers. This training has been traditionally conducted on-the-job, with students completing the relevant modules and then being assessed by Racing NSW staff.

A key objective in the Racing NSW Strategic Plan 2019 identified the need to establish a Training Academy located near a racecourse. The subsequent acquisition of Scone TAFE campus in 2021 provides Racing NSW with the ideal infrastructure to conduct face-to-face industry training in addition to the on-the-job training already being conducted.

Such face-to-face training provides an opportunity for students to gain additional experiences and exposure to experts and active racehorse stables and training.

The most important skill shortage identified for the racing industry into the future will continue to be riding and handling horses. Whether being jockeys riding in races or trackwork riders for the conditioning of horses, together with skilled horsehandlers, caring and providing the horses best equine welfare, the teaching of these skills and upskilling of existing participants is critical to the future industry workforce.

With this acquisition, Racing NSW has now established the planned Training Academy which adjoins Scone Racecourse. Now rebranded as Scone Thoroughbred College this centre creates recruitment and training initiatives to meet the growing and significant demand for a trained and skilled work force.

Scone Thoroughbred College has been utilised to deliver face to face training to jockeys, apprentice jockeys, trainers and school students through the Thoroughly Schooled program.

In total, over 120 individual participants were trained at the college during the 2024 financial year.

For apprentice jockeys, training was previously provided via dedicated training days in each region, with the Racing NSW trainer/assessor conducting the sessions each quarter. Now these apprentice jockey schools are being delivered at the Scone Thoroughbred College via a block training approach on a bi-annual basis. This block training for apprentice jockeys at the Scone Thoroughbred College allows all students to have access to the best possible subject matter experts and provides for a more detailed delivery of key material in a classroom environment.

in the final year of the previous training joint venture with TAFE NSW, total apprentice jockey numbers had fallen to a 10 year low of 58, however since Racing NSW has taken over, numbers have already increased to 76 in 2024. This includes the highest ever representation of females within the apprentice ranks, at over 74%.

For racehorse trainers, similar to apprentice jockeys their training was previously delivered through occasional regional training days. An annual face-to-face session at the Scone Thoroughbred College has commenced so that each student can be provided with dedicated training sessions from subject matter experts on subjects such as business management, rules of racing and veterinary protocols.

Racing NSW is currently developing a business plan to build accommodation facilities not only to cater for students of the TAFE but also to address the shortage of accommodation in Scone.

A further expansion of the Scone Thoroughbred College facilities is underway to construct a purpose built training track for students to use. The new 600m circumference training track, together with the existing arenas and stable will further establish a Racing, Riding and Skills Academy providing an excellent means of high-level horse-riding skills required to be a jockey or a work rider. The mentoring of riders as they develop their skills will be undertaken by full-time staff and also casual assistance from established jockeys.

For trackwork riders, the most crucial period of their training is when they commence fast work riding. It is at this point that the highest number of accidents occur and also where the highest number of students drop out of the industry. Following consultation with the trainers, trackwork riders will be required to undertake a 3–4-week module at the Scone Thoroughbred College as part of their course before being certified for fast work riding. During this time, students will be provided with the dedicated training required to improve and develop their skills, which is not always available on-the-job. Further training for specific students can then also be provided on an as needed basis.



A group of pre and first-year apprentice jockeys at the Scone Thoroughbred College.



Pre-apprentices attending block training apprentice school at the Scone Thoroughbred College.

# *Selling the Attractiveness of a Racing Career - Building Racing's Workforce*

Attracting new staff is a key concern of industry participants and it will be important that sufficient new students are attracted each year to go through the training programs and gain employment in the industry.

### *2% Stablehands Bonus*

Upon victory in the High Court to secure the race fields funding model, it was a key strategic objective of Racing NSW for a share of the prizemoney to go the industry's lowest paid workers, being the stablehands.

Racing NSW is the only state that makes such a payment which sees the stable staff of each trainer paid a share of the prizemoney earned by their stable on a quarterly basis paid pro-rata to staff based on hours works. This payment was initially set at 1.5% and was subsequently increased to 2% in 2023.

Since inception, over $30 million has been paid to stablehands from this fund.

This stablehand bonus provides the industry in NSW with a significant competitive advantage in terms of recruitment of new staff. The bonus payments often total several thousand dollars in each financial year for full-time stable staff and they provide a sense of shared success that greatly assists the recruitment and retention of staff.

Racing NSW makes these payments subject to trainers complying with conditions such as lodging quarterly returns, paying all staff on a bona fide basis above award rates and only allocating the bonus to staff who are paid below the income threshold set by Racing NSW which ensures the payments are going to the lowest paid workers as always intended.

### *Racing NSW Industry Training Department*

The objectives of the Industry Training department include:

- Assisting people entering the racing industry to find their most pertinent career path;
- Encourage greater participation of people in the racing industry;
- Ensuring participants are informed about the Racing Industry Training Package;
- Providing equitable training throughout the country, provincial and metropolitan areas and
- Seeking State and Federal funding to assist with the delivery of training for trainees and apprentices in the Racing industry; Smart and Skilled funding is currently being received for delivery of the above qualifications, with the NSW Government fee-free-training initiative granted to all eligible apprentices and trainees.

The progress by Racing NSW in improving the mainstream recognition of racing through The Everest has proven beneficial in promoting the attractiveness of racing as a career option.

Racing NSW has added to this interest by promoting careers at Equine Welfare Program sites and the newly launched Equimiilion festival for competing retired thoroughbreds in show jumping and other classes. These highly successful open day locations allow Racing NSW to both introduce potential recruits to racing careers and to also promote the positive welfare initiatives being undertaken.

Other recruitment initiatives include:

New Website and Socials: Racing NSW launched a new racing careers website under the Team Thoroughbred brand, to provide a single destination for potential recruits and link in with its many social media campaigns to target potential applicants and keep current participants engaged.

Team Thoroughbred NSW Training Academy (RTO) has cemented positive working relationships with Training Services NSW as to current and future state government assisted opportunities. The network also extends to various other government departments including the Regional Industry Education Partnerships (RIEP) to deliver school programs and Local Jobs Programs exploring Racing industry employment opportunities for job seekers.

Thoroughly Schooled: This new program introduces early career training to school students with delivery of the Thoroughly Schooled program across NSW bi-annually at the Scone Thoroughbred College. Thoroughly Schooled is a program run in collaboration with TAFE NSW, with participants being housed at Middlebrook Station in the Upper Hunter Valley. Students engage in horse handling topics in the classroom and in work experience at both Racing and breeding related roles, each leading to further training qualification options and employment.

Recruitment and retention of other key industry roles as per the previous strategic plans Racing NSW continues to recruit and employ other key industry roles such as trackwork riders and greenkeepers. Over 51 international trackwork riders have been recruited by Racing NSW to work in the industry, with 24 currently employed from the most recent batch, right across the state. Further, Racing NSW has recruited, employed and trained over 28 apprentice greenkeepers to ensure this critical function of the industry is appropriately staffed into the future. Many of the initial batches of greenkeepers have gone on to become track managers in their own rights and there are 5 apprentices in the current batch undergoing training.

Racing showcase days continue to be delivered at various NSW racecourses. The RTO, together with Training Services NSW and their Regional Industry Education Partnerships deliver these showcase days to interested school children and school leavers promoting various roles in the Racing industry where participants get to speak with current stablehands, trackwork riders, jockeys, barrier attendants, stewards and stable staff.




Team Thoroughbred Training Academy at the Equestrian NSW State Interschool Championships at SIEC



Showcasing careers in racing to participants from the Upper Hunter in an initiative with Wanaruah Aboriginal Land Council and Opportunity Hubs.

Pony Club Industry Training staff regularly attend Pony Club camps and exhibition days and provide information sessions about employment opportunities in the Racing Industry. The further development of these relationships is a key objective in the coming period. Engaging Pony Club groups with Equimillion has also further assisted these relationships. Career expos the Training Department is continually promoting Racing industry careers and traineeship/apprenticeship pathways at various career expos across NSW.

Indigenous programs the ongoing delivery of indigenous programs and pre-employment pathways into the Racing industry in collaboration with NSW Government departments, local land councils and the KARI Foundation among others.

Corrective Services initiative - A collaboration with Corrective Services Industries and St. Heliers Correction Centre at Muswellbrook continues in delivering RGR20221 Certificate II in Racing Industry to current inmates. Previous inmates after release are now working in Racing related industry roles.

Work experience program pathways are currently in place with leading stables in a pilot program to assist those looking to further their knowledge and experience within the Racing industry.

# Future Proofing the Industry through a strong Financial Position

Since the last strategic plan Racing NSW has delivered a 50% increase in the annual returns to owners and participants, which now sits at over $407 million per year. Further,a total of $150 million in infrastructure projects have been delivered or commenced across the state and over $100 million has been provided to race clubs in additional financial support over and above recurring wagering revenues.

The vast majority of Racing NSW revenues will continue to be provided as returns to owners and participants, as well as funding for infrastructure and financial support for race clubs. However, some funds have been set aside to ensure that the industry is future proofed by having a strong portfolio of assets.

This strategy protects the industry against future risks, including declines in wagering revenues or another major disruption such as a pandemic of equine influenza

Specifically, this strategy has included:

***Development of industry provisions***

- A club sustainment provision of $36 million is in place as at 30 June 2023. This provision is to provide ongoing financial support to race clubs, such as when the annual TAB distributions fall below the historic levels. A total of $30 million has been distributed from this fund since it was established in 2019. These payments are on top of the payment of increased prizemoney to race clubs by Racing NSW which is $267.84m per annum

- A prizemoney sustainability provision of $106 million is in place as at 30 June 2024. This provides for any substantial decrease in wagering revenues, so as to ensure that the current minimum prizemoney levels can be sustained during any such downturn.

- A Capital Expenditure provision of $116 million is in place as at 30 June 2023. This is to provide funding for critical industry infrastructure such as racecourse and training track upgrades, stable construction or procurement of additional training facilities.

Collectively, these provisions provide for the industry into the future and ensure that there is no immediate risk of a shortfall of funding in these critical areas.

***Procurement of properties***

Racing NSW has procured a number of properties to future proof the industry in a range of different ways as follows:

- Four equine welfare properties have been acquired to ensure that Racing NSW can at all times maintain a safety net for the industry for any horses whose owners have been unable to find them a suitable new home on retirement;

- Racecourses have been acquired and in each instance leased back to the Race Club on a peppercorn lease. This includes acquiring racecourses previously owned by third parties and local councils where the long term leases to race clubs could not be guaranteed. These purchases by Racing NSW ensure that these lands remain as racecourses;

- Stables and training facilities adjoining racecourses have been acquired to ensure that this critical infrastructure remains in the industry as a productive asset generating trained starters. Also, any houses on these properties acquired are leased to trainers or their staff.This strategy includes a number of properties that had stables previously used for training, but had become vacant and were at risk of either falling into disrepair or being sold for non-racing purposes. In total, 114 stables in the Metropolitan/Provincial area have been brought back on-line and leased out to trainers through these purchases which has further improved horses in training and importantly field sizes.

- Two hay farms have been purchased which have provided low-cost feed for horses at Racing NSW's equine welfare properties and also generating additional non-wagering revenues.

- Two training properties (Bong Bong Farm in Moss Vale and Lynton in Goulburn) have been acquired that were at risk of being lost to the racing industry if sold for development purposes. The purchase price of these properties was only a fraction of the value of the racing infrastructure acquired, which has been retained as a productive asset of the industry. Bong Bong in particular is producing a significant number trained starters and boosting metropolitan field sizes, whilst Lynton has been leased as a pre-training facility to expand capacity in this important part of the industry supply chain.

- Scone TAFE was acquired to provide a base of operations as a purpose built education facility set amongst a leading training centre.

Collectively, the purchases of properties has ensured that the NSW Thoroughbred Racing Industry maximises the number of horses in training and has the assets to deliver on its strategic objectives for welfare and training. Further, the revenue generated from these properties and the substantial capital growth provides further long term security to the industry.

# Supporting NSW Thoroughbred Race Clubs

Ensuring that NSW Thoroughbred Race Clubs have the appropriate corporate governance, are efficiently operated and financially viable is critical to the industry achieving continued growth and success.

Holding these clubs accountable for delivery of safe and productive training facilities and for the conduct of successful race meetings is also a key function of Racing NSW to protect the ongoing interest of the industry.

## Procurement of additional revenues

Racing NSW has secured a multitude of new revenue streams for the industry, commencing with race field fees, followed by tax parity, digital wagering and media rights income, international wagering revenue, PGI revenue, a share of the point of consumption tax and additional payments from Tabcorp. These additional revenues are in addition to the industry's traditional funding source via Tabcorp through the Racing Distribution Agreement, which provides clubs with their primary source of funding.

Of the new revenue streams secured by Racing NSW, many of these are provided direct to race clubs in addition to the traditional Tabcorp revenues to ensure that these clubs remain financially viable.

The collective annual benefit to NSW race clubs from the below sources procured by Racing NSW is over $60 million per annum and importantly includes revenue streams such as digital rights, media rights and international wagering revenue which continue to grow year on year at or above CPI.

Due to these additional revenue streams and Racing NSW's ongoing top-up of any shortfall in traditional Tabcorp distributions, NSW Country and Provincial clubs have been able to develop the strongest balance sheets on record. As at 30 June 2023, these clubs collectively had net assets of over $47 million, having increased from just $17 million in 2014 before many of these new revenue streams were implemented. This growth is due to these clubs being able to record regular annual profits due to the growth in new revenue streams over and above traditional Tabcorp revenues.

The Australian Turf Club's ('ATC') operational restructure in FY22 has allowed the club to return to profitability in FY23 and improve its net asset position with a more efficient and productive operating model.

The ATC has also received significant additional funding from Racing NSW in recent years, including funding for the $46 million Winx stand which is now a major revenue generating asset. Further funding has been provided, such as for training infrastructure and cladding remediation works totalling a further $30 million to support the ATC.

TAB Digital

Commenced in March 2015, this revenue stream provides for a share of digital betting turnover through Tabcorp group entities on NSW thoroughbred races, to be paid to the industry. These monies in turn are paid in full to race clubs each year.

TAB Sponsorship and Exclusivity

These arrangements were negotiated in 2014 by Racing NSW, with TAB paying the NSW racing industry for exclusive on-course marketing rights. The monies are distributed in full to race clubs each year.

PGI

PGI represents a share of wagering income from bets placed internationally through a hub in the Isle of Man and pooled into the NSW TAB. This arrangement negotiated by Racing NSW commenced in 2014, with revenues paid in full to race clubs each year.

International Wagering Revenue

This represents a share of wagering revenue generated by Sky Racing from international wagering operators for the rights to bet on NSW thoroughbred races.

Sky channel had the rights to sell NSW racing internationally for several decades, but a far superior deal was struck by Racing NSW commencing in March 2015 that increases the share of revenue paid to the NSW racing industry and significantly increasing number of NSW thoroughbred meetings wagered on internationally. These monies are distributed in full to race clubs each year and have been a source of substantial growth in recent years through Racing NSW pushing Tabcorp to further grow the distribution and promotion of NSW Thoroughbred Races internationally.

Media Rights

These are fees paid by Sky Racing for the right to broadcast NSW thoroughbred races on Sky Racing.

The amount of these fees negotiated on behalf of the industry by Racing NSW increased in March 2015 after racing NSW dissolved the financially disastrous TVN deal. This included a $28 million dollar up-front payment to the Australian Turf Club used to repay an historic bank loan. The monies are distributed in full to race clubs each year and being indexed to CPI ensure there is annual growth.

A further additional media rights fee was negotiated by Racing NSW in 2017 from Channel Seven which flows to the Australian Turf Club, along with a substantial increase in the volume of races broadcast by Seven and the cross promotional benefits provided.

# Corporate governance and minimum standards

Proper corporate governance is necessary for any race club to be successful. To support clubs, Racing NSW has implemented a range of initiatives to promote best practice corporate governance:

- Introduction of independent directors to the majority of larger race clubs, including all of those receiving significant industry funding. This provides additional skills to race club boards and has proven a successful method of attracting high quality board members who may have otherwise not joined the club if needed to run for popular election;

- Introduction and enforcement of minimum standards for race club management, which includes obligations for matters such as procurement to ensure that there are no conflicts of interest with regards to related party transactions. These minimum standards also ensure that the club has a guideline to administer racing and training operations, with a focus on workplace health and safety;

- Ensuring economies of scale with regards to workers compensation and general insurances through a state-wide management of these policies, which provides individual clubs with access to much higher policy limits and lower premiums; and

- Providing information and education to clubs in both a formal and ad hoc manner, including via the annual country clubs conference and through workplace health and safety seminars.

## *Benefits of increased prizemoney and development of new events*

Increased prizemoney and promotion for aspirational races is also providing Race Clubs with opportunities to grow non wagering race day revenues through the increased profile and awareness of these race days.

The Country and Provincial-Midway Championships, Big Dance Eligible races, Hunter, Gong and Coast race meetings and the Everest Carnival events have all provided Clubs with new and improved opportunities to generate non wagering revenues.

In particular, these new events where Racing NSW contributes the extra prizemoney and promotion are seeing greater opportunities for clubs to attract crowds, sell corporate hospitality and secure new sponsorship revenues.




The Hunter 2023

# Developing Racing's Infrastructure

## Establishment of Newmarket Style Training Centre

A Newmarket style major training centre will be developed in close proximity to Sydney to future proof the industry and provide trainers with an opportunity to acquire their own training base as an asset for their businesses.

This initiative will increase the number of horses in training close to Sydney and support a continued uplift in field sizes.

Importantly, this new facility will be developed with state of the art training infrastructure that will provide an industry leading efficient and effective centre for training.

Naturally, the identification and procurement of the ideal site is paramount to ensure that it serves the long term needs of the industry. The site will need to service up to 1,000 horses in training, with multiple training surfaces and ancillary infrastructure such as walkers, treadmills, aqua walkers and pools.

Providing trainers with an opportunity to acquire a parcel of land within this training centre for their own business is one of the key requests received. Currently, trainers conducting their businesses on racecourse lands pay rent for the use of their stables but are rarely able to procure any such assets within their business. Accordingly, the new training centre will provide an opportunity for trainers to sub-divide portions of land for their own stables in particular and potentially housing.

The development of staff housing will also form part of the training centre to ensure that there is a nearby and low-cost opportunity for staff to be based at the site. Further facilities such as an industry veterinary hospital and staff education spaces will ensure that the new training facility is fully self sufficient with the most modern facilities.

## Improved Racing and Training Infrastructure

Racing NSW has set aside a Capital Expenditure Provision to fund infrastructure projects and has also procured significant Government Grants on behalf of NSW Thoroughbred Race Clubs for major infrastructure projects.

Improved training infrastructure and available stabling has led to an increase in the total number of horses in training in NSW, which has in-turn contributed to an increase in field sizes. Sustaining and increasing these field sizes is critical to maximising wagering revenues.

**Metropolitan and Provincial Sectors:**

Racing NSW continues to work with the ATC and Provincial Race Clubs to support infrastructure requirements, with a range of major projects progressing since the previous strategic plan. These include:

- Completing the delivery of Polytrack training tracks at all Metropolitan and Provincial tracks to provide consistent, all weather training surfaces and support increased horses in training at these venues;

- Full reconstruction of Kembla Grange inner track to provide a new racing surface, which has commenced and will be ready for use from Summer 2025. Similar to the Newcastle strategy, this new inner track will support racing at Kembla Grange whilst a major renovation of the course proper occurs in 2026;

- A major renovation of the Gosford course proper to create a new 6 degree camber on the home turn, which will improve competitiveness of racing at the track. Given the short home straight, this home turn camber will provide greater opportunity for horses drawn wide and will support increased field sizes. This project commenced in June 2024 and will see a return to racing from Summer 2025, in time for The Coast race meeting in May 2025;

- Construction of 150 stables at Hawkesbury racecourse and 200 stables at Gosford racecourse, which will be part funded by a NSW Government grant are currently awaiting development application approval.

In addition to the above, Racing NSW has taken steps to protect the existing stabling infrastructure in the Metropolitan and Provincial sectors by acquiring properties that were at risk of being sold for non-racing purposes and leasing these back to trainers.



Gosford Track Progress.



Turf going down at Kembla Grange.

Racing NSW has also acquired a number of properties at Warwick Farm, Hawkesbury and Kembla Grange that had stables previously used for training, but had been vacant for some time and were at risk of either falling into disrepair or being sold for non-racing purposes. In total, 114 stables have been brought back on-line through these purchases which has further increased horses in training and improved field sizes.

**Country Sector:**

Since the previous strategic plan, projects that have progressed include:

- Construction of 300 stables and a new all weather Polytrack training track at Scone, which commenced works in Winter 2024 and will see Scone become the largest training centre in NSW outside of Sydney;
- Complete rebuild of Port Macquarie course proper, which has been completed and is due to return to racing in Spring 2024;
- Replacement and refurbishment of training tracks at Tamworth, Dubbo, Bathurst and Wellington which have all been completed and now provide safe and reliable training surfaces at these venues;
- Construction of a new sand training track at Albury, that will complement the existing training infrastructure, providing an additional surface that will result in an increase in the training capacity at this venue, which will commence in Spring 2024;
- The provision for a fully functioning fast sand training track at Grafton to replace the Pro-ride training track that had reached end of life and an upgrade of the irrigation system to complement the training tracks, which have commenced in Winter 2024
- A major irrigation system and infrastructure upgrade at Ballina to ensure reliable racing and training facilities, which will commence in Winter 2024;

- Construction of 24 new stables at Sapphire Coast and 30 stables at Moruya which commenced in Winter 2024 to increase training capacity at these venues;

- Construction of 80 stables at Goulburn and 80 stables at Tamworth, which have been fully approved and funded, with works commencing in Spring 2024;

- Construction of 300 stables and a Polytrack training track at Cessnock, which is currently awaiting development application approval;

In addition, the Racing NSW Country Racecourse Development Fund (CRDF) has continued to undertake strategic capital development that has resulted in improvements to infrastructure and facilities achieving industry best practice at country racetracks. Through a combination of CRDF, country race club and Government Grant funding some of the major projects completed since 2021 include

- The commissioning of new mobile starting barriers at Muswellbrook, Mudgee, Racing Orange, Coffs Harbour and Albury whilst delivery of new mobile starting barriers at Dubbo, Tamworth and Port Macquarie is expected in Spring 2024. The ongoing mobile starting barriers renewal program continues to deliver vastly improved, reliable raceday equipment for use by clubs. A significant benefit of the investment in new mobile starting barriers is the transfer of the clubs existing and comparably new barriers to other TAB Clubs which in turn relinquish current barriers for redeployment to a Community and Picnic Club representing an upgrade to their existing barriers.

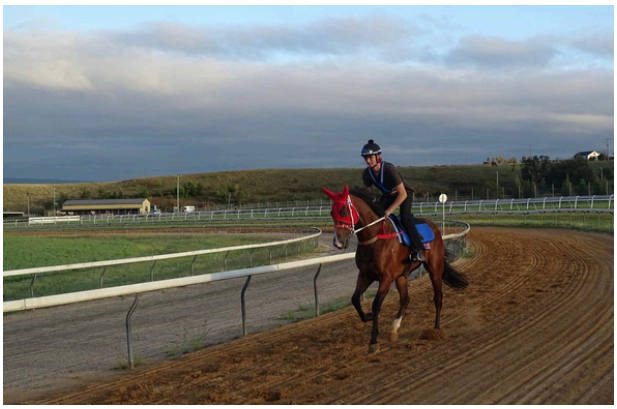
- The successful construction of new and refurbished jockey room and amenities, including significant projects at Shoalhaven (Nowra), Tuncurry Forster, Dubbo and Corowa, whilst Goulburn is scheduled for completion in August 2024.

- The construction of a new race day swab box and veterinary room that benefit industry participants and consider the welfare of thoroughbreds on a race day with more recent upgrade completed at Scone, Grafton, Muswellbrook, Warren, Leeton and Bingara.

- Major irrigation  system and pumping station upgrades most recently at Cowra, Quirindi, Sapphire Coast, and Muswellbrook.

- The construction of a new water resources project at Grafton underpinned by the club's dependency on town water for irrigation, with the project to deliver a composite solution comprising stormwater harvesting, ground water and recycled water.

- Other projects that have been prioritised by the CRDF extend to the replacement and upgrade of race day Judge and Stewards surveillance towers including Narromine, Narrandera and Inverell, the installation of separation fencing at Moruya and Griffith and refurbishment and replacement of race day tie up stalls including Tamworth, Coonabarabran, Muswellbrook and Broken Hill.



Bathurst Sand Track Upgrade



Dubbo replacement of Sand fibre track



Sapphire Coast new stabling



Ballina new irrigation system pump station



Gosford Polytrack



Tamworth sand track replacement

# *Creating pathways for young trainers*

Racing NSW will develop a cost effective way for young trainers to enter the industry. This will include access to training, education and mentorship opportunities. A particular focus of this initiative will be to ensure that there are opportunities for young female trainers to enter the industry.

As part of Racing NSW's investment in new stabling across the state, young trainers will be given the opportunity to apply for these stables to assist establishing their businesses.

# Continuing Professional Development - Licensed Trainers

The viability of the racing industry rests on its continued commitment to uphold the highest standards of integrity and equine welfare. Trainers, being those responsible for the day to day care and preparation of horses, play a vital role in ensuring the industry meets this commitment.

Accordingly, Racing NSW has made it a compulsory requirement of licensing for trainers that they attend a continuing professional development seminars. The first seminar focused on equine welfare based training practices to reduce the risk of catastrophic injuries.

In particular, identifying the signs of injury and ensuring, for example, trainers take the appropriate action by having the horse vetted and treating the injury before sending for a period of rest.

Racing NSW engaged Dr Susan Stover, Professor, Surgical & Radiological Science, University of California, David School of Veterinary Medicine to conduct a series of seminars to NSW licensed trainers. Dr Stover is a distinguished Professor Emerita at the University of California, Davis School of Veterinary Medicine and her research focuses on the biomechanics and prevention of musculoskeletal injuries in equine athletes.

Dr Stover's seminars focus on the prevention of catastrophic limb injury in thoroughbred racehorses. Topics covered include bone adaptation in response to exercise, and how training protocols, rest periods and veterinary intervention can prevent catastrophic injury in the thoroughbred racehorse. The seminars are intended to assist trainers in understanding training methods and measures and the information below:

In continuing Racing NSW program of encouraging best practice Equine Welfare care through education and knowledge, the seminars are a compulsory licensing requirement for trainers and are being conducted throughout NSW from Thursday 18 July 2024 to Friday 26 July 2024. The seminars were arranged in consultation with the NSW Trainers Association, who actively support the continued improvement of equine welfare management and the requirement for compulsory attendance, commenting that "The further education of trainers on best practice when it comes to equine welfare is a positive for the industry".



Dr Stover presenting an Equine Welfare seminar to NSW trainers at Royal Randwick.

Seminars were conducted at the following venues with over 700 trainers attending:

- Dubbo Racecourse
- Royal Randwick Racecourse
- Wagga Racecourse
- Coffs Harbour Racecourse
- Canberra Race Club
- Tamworth Jockey Club
- Warwick Farm Racecourse
- Newcastle Racecourse

***Annual Requirement***

The above is in addition to other requirements including an annual Work Health and Safety on-line proficiency program for all Trainers, consisting of 50 page handbook and respondent questionnaire.

Known as Trainsafe, and updated each year, subjects covered are WHS legislation and requirements, risk management, incident response and employee management including safe workplace responsibilities with a focus on anti-harassment and bullying.

The ongoing face-to-face Professional Development of Licensed Trainers will continue each year with future workshops to include subjects such as Employment and Workplace Environment, Business Management & Financial Planning, Work Health and Safety, Media interaction & Social Media, Customer (Owner) experience.

# Workers Compensation

Racing NSW maintains the lowest cost workers compensation premiums for trainers anywhere in Australia, by providing this mandatory insurance as a specialised insurer.

Racing NSW utilises the services of a third party claims management specialist to oversee management of the claims, but does not outsource the management of the fund as occurs in other states. This ensures that the industry is able to minimise these costs and protect the interests of the participants.

The benefits of lower premiums in NSW has allowed trainers to grow their businesses and become more profitable as compared to trainers in most other states.

However, the regulatory framework for workers compensation is extremely onerous and the costs of claims in NSW is increasing. This is resulting NSW premiums increasing, albeit by a fraction of the amount in other states.

The entire industry needs to remain vigilant around workplace health and safety to avoid injuries in the first place. Further training and enforcement of these standards will continue throughout NSW.

A further focus of Racing NSW will be ensuring injured workers are returned to work sooner. In doing so, the workers' own prospects and mental health benefit, the industry avoids further costly workers compensation payments and also benefits from the productivity of higher employee numbers. Racing NSW is working with the NSW Government regulatory authority SIRA, and the NSW Trainer's Association to introduce a program that will incentivise trainers to return staff to work sooner.

# Supporting Cash Flow for Trainers

Implemented in 2018 Racing NSW pays a portion of owner's prizemoney as a prepayment of their training fees directly to the trainers stakes payment account. NSW was the first state to introduce this initiative, which provides an unprecedented boost to trainers cash flows and has also reduced rates of bad debts.

# Strengthening the Industry of Racing

## Developing a world leading racing laboratory

As a department of Racing NSW, the primary role of the Australian Racing Forensic Laboratory (ARFL) is to provide accurate and independent analytical services to Racing NSW Stewards to assist in upholding the relevant rules pertaining to prohibited and therapeutic substances in the sport of Thoroughbred racing.

Applying the world's best practices and with accreditation to ISO 17025, the ARFL analyses over 28,000 samples a year and is one of only five approved laboratories to analyse samples for the Fédération Equestre Internationale (FEI) at Olympic Games level.

With the continued support of the Board of Racing NSW, the ARFL is continually striving to enhance integrity in racing and since 2022 has received funding of $3.6 million for the purchase of state-of-the-art sophisticated mass spectrometers to further enhance capabilities. This, added to the already extensive fleet of capital equipment, has allowed for the ARFL to stay at the vanguard of racing chemistry research and development. Some examples of the strategic innovation and ongoing development include:

- The Racing NSW Equine Biological Passport (EBP)

Further enhancement of the EBP which has already identified endogenous biomarkers in the horse's system and provides intelligence concerning novel doping threats and horse welfare. As a whole-of-organisation initiative, the EBP statistical modelling approach has been essential in the identification of diseases in horses and current research into differentiating between doping and inadvertent elevated salicylic acid blood levels from naturally enriched feed.

- Detection of erythropoiesis stimulating agents (e.g. erythropoietin (EPO)

Research and development into the detection of a new generation of performance enhancing proteins and peptides has successfully positioned the ARFL with the most sensitive confirmatory methodology in the world for the detection of erythropoiesis stimulating agents (e.g. erythropoietin (EPO)). Several adverse analytical findings in race day samples of EPO peptides at trace levels never previously reported in equine anti-doping laboratories has the ARFL as a world leader. The new equipment will allow for greater sensitivity to these agents to detect their presence at lower levels when administered much earlier than ever before.

- Sophisticated software with AI capabilities

Integrated with the purchase of the equipment are designer software packages with the capability to further enhance the effectiveness of drug identification. Armed with this, scientists have improved the ability to detect a drug from a blood or urine sample. Finding the 'needle in the haystack' becomes significantly more achievable with substances previously considered 'undetectable' now potentially reported as adverse findings.

- Identification of novel doping agents

Following intelligence acquired from human medicine and human anti-doping, ARFL was responsible for the world-first report of andarine (S-4) a selective androgen receptor modulator (SARM) in an equine race day blood sample. This class of substances and many others are the next generation of potential doping agents.With an ongoing commitment towards R&D, strategies can now be built to more easily identify these serious threats to racing.

- Gene doping

The emergence of gene doping has presented new and complex challenges to the integrity of the racing industry. To meet those challenges, the ARFL was the driver for this major new national initiative funded by Racing Australia to detect gene doping in racehorses with world-leading research collaborators. With the development of specific tests for a number of transgenes, routine testing of race day samples is now available to identify any potential genetic manipulation to the horse.

- Long-term storage of biological samples to deter doping

The purchase of a bank of -80 degree Celsius freezers allows for Group 1 winners' samples to be stored indefinitely, preserved in the best possible condition and re-tested 10 years later. This ensures past samples can be subject to continued testing as both new drug threats and new technological advances emerge throughout the world.

- Investigative Testing

The new equipment will allow for a more sophisticated strategic approach toward the testing of exhibits from seizures confiscated following Stewards investigations. These unlabelled products in the form of injectable liquids and powders such as ITPP and AICAR have previously been identified by the ARFL providing clear intelligence and a 'window' as to what is being administered as a performance enhancing doping agent to cheat the system.

- Continued collaboration with external research organisations

Strong collaborations with established external research groups such as the Centre for Forensic Science (University of Technology Sydney) and the Research School of Chemistry (Australian National University) provides the ARFL with access to intelligent and motivated Honours and PhD students whose research aims are directed by the needs of the ARFL and Racing NSW. This research has resulted in the publication of more than 25 academic publications in the last 10 years alone demonstrating the commitment of ARFL and Racing NSW to combating doping in equine sport.

# Stewards Control Centre

To provide an added resource to the Racing NSW Integrity Department, a Stewards Control Centre has been developed with state of the art technology to allow stewards to remotely officiate race meetings throughout NSW.

This technology allows stewards to remotely view and participate in the race day stewards room and have access to and control the Hawkeye replay system remotely.

This technology provides multiple benefits that otherwise could not be achieved given the geographical spread of race meetings across NSW:

- An additional level of oversight is provided for both race conduct and the subsequent inquiries. The technology affords the remote stewards the ability to not only watch the races from their own viewpoint, but also from the perspective of the stewards at the meetings. This external perspective allows the remote stewards to observe conduct that may otherwise go unnoticed.

- Senior stewards are able to observe and mentor junior stewards in the conduct of race meetings, including providing guidance on any serious or major issues that arise. The advanced technology, and the capabilities it affords stewards, allows for more in-depth analysis leading to more comprehensive assistance being provided.

- A layer of redundancy is provided in the event that a regional steward is unable to attend a meeting due to an emergency, as some of their functions can be absorbed by the remote steward to ensure the meeting is still comprehensively serviced.

- There can be added internal control by allowing stewards to be rotated amongst regions without extensive travel costs, to ensure that each region receives a mix of stewards throughout the year.

- There can be a more efficent operating model by consolidating adminstrative functions, such as compiling steward reports, from a central location. The reduction of administrative duties on the stewards at the meetings allows them to better focus their attentions on the race-day matters.

Racing NSW maintains an industry leading traineeship program that sees junior stewards thoroughly trained in their roles, with skills developed under the close mentorship of senior stewards. This program has developed many of the leading stewards internationally and continues to produce highly capable and mature stewards to cover NSW race meetings.

To better support these stewards, a key focus of the Integrity department will be to streamline administrative functions through technology. Along with the Stewards Control Centre, steps are being taken to introduce a fully digitised 'case management system' that will incorporate AI technologies to more effectively and efficiently manage the stewards' workloads. These technological developments demonstrate the commitment of the department to allowing 'stewards to be stewards' and ensures a better use of resources across the department.




Steward's Room




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