

The financing of greyhound racing in Tasmania

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Executive Summary

- The contemporary form of greyhound racing, involving dogs chasing a mechanically-operated artificial lure around an elliptical track, dates back about a century in the United Kingdom, United States and Australia. But, outside Australia, the sport has been in steady decline, in some cases for decades. It is now banned in 44 American states, and may be banned in Scotland and Wales. The only other countries where commercial greyhound racing still takes place are Ireland, the UK and New Zealand (although it will be phased out in New Zealand by July 2026).
- Over the past decade, greyhound racing in Australia has attracted growing scrutiny, primarily in response to a range of animal welfare concerns. These concerns have prompted official inquiries in four states, which have in turn led to greyhound racing being banned in the ACT, and subject to heightened monitoring and regulation in other jurisdictions, including Tasmania.
- Greyhound racing also appears to be in decline in Tasmania, as evidenced by falling attendances at race meetings, and fewer dogs starting in races over the past decade, and a 26% decline in the amount wagered on greyhound races over the past three years (more than twice as large as the decline in wagering on thoroughbred and harness racing in Tasmania over the same period).
- The greyhound racing 'industry', as it likes to style itself, claims to make a significant contribution to economic activity and employment in Tasmania. These 'contributions' are actually quite small, even when taken at face value, amounting to just 0.2% of gross state product and of total employment in Tasmania.
- There are, however, good reasons not to take these claims at face value. Similar claims made for the contribution of greyhound racing to economic activity and employment in other states have been severely criticized by official inquiries, while the methods used to produce them have been questioned by the Australian Bureau of Statistics, the Productivity Commission, and by Treasuries and Auditors-General in other states. Tasmania's Treasury has also been very critical of the studies used to support these 'economic contribution' claims in Tasmania.
- Greyhound racing in Tasmania is almost entirely dependent on government funding – and to a much greater extent than in any other jurisdiction – largely as a result of the very generous 'funding deed' under which, in 2009, the then State Government agreed to provide an annual grant, indexed for inflation, to Tasracing for twenty years.
- The Tasmanian Government continues to fund greyhound racing more generously than any other jurisdiction, to the tune of \$12.70 per head of population in 2023-24, more than double the average for all states and territories of \$5.27 per head.
- Over the past 15 years greyhound racing has received a total of \$74.6 million from Tasracing, rising from \$3.5 million in 2010-11 to a projected \$7.5 million in 2024-25.

- That represents an increase of 127%, or an annual average of 5.6% per annum (equivalent to 3.0% per annum in real terms) – compared with (for example) an increase in government spending on education of 4.1% pa over this period.
- The 'returns' from this steadily increasing 'investment' (in terms of have been steadily diminishing, in terms of
 - attendances (down from 6.4 per \$1,000 of 'code funding' in 2011-12 to 4.0 in 2021-22),
 - race starters (down from 3.8 per \$1,000 of 'code funding' in 2008-09 to 1.6 in 2023-24),
 - wagering (the principal 'product' of greyhound racing, down from \$64.40 per dollar of 'code funding' in 2020-21 to \$36.52 in 2023-24), and
 - employment (down, using the industry's figures, from 150 jobs per \$1 million of 'code funding' in 2011-12 to 82 in 2021-22)
- Put differently, each 'sustained' (according to the industry's estimates) in greyhound racing required an average of \$12,140 in 'code allocation funding' in 2021-22, up from \$10,599 in 2018-19 and \$6,369 in 2011-12 – an increase of 91% over 10 years. The actual cost per job 'created' is almost certainly considerably more than this, given the strong likelihood that the industry's estimates of the number of jobs 'created' by its activities are substantially exaggerated.
- The 'funding deed' under which \$75 million of Tasmanian taxpayers' money has thus far been allocated to greyhound racing is due to expire at the end of the 2028-29 financial year. Having regard to the straitened financial circumstances in which the Tasmanian Government now finds itself, this represents an opportunity to stop throwing 'good money after bad', of which the Government should avail itself.

1. Introduction

Greyhound racing has its origins in *coursing* – the pursuit of game (such as hares or rabbits) by hounds, first described by an ancient Greek writer Arrian in 150AD (Dansey 1831). Coursing became popular as a sport in England, Ireland and Scotland during the 16th century, governed by the 'laws of the leash' drawn up by Thomas Howard, 4th Duke of Norfolk during the reign of Queen Elizabeth I (Richardson 1896: 141). The first coursing club was formed in 1776 at Swaffham, in Norfolk. Its rules stipulated that only two greyhounds were to chase a single hare, and that the hare was to be given a head start of 240 yards (Smith 2013). The first Waterloo Cup, the premier coursing event, was held at the Altar Club in Liverpool in 1836, and the National Coursing Club was formed in 1858 (Lewis 2025).

Coursing first appeared in the United States in the early 19th century, with an American Coursing Board established in 1886, superseded by the National Coursing Association in 1906.

The first greyhound race involving dogs chasing an artificial lure, rather than a live hare, took place at Hendon, a north-western suburb of London, on 6th March 1876, over a straight course of 400 yards (Greyhound Racing History 2025).

The mechanically-operated artificial hare was invented by an American, Owen Patrick Smith, in 1912, out of a desire to stop the killing of jack rabbits (Smith 2013), and was installed on an oval track for the first time at Emeryville, California (between Oakland and Berkeley, on the western shore of San Francisco Bay), in 1919. The *Oakland Tribune* reported that

"Instead of chasing honest-to-goodness jack rabbits the hounds will be sent in pursuit of a phony animal, operated on tracks by electricity, but the bow-wows are just as enthusiastic over following this imitation animal as they were when they chased live bunnies ... Of course, the bunny always wins the race. The way the thing is operated Mr Rabbit is allowed a good start on the hounds and the speed of the animal is controlled by levers in a tower. The faster the hounds run, the more juice is applied to Brer Rabbit, and when the race has been run the bunny disappears into a hole while the bow-wows retire to their kennels. A spring arrangement makes the rabbit hop up and down in a similar motion to the real article when he is in a hurry and from a distance even the keenest hound is fooled into believing it is the real thing" (Oakland Tribune 1920: 19).

Greyhound racing on an oval track commenced in Britain in 1926, at Belle Vue Stadium in Manchester on 24th July 1926. A year later, there were 40 tracks operating across Britain, with attendances at race meetings peaking at around 75 million in 1946. Its primary appeal was as a vehicle for betting, particularly after the introduction of the totalisator in 1930. Attendances began a long decline in the early 1960s, partly as a result of the introduction of off-course betting (Huggins, 2006 and 2007).

Greyhound racing has also declined in popularity in other parts of the world. 44 US states have now banned greyhound racing, starting with Vermont in 1995 and Idaho in 1996, the most recent being Arkansas in March this year (Katz 2025). The only state in which greyhound racing now takes place is West Virginia. There are now only 19 licenced courses operating in the UK, and bills to ban greyhound racing are currently before both the Scottish and Welsh Parliaments (Cochrane 2025). Greyhound racing ceased in Vietnam in 2023 and Mexico in 2024. The only other countries (apart from Australia) where commercial greyhound racing still occurs are Ireland, the UK and New Zealand (Lefkowitz 2023). NZ will ban greyhound racing from July 2026 (Peters 2024).

Greyhound racing in Australia commenced on 28th May 1927 at Harold Park in Sydney. A second track was opened at Wentworth Park in 1939. There are currently 29 greyhound racing tracks operating in New South Wales, 13 in Victoria, nine in Queensland, five in South Australia, three in Western Australia, two in Tasmania and one in the Northern Territory (Australian Racing Greyhound 2025a). Australia's 62 tracks represent more than half of all tracks operating around the world.

The greyhound racing 'industry' claims that 611,427 people attended greyhound race meetings across Australia in the 2022-23 financial year (IER 2024:44). This figure is difficult to reconcile with ABS data showing that 281,400 people attended dog racing events across Australia in 2009-10, the last year for which the ABS collected and published data on attendances at sporting events (ABS 2010: Table 4). It stretches credulity to suggest that attendance at greyhound racing events increased by 117% over the 13 years to 2022-23. Similarly, it is difficult to reconcile industry assertions that it 'sustained' 14,694 full-time equivalent jobs in 2022-23 (IER 2024:44) with data from the 2021 Census showing that only 10,578 people were employed (whether full- or part-time) in dog and horse racing activities (ABS 2022: Table 9).

Greyhound racing has attracted increasing public scrutiny prompted primarily by animal welfare concerns, particularly in the aftermath of allegations of animal cruelty aired by the ABC-TV program *Four Corners* in February 2015 (Meldrum-Hanna 2015).

The New South Wales Government commissioned an inquiry into greyhound racing in response to that program (McHugh 2016), following which the Government proposed to ban the sport in that state, a decision which it subsequently reversed in response to a concerted campaign by supporters of greyhound racing (Ernst 2016). The current NSW Government has commissioned a further inquiry into greyhound racing in that state, prompted by "renewed complaints about governance and operations, track safety and animal welfare issues", which is due to report at the end of July (Harris 2024, 2025).

Greyhound racing ceased in the ACT in May 2018 after the ACT Legislative Assembly passed legislation banning it, as recommended by a report to the ACT Government (Durkin 2017) commissioned in the aftermath of the *Four Corners* program.

There have also been parliamentary or public inquiries into greyhound racing, in response to animal welfare concerns, in Queensland (McSporran 2015), South Australia (Ashton and Thomas 2023), and Western Australia (Collier 2024).

2. Greyhound racing in Tasmania

The first recorded greyhound race in Tasmania took place in the 1870s, at Quamby (near Deloraine). The sport increased in popularity following the legalizing of betting on races by the Government of Premier Albert Ogilvie in 1932 (Alexander 2005: 108). This was followed by the opening of a track at White City in Launceston in February 1933, and at the TCA Ground in Hobart in January 1935. The first race meeting at the Devonport Showgrounds was held in April 1952. Greyhound racing in Launceston moved to Mowbray in 2005, and in Hobart to Tattersalls Park at Elwick in 2007 (Australian Racing Greyhound 2025b, c and d). The Devonport Showground track was closed in 2022.

As in most mainland states, racing (including greyhound racing) in Tasmania has been the subject of a series of inquiries in recent years prompted by animal welfare concerns. These have included by a Joint Select Committee of Tasmania's Legislative Council (2016), an experienced Victorian racing industry leader (Monteith 2022) and an internationally recognized regulatory veterinarian (Sykes 2022), as well as by animal welfare groups (RSPCA 2024).

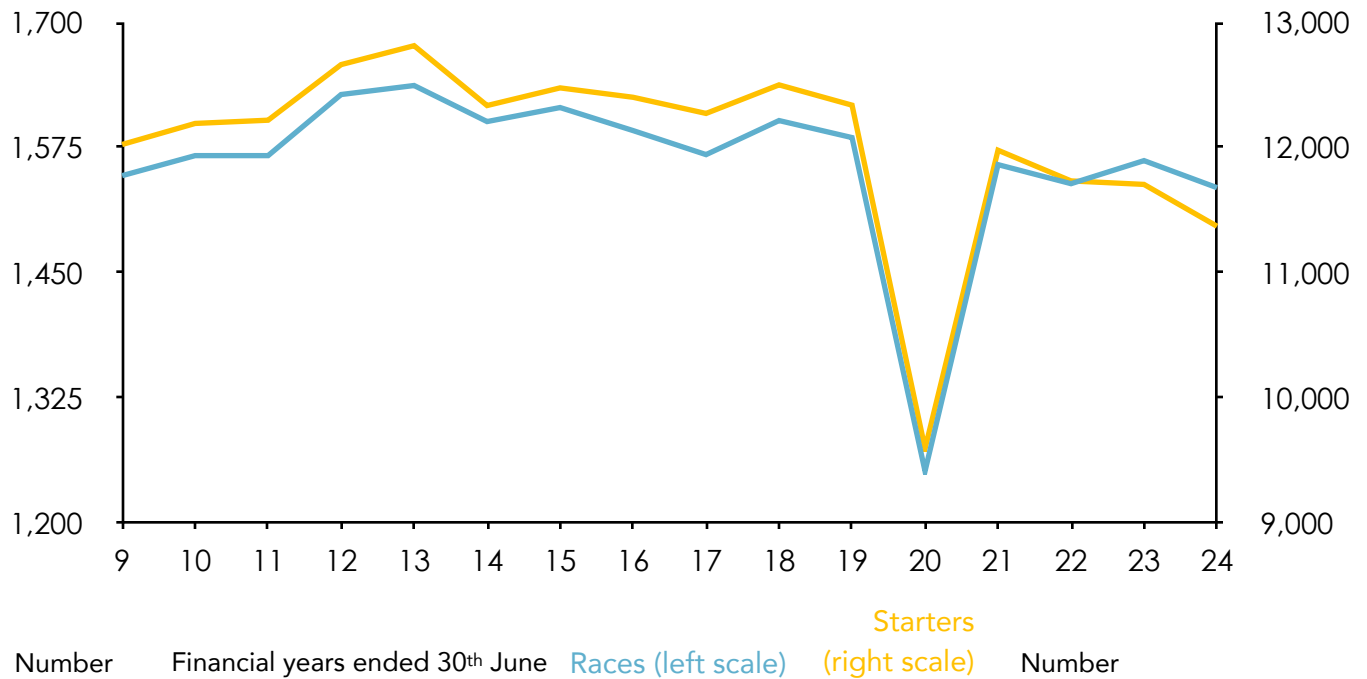
These and other inquiries prompted an overhaul of the governance and regulation of all three forms of racing in Tasmania, with the passing of the [Racing Regulation and Integrity Act 2024](#). Among other things this legislation established a Tasmanian Racing Integrity Commissioner, separate from Tasracing, "to set best-practice integrity and animal welfare standards" (Howlett 2024). It is of course too early to assess the impact of these changes in addressing the concerns identified by the inquiries which preceded them.

Public interest in greyhound racing appears to be declining. Although it has not been possible to derive a consistent time series of attendances at Tasmanian greyhound race meetings, the reports compiled by IER, consultants to Tasracing, show that attendances declined from 26,700 in 2011-12 (IER 2013: 14) to 23,740 in 2022-23 (IER 2023: 5). No source for these figures is provided in the IER reports: but, at face value, they imply a decline in attendances as a proportion of the proportion of the Tasmanian population from 5.2% to 4.1% over this 11-year period.

In fact these attendance figures over-state the proportion of the population who are interested enough in greyhound racing to attend a race meeting due to double- (or multiple-) counting of people who attend two or more meetings each year.

Although there are substantially more greyhound race meetings (159 in 2022-23) than thoroughbred (66) and harness (87) race meetings in Tasmania, horse race meetings attract substantially larger crowds (42,900 at thoroughbred and 43,740 at harness race meetings in 2022-23, according to figures published by IER) than greyhound race meetings.

Tasracing figures indicate that the number of greyhound races held in Tasmania has declined by 6¼% and the number of starters at those races by 11¼% since both peaked in 2012-13 (see Chart 1).

Chart 1: Number of greyhound races and starters in Tasmania

Note: Racing was shut down in Tasmania from 2nd April to 14th June 2020 due to Covid-19 restrictions. Sources: Tasracing (2015: 46, 2020: 26 and 2024: 44).

A likely more accurate indication of the proportion of the Tasmanian population who are interested in greyhound racing was provided by an opinion poll conducted by EMRS in October 2023.

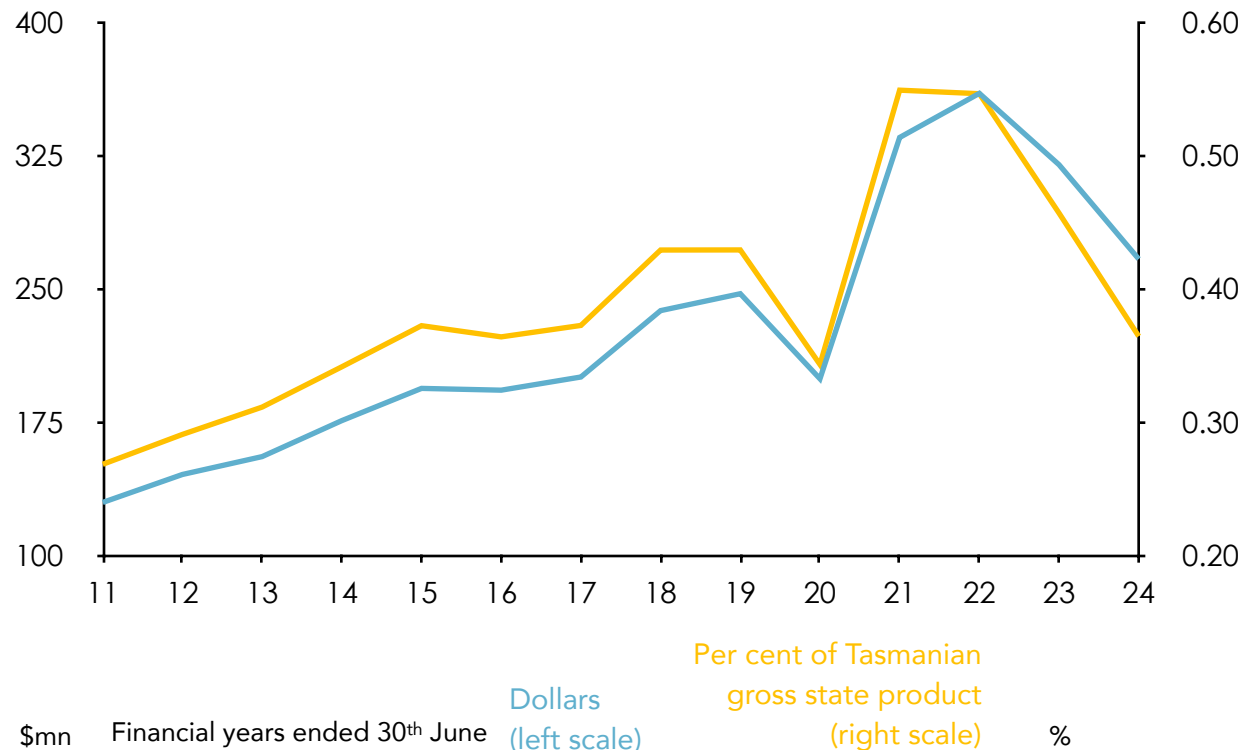
Based on a sample of 500 respondents (which represents a much larger proportion of the Tasmanian population than, for example, the widely-used Newspoll represents of the Australian population), only 1% of Tasmanians had attended a greyhound race meeting in the previous year, and only 3% were likely to attend a meeting in the next 12 months (as opposed to 84% who were 'very unlikely'), and only 4% were likely (as opposed to 89% who were 'very unlikely') to place a bet on a greyhound race in the next 12 months (Inglis 2023; Coalition for the Protection of Greyhounds 2023).

The same survey reported that only 11% of Tasmanians 'supported' or 'strongly supported' the greyhound racing industry in Tasmania, compared with 16% 'somewhat opposed' and 46% 'strongly opposed' to the industry.

Another indication of declining interest in greyhound racing – given the significance of gambling to the racing 'product' – is the significant fall, of almost 26%, in the value of gambling on greyhound races in Tasmania since 2021-22, as shown in Chart 1 below. This is more than twice as large as the 11% decline in the value of gambling on the two horse-racing codes in Tasmania over the same period.

Gambling on greyhound racing has declined from just under 42% of total wagering on the three racing codes in Tasmania over the three years 2019-20 through 2021-22, to 39.6% in 2022-23 and 37.5% in 2023-24.

Chart 2: Wagering on Tasmanian greyhound racing



Sources: Tasracing (2015: 46, 2020: 26 and 2024: 44); ABS (2024).

As a percentage of Tasmania's gross state product this represents a decline from 0.55% in 2020-21 and 2021-22 to 0.36% in 2023-24 – the lowest since 2015-16, apart from 2019-20 when (as shown in Chart 1) the number of races was affected by the shut-down of the industry due to Covid-19 restrictions in the June quarter of that year.

As a percentage of total gambling on all three racing codes, gambling on greyhound racing has declined from just under 42% in each of the years 2019-20 through 2021-22 to 37½% in 2023-24.

3. The 'economic contribution' of greyhound racing in Tasmania

The racing 'industry', as it likes to style itself (unlike other sporting codes such as AFL football, soccer, cricket, or basketball), asserts that it makes a substantial contribution to economic activity and employment in Tasmania, to support its arguments for on-going government funding.

According to the most recent report commissioned by Tasracing from consultants IER, direct expenditure on greyhound racing (that is, on breeding and rearing puppies, training, racing customer expenditure and expenditure by Tasracing and greyhound racing clubs) amounted to \$51.3 million in the 2021-22 financial year. This in turn, IER estimates, created 'total value added' in the Tasmanian economy of \$59.7 million (equivalent to 0.2% of Tasmania's total gross state product in that year), generated \$32.6 million in household income, and 'sustained' and created 639 full- or part-time jobs (0.2% of total employment in Tasmania in 2021-22), or 486 full-time equivalent (FTE) jobs (IER 2023: 4). Of these, 244 were in the south of the state, 100 in the north, and 142 in the north-west (IER 2023: 20, 55, 57 and 59).

Including 245 volunteers 'assisting breeders and trainers', and 31 volunteers at racing clubs, IER estimates that there were 915 'participants' in greyhound racing in 2021-22 (equivalent to 0.16% of Tasmania's population) – of which 192 were in the south, 118 in the north and fully 605 in the north-west ((IER 2023: 55, 57 and 59).

As noted above in the national context, IER's employment creation estimates are difficult to reconcile with other data. IER estimates that all three racing codes 'sustained' 993 FTE jobs directly, and 741 indirectly, in Tasmania in 2021-22 for a total of 1,735 FTE jobs (IER 2023: 4). These numbers are substantially greater than the 2021 Census tally of 209 Tasmanians employed in 'horse and dog racing activities' (ABS 2022) – of which 117 were full-time, 83 part-time and 6 'away from work', which equates to about 162 FTE jobs).

Even if the 42 people employed in 'horse farming' (of whom 21 were full-time and 22 part-time), and the 101 people employed in 'other gambling activities', ie, excluding casinos and lotteries (of whom 55 were full-time, 43 part-time and 5 'away from work') at the 2021 Census are regarded as being attributable to 'racing', that amounts to 352 employees (0.13% of total employment in Tasmania), or about 273 FTEs – a little more than one-quarter of IER's estimate of the number of FTE jobs directly 'sustained' by all three racing codes, and less than 16% of IER's estimate of the total number of FTE jobs generated by racing.

Other anomalies become apparent from a closer inspection of the regional distribution of jobs and 'participants' in IER's estimates. As noted above, IER estimates there were 192 'participants' in greyhound racing in the south of Tasmania (IER 2023: 55) – which is smaller than the estimated 244 FTE jobs 'sustained' by greyhound racing in the south (IER 2023: 20). On the other hand, the number of 'participants' in greyhound racing in the north-west, 605 (IER 2023: 59) is 4¼ times the number of FTE jobs in the north-west, 142, 'sustained' by greyhound racing (IER 2023: 20).

The New South Wales Special Commission of Inquiry into greyhound racing was critical of the estimates produced by IER for that state for the 2012-13 financial year, using essentially the same methodology as in their reports for Tasracing. It noted that IERs estimates of the contribution of greyhound racing to the NSW economy and of the number of FTE jobs 'sustained' by it were respectively 2.3 and 1.7 times larger than corresponding estimates produced by another consultancy, Access Economics, for the 2009-10 financial year. On the basis of its own investigations the Special Commission concluded that the IER figures were "too high" (McHugh 2016b: 89).

It subsequently noted that "the IER Report was not required to consider potentially negative effects of the greyhound racing industry in so far as they may impact on its contribution to the community", and that, because the social impact survey undertaken by IER was "based on a survey undertaken by the various racing clubs", it was "inherently unlikely to draw out negative aspects of the racing industry, including the greyhound racing industry".

The NSW Special Commission also observed that the IER Report was "prepared prior to the *Four Corners* program and the live baiting scandal, and other controversies which the Commission uncovered", which "may well have affected public perceptions of the greyhound racing industry and the extent to which, if at all, it makes a net positive social contribution to the community" (McHugh 2016b: 166).

The Commission's own view was that "the strong degree of justified community mistrust concerning the [greyhound racing] industry ... serves considerably to lessen – and indeed over-rides – any perceived social contribution arising from the industry's engagement with participants and local towns and communities".

It also noted that "history is replete with instances of entertainment sports that have been prohibited because of the perceived cruelty involved, notwithstanding they were once considered traditional pastimes that provided enjoyment and social benefits to participants", including live hare coursing in NSW since the 1950s, fox hunting in the UK since 2005, and bullfighting in the Spanish province of Catalonia since 2012 (McHugh 2016b: 175-6).

This latter point was also addressed by the more recent Inquiry into the Governance of the Greyhound Racing Industry in South Australia. It noted that greyhound racing is "reliant upon gambling revenue for its economic survival", and that "the social component of the sport, such as creating community and providing a social outlet for working class South Australians, appears to have a lesser focus due to the industry's need to generate a product for gambling revenue ... Race meetings are often held as transactional affairs with many trainers and connections arriving, kennelling their greyhounds, participating in the race and then going home" (Ashton and Thomas 2023: 5).

The estimates of economic value added and employment 'sustained' by the racing 'industry' produced by IER rely heavily on the use of 'multipliers' to estimate the value of

economic activity and the number of jobs created indirectly through 'flow-on' effects of expenditure on racing.

These 'multipliers' are derived from the input-output tables produced annually by the Australian Bureau of Statistics (ABS 2025a). These tables can be thought of as a detailed 'supply-chain map' of the Australian economy, showing the 'upstream' and 'downstream' linkages between the output of more than 900 different 'products' (goods or services) produced by 114 different 'product groups' (or industries).

'Multipliers' derived in this way have long been used by businesses, industry associations and other interests – and by consultants engaged to advocate or lobby for them – to highlight the importance of a particular undertaking to the generation of economic activity and employment, especially to a state or a region, and often in support of claims for financial assistance or tax concessions from governments, for protection from competition, or against proposed regulations.

Such uses of 'multipliers' have been repeatedly criticized by Treasuries, Auditors-General and others. Western Australia's Treasury says that "they are more often abused than used correctly" and "are merely a method of inflating the output of an industry to more impressive levels" (Layman 2002: 50-51). Victoria's Auditor-General observed that "an economic assessment using [input-output] multipliers has the tendency to overstate the impact of an event" (Pearson 2007: 62). New South Wales' Treasury notes that "Input-output analysis ... will always indicate positive impacts - activity - without providing guidance as to whether such impacts correspond with net benefits" (NSW Treasury 2007: 12).

The Productivity Commission points out that the use of 'multipliers' to derive estimates of the value added or employment generated by a particular activity ignores the 'opportunity cost' of the resources used in that activity (that is, the alternative uses to which they could be put), the costs of any negative side-effects which that activity might generate, and – particularly in the case of analyses focussing on a specific state or region – the likelihood that 'flow-on' effects will 'spill over' into other states or regions, a possibility which (by design) is not contemplated in the national input-output tables from which these 'multipliers' are derived (Gretton 2013: 6-12).

For these reasons, the ABS ceased publishing input-output multipliers two decades ago. At that time it noted that "while their ease of use makes I-O multipliers a popular tool for economic impact analysis, they are based on limiting assumptions that results in multipliers being a biased estimator of the benefits or costs of a project", and pointed to six shortcomings and limitations in their use for economic impact analysis:

- the implicit assumption that the economy has no supply-side constraints;
- an implicit assumption that prices are fixed and do not act as a 'rationing device' in the presence of supply constraints;
- an implicit assumption that there is a fixed input structure in each industry and that increased demand for a product implies an equal increase in production of that

product (as opposed to an increase in imports from elsewhere, or a diversion of exports to meet domestic demand);

- an absence of any allowance for consumers' marginal responses to changes, instead assuming that household consumption patterns remain unaltered in the face of changes in their income;
- an absence of 'budget constraints' on households and governments; and
- often significant differences in the structure of state or regional economies from that of the national economy (ABS 2009).

Appearing before a Senate Committee hearing in 2009, David Gruen, now the head of the ABS but at the time a Deputy Secretary of the Australian Treasury, responded to assertions that "each new job in mining creates three other jobs in the rest of the economy" by saying "If you add up all the jobs "created" by all the industries, you will find that we have many more jobs than there are in Australia" (Hawkins 2021).

Tasmania's Treasury has made similar points, specifically in the context of the racing 'industry'. In a 'Desktop Review of the Costs and Functions of Tasracing', published in 2020, it noted:

- "there are no state based input output tables produced by the Australian Bureau of Statistics, meaning many multipliers are derived using the national tables, with an industry structure that is different from Tasmania";
- "multipliers ... implicitly assume that there is no supply-side constraint in the economy ... Essentially, they assume that extra output can be produced in one area of an economy without taking resources, such as labour, away from other activities"; and
- "multipliers that are based on national input-output tables are likely to overstate the economic impacts of an initiative, including the expected number of jobs generated by the initiative"; and
- "reports with strong reliance on economic multipliers can be inherently unreliable and problematic. Put simply, if a multiplier effect was included for all existing industries in Tasmania when estimating their economic contribution to the State, the combined effect would be that Tasmania's economy would be two or three times its current size" (Tasmanian Department of Treasury and Finance 2020: 23).

IER has itself conceded some of these points. In its most recent report commissioned by Tasracing, it acknowledged that "there is some level of duplication in some of the participation categories resulting from an inability to duplicate individual databases" and "taking the racing industry as an example, it is likely (under a scenario where it no longer existed) that much of the local resident spend would substitute to other activities" (IER 2024: 18 and 61).

4. Government funding of greyhound racing in Tasmania

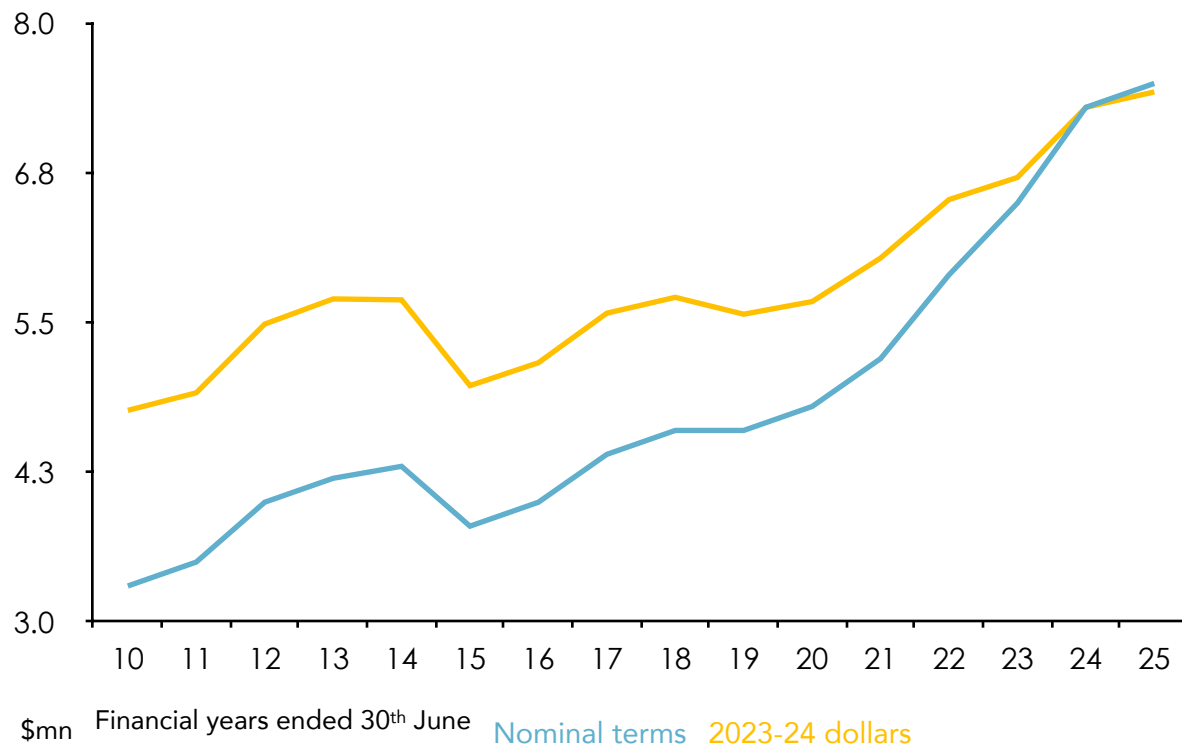
Greyhound racing in Tasmania is almost entirely dependent on government funding. When it announced its intention to sell TOTE Tasmania in 2009, the then Tasmanian Government entered into a 'funding deed' with Tasracing to provide it with an annual

grant of \$27 million, indexed to the consumer price index, for 20 years, in lieu of the revenue which Tasracing's predecessor (the Tasmanian Racing Board) had previously received from TOTE Tasmania. Although Tasracing continues to refer to the funding it receives from the Government as "\$27 million a year" (Tasracing 2025), the amount has steadily risen (as a result of indexation) to \$37.2 million in 2024-25 (Ferguson 2024b: 221).

Greyhound racing receives just under 20% of the total amount allocated by Tasracing out of this government funding to the three racing codes). Over the past 15 years greyhound racing has received a total of \$74.6 million from Tasracing, rising from \$3.5 million in 2010-11 to a projected \$7.5 million in 2024-25 (Chart 3). That represents an increase of 127%, or an annual average of 5.6% per annum (equivalent to 3.0% per annum in real terms).

That's slightly more than the increase in total Tasmanian government 'operating expenses' of 5.2% per annum, on average, over the 15 years to 2024-25, and well in excess of the average annual increase in spending on, for example, education of 4.1% per annum.

Chart 3: Government funding of greyhound racing in Tasmania



Note: 2024-25 dollar figures derived by deflating the nominal figures by the consumer price index for Hobart. Sources: Tasracing (2015: 46, 2020: 26 and 2024: 44); ABS (2025b).

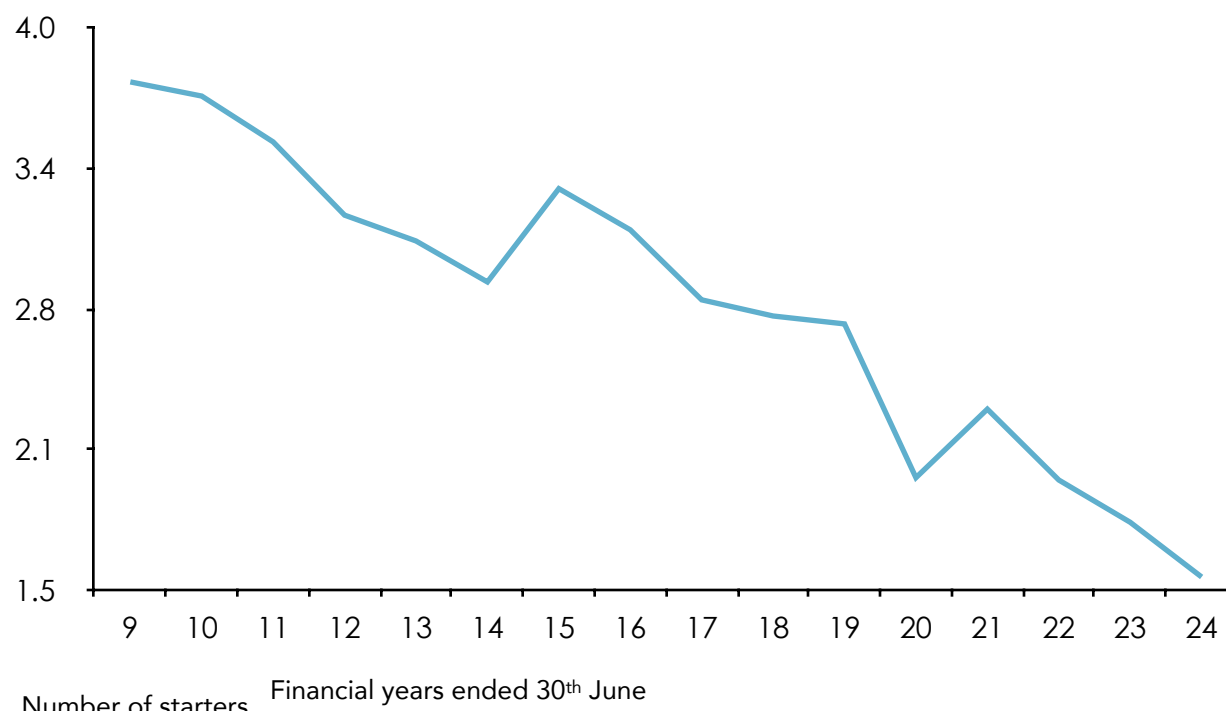
In addition to the annual funding provided pursuant to the 2009 deed, from time to time the Tasmanian Government provides funding to the racing 'industry' to assist with the cost of providing or upgrading racing infrastructure. Between 2020-21 and 2024-25, the Government provided a total of \$32.5 million for "racing infrastructure in the North

and North West of the State" (Ferguson 2024a: 122-123, and corresponding Budget Papers for previous years), some of which may be used for building a new greyhound track at Tapeta Park in Spreyton (Australian Racing Greyhound 2024). Like other sporting clubs, the three greyhound racing clubs also pay a concessional rate of land tax on land which they own (s. 38 of the [Land Tax Act 2000](#)).

In multiple respects, the return generated by government funding of Tasmanian greyhound racing has been steadily declining. As one illustration, each \$1,000 of the government-funded 'code allocation' to greyhound racing generated only 1.6 starters at races in 2023-24, compared with 3.8 starters in 2008-09 – a decline of 58.5% (Chart 4 below). Put differently, each starter embodied \$642 of government funding in 2023-24, compared with \$266 in 2008-09, an increase of 137% (or 64% in real terms).

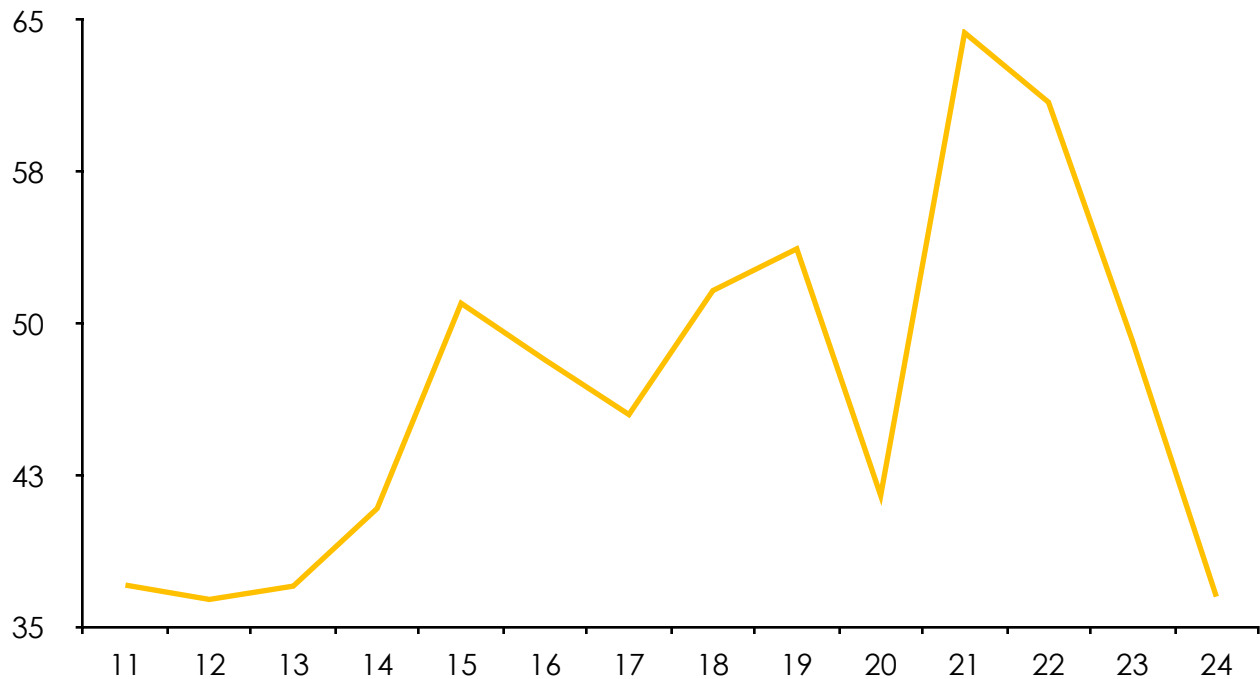
Alternatively, given that one of the principal 'purposes' of greyhound racing is (according to its supporters) to provide an outlet for gambling, the amount wagered on Tasmanian greyhound races per dollar of 'code allocation' has fallen from a peak of \$64.40 in 2020-21 to \$36.52 in 2023-24, a smaller figure than in 2010-11 (Chart 5 on the following page).

Chart 4: 'Productivity' in Tasmanian greyhound racing – number of race starters per \$'000 of 'code allocation'



Sources: Tasracing (2015: 46, 2020: 26 and 2024: 44); Corinna Economic Advisory.

Chart 5: 'Productivity' in Tasmanian greyhound racing – amount wagered on Tasmanian greyhound racing per dollar of 'code allocation'



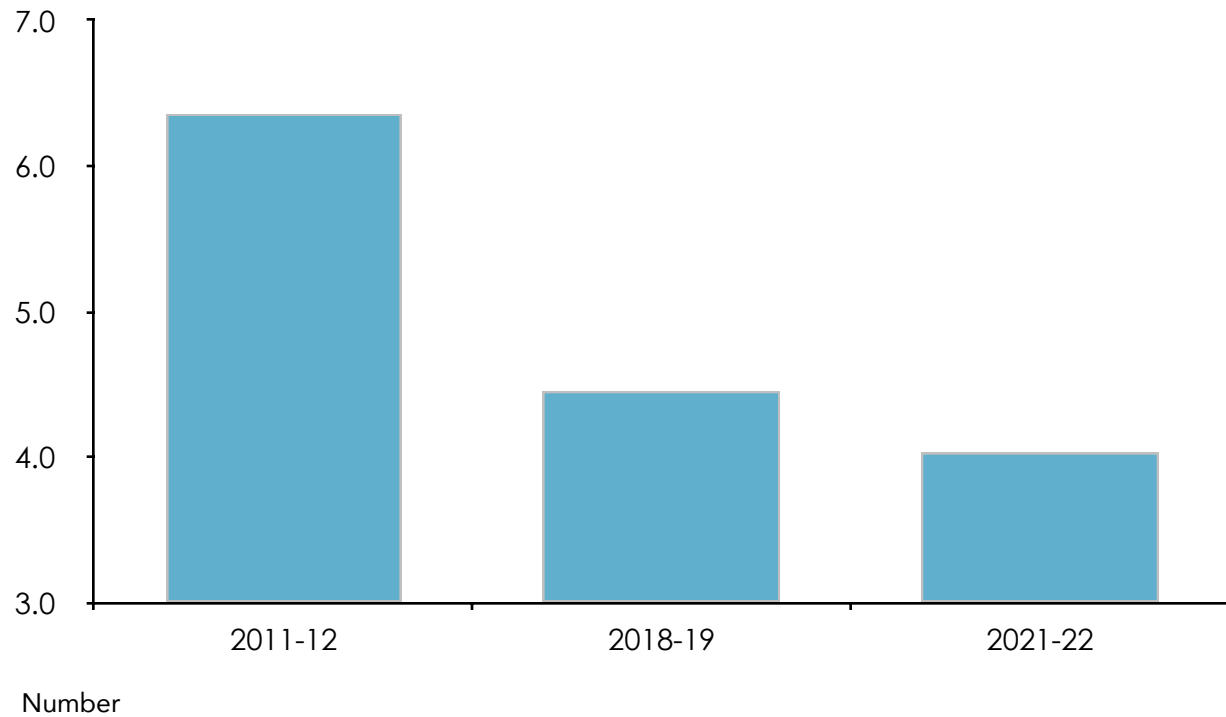
\$ Financial years ended 30th June

Sources: Tasracing (2015: 46, 2020: 26 and 2024: 44); Corinna Economic Advisory.

Even using figures compiled by Tasracing's preferred consultancy, IER, it is clear that the 'returns' to Tasmania from the government funding 'invested' in greyhound racing are diminishing over time:

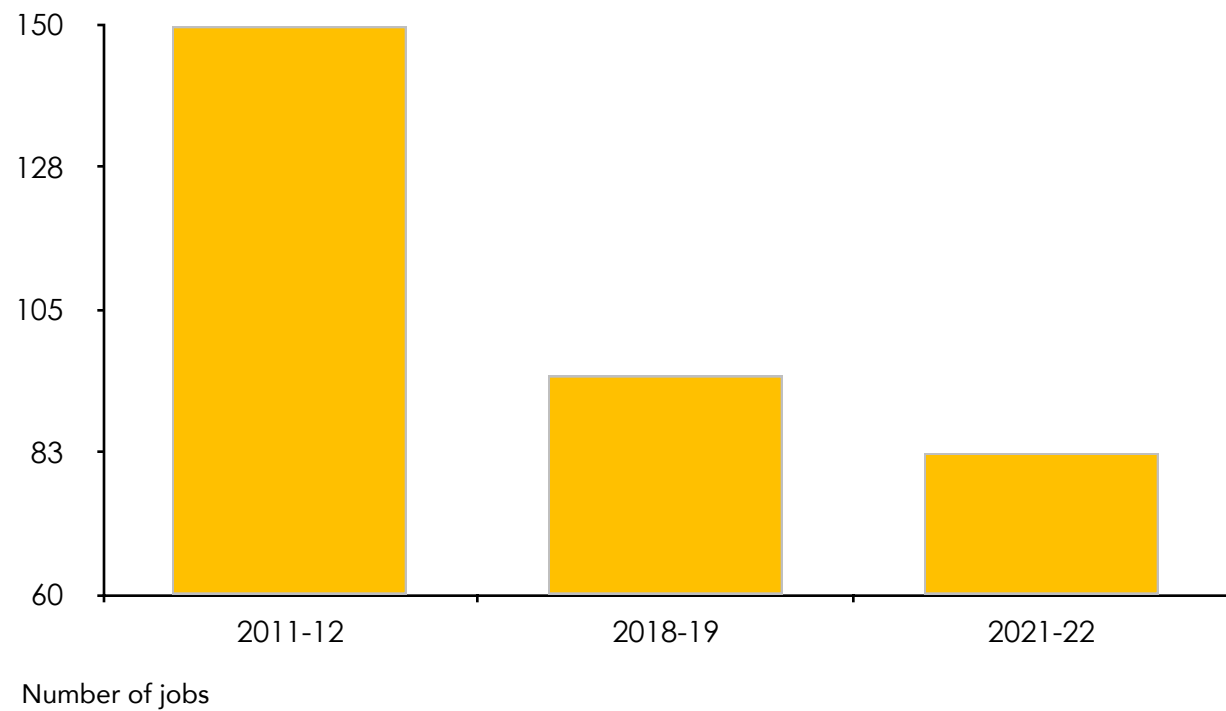
- each \$1,000 of 'code allocation funding' provided to greyhound racing by Tasracing (using money provided by the Tasmanian Government under the 2009 funding deed) generated only 4 attendances at greyhound race meetings in 2021-22, down from 4.5 in 2018-19 and 6.4 in 2011-12 – a decline of 37% over ten years (Chart 6);
- each \$1 million of 'code allocation funding' generated 82.4 jobs (using IER estimates) in 2021-22, down from 94.4 jobs in 2018-19 and 149.5 jobs in 2011-12 – a decline of 45% over ten years (Chart 7); and
- each job 'sustained' (as estimated by IER) in greyhound racing required an average of \$12,140 in 'code allocation funding' in 2021-22, up from \$10,599 in 2018-19 and \$6,369 in 2011-12 – an increase of 91% over 10 years (Chart 8).

Chart 6: Attendances at Tasmanian greyhound race meetings per \$1,000 of 'code allocation' funding



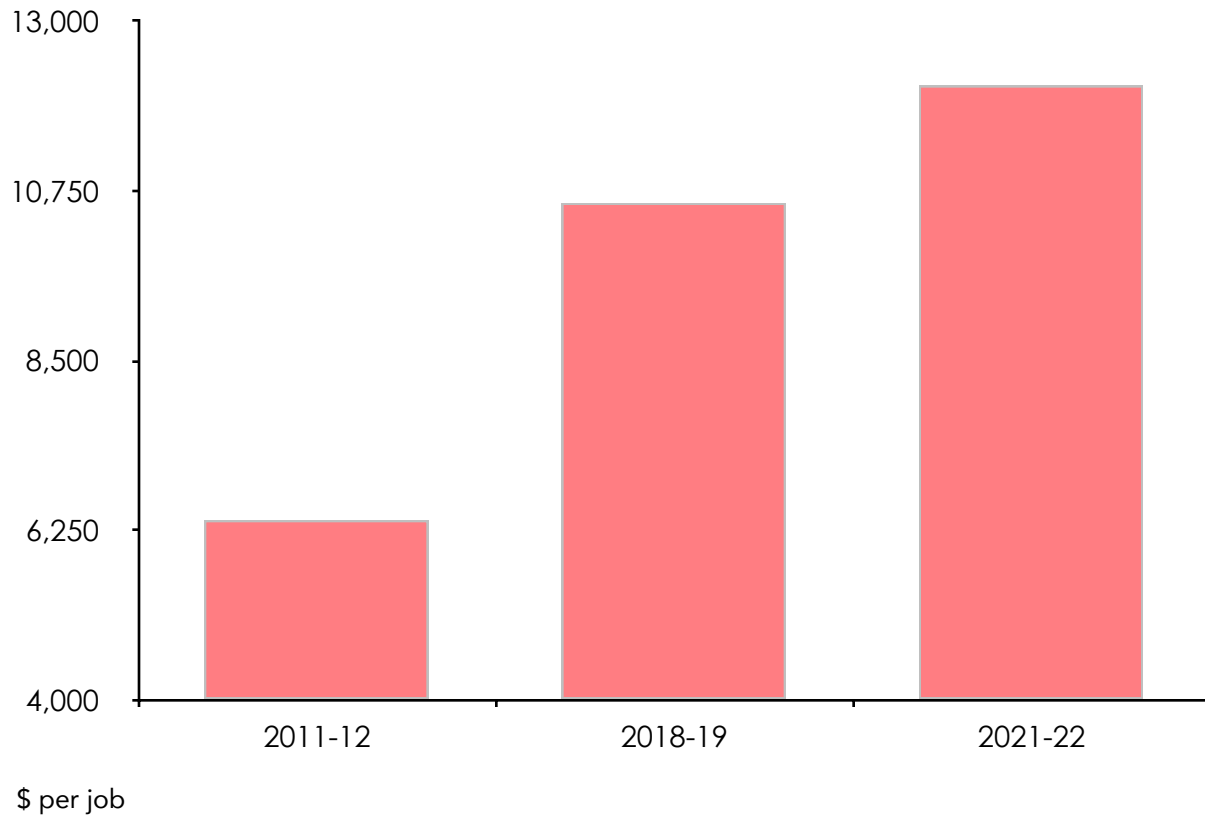
Sources: IER (2013, 2021 and 2023) and Tasracing (2015, 2020 and 2024); Corinna Economic Advisory.

Chart 7: Jobs 'sustained' in Tasmanian greyhound racing per \$ million of 'code allocation' funding



Sources: IER (2013, 2021 and 2023) and Tasracing (2015, 2020 and 2024) Corinna Economic Advisory.

Chart 8: 'Code allocation funding' to Tasmanian greyhound racing per job 'sustained'



Sources: IER (2013, 2021 and 2023) and Tasracing (2015, 2020 and 2024) Corinna Economic Advisory.

The Tasmanian Treasury's 2020 'Desktop Review' of Tasracing noted that state government funding of Tasracing was "substantially higher than most other jurisdictions on a per capital basis, with the exception of the NT" (Tasmanian Treasury 2020: 10).

This was also affirmed by the South Australian Review, which noted that Tasmania returned 80% of the revenue from its Point of Consumption Tax on gambling to racing codes, which together with Queensland was higher than in any other state, reproduced in Chart 8:

Chart 8: Comparison of Point of Consumption Tax (POCT) rates and distribution

	SA	NSW	VIC	QLD	WA	TAS
POCT Rate	15%	15%	10%**	20%	15%	15%
Net % retained by codes	20%*	33%	35%**	80%	30%	80%
Est retained share POCT Revenue FY23+	\$9.2	\$135.1	\$85.0	\$165.5	\$27.5	\$6.8

Source: Ashton and Thomas (2023: 96).

The Tasmanian Government continues to fund greyhound racing more generously than any other jurisdiction, to the tune of \$12.70 per head of population in 2023-24, more than double the average for all states and territories of \$5.27 per head (Chart 9).

Chart 9: State Government funding of greyhound racing per capita, 2023-24



Sources: Greyhound Racing NSW (2024), Greyhound Racing Victoria (2024), Racing Queensland (2024), Greyhound Racing SA (2024), Racing and Wagering WA (2024), Tasracing (2024), Australian Bureau of Statistics (2024) and Corinna Economic Advisory.

Tasmanian greyhound racing is more reliant on government funding than any of its interstate counterparts (Tasmanian Department of Treasury and Finance 2020: 3 and 10-11).

The funding deed under which annual State Government funding of Tasracing is guaranteed expires at the end of the 2028-29 financial year. Given the financial situation in which the Government now finds itself (Eslake 2023), this presents an opportunity for the Government both to improve its financial position, and to reduce the extent to which it has been 'throwing good money after bad' by subsidizing an inefficient and declining 'industry' to such a substantial degree over the past two decades.

5. Conclusion

Like the other two racing codes, but unlike other sports such as football, cricket and basketball, greyhound racing likes to style itself as an 'industry'. As such, its claims on the public purse should be evaluated like those of any other industry.

As an 'industry', greyhound racing is in decline in Tasmania – as it is in other parts of Australia, and around the world. The number of race meetings, the number of races, the number of starters, the number of spectators attending race meetings, the number of greyhound racing club members, and the amount gambled on greyhound races, are all trending down. The only thing that is heading in the opposite direction is the amount of government funding provided to the 'industry'. And the 'returns' – in particular, with regard to job creation - on that government funding are also declining (even on the industry's preferred but contestable figures for employment creation).

It is true that greyhound racing continues to appeal to a segment of the Tasmanian population (albeit a declining one). But so do a large number of other sporting and cultural activities, many of which receive less government funding, and are less dependent on government funding, than greyhound racing. There does not appear to be any compelling reason – beyond inertia ("it has always been thus") – why Tasmanian greyhound racing should continue to receive the generous government funding which it has long enjoyed, once the current 'funding deed' expires in mid-2029, especially having regard to the State of Tasmania's currently parlous financial position.

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