

**Opening Address by Michael Creed T.D, Minister for Agriculture, Food and the Marine to  
the Joint Committee on Agriculture, Food and the Marine**

**Draft Horse and Greyhound Racing Fund Regulations 2018**

27<sup>th</sup> November 2018

***Chairman, Members of the Joint Committee,***

***Introduction***

The horse and greyhound racing industries occupy a special place in the Irish psyche and a key position in the rich tapestry of Irish sport. They are valuable to our economy, central to our identity and cornerstones of our social and cultural heritage.

An important pillar of Government policy is to ensure that the horse and greyhound racing industries achieve their maximum potential and in so doing contribute to economic and social development across a wide geographic swathe of the country.

Time and again through the years Governments have acknowledged the importance of these industries and have supported them through legislation and policy initiatives. The support provided by public funds through investment in these industries has enabled Ireland to develop into a world centre of excellence for horseracing, greyhound racing and breeding. The Horse and Greyhound Racing Fund has been front and centre in providing this investment and has played a pivotal role in shaping the destiny of these industries.

***The Fund***

These industries receive financial support from the State through the Horse and Greyhound Racing Fund, under Section 12 of the Horse and Greyhound Racing Act, 2001. My department makes payments from the Fund to Horse Racing Ireland and to Bord na gCon.

In the period 2001 to date, a total of €1.2 billion has been paid from the Fund to the horse and greyhound racing industries in accordance with the provisions of the Act. The cumulative upper limit on payments from the fund, provided for under the relevant regulations, has therefore been reached.

Exchequer funding provided from the Fund is crucial to the survival and continued development of the horse and greyhound racing industries. In order to give effect to the provisions of Budget 2019, this cumulative upper limit must be increased by regulation.

The Estimates for my Department, passed by both Houses as part of Budget 2019, include an allocation of €84m for the Horse and Greyhound Racing Fund. This will be distributed in accordance with Section 12(6) of the Horse and Greyhound Racing Act, 2001, with 80% going to HRI (€67.2) and 20% to Bord na gCon (€16.8m).

In order to allow my Department to provide the monies allocated in Budget 2019, it is necessary to comply with the technical requirement under Section 12 (13) of the Horse and Greyhound Racing Act, to increase the cumulative limit on the amount payable from the Horse and Greyhound Racing Fund by €84m, to some €1.28 billion.

This is achieved by way of the Regulations submitted to this Committee today. The aggregate limit on the Horse and Greyhound Racing Fund has been increased in this manner in 2004 and in 2009 to 2017 inclusive.

## **Horse Racing Industry**

The *2017 Deloitte Report into the Economic Impact of Irish Breeding and Racing*, commissioned by HRI, indicates that the total direct and stimulated expenditure of the Irish breeding and racing

industry is estimated at €1.84 billion in 2016. In addition, it is estimated that there are 15,200 jobs at the core of the racing and breeding industry or in directly related industries.

Horse racing generates a very significant return to the rural economy in Ireland and a positive international profile for our country. Of course behind all the facts and figures are the thousands of men and women who, directly and indirectly, make the Irish racing and breeding industry what it is today.

As proven in 2018, Irish owners, trainers, jockeys and horses are setting standards globally and their stellar achievements and enduring influence underscore Ireland's international prominence. The Irish equine breeding and racing industry is extremely competitive at a global level, despite other major racing nations having much larger populations and economies. Despite our size, we are the third biggest producers of thoroughbred foals in the world and estimates place Ireland only behind the United States as the biggest seller of bloodstock by public auction globally.

However, the significant threat posed by Brexit to the current ease of movement of horses between Britain and France in addition to the global nature of major breeding operations, illustrate that, while Ireland arguably now has leadership position within Europe, its pre-eminence is not guaranteed.

It is worth noting that Government funding, in addition to supporting this key industry, also presents an excellent opportunity to yield a high return for its investment leading to a flow of income right through the economy. Support for certain strategic industries is important for future economic growth and can provide widespread benefits for our society as well as for our economy.

### **Greyhound Racing Industry**

According to the 2017 Power Report, the greyhound industry provides and supports considerable employment both directly and indirectly across the Irish economy. It is estimated that in 2016,

the industry supported 5,058 full-time and part-time jobs in the economy. In addition, there are 7,313 active greyhound owners. The total number of people deriving economic benefit from the sector is estimated at 12,371. It is an industry that is deeply engrained in the social and cultural networks of rural Ireland.

The future of the industry is dependent on a strong governance platform and on the industry having the highest standards of integrity and welfare founded on a strong regulatory system. I am very pleased that the Greyhound Racing Bill is progressing well through the Seanad under the stewardship of my colleague Minister Doyle, and I look forward to its smooth progression through the Dáil.

In addition to its focus on the core business of greyhound racing, Bord na gCon places a strong emphasis on regulation of the industry and the welfare of greyhounds. It is evident that the successful growth and sustainability of the industry is heavily dependent on public confidence in the integrity of racing. To this end, I welcome the fact that Bord na gCon continues to invest significant resources into regulation and greyhound welfare.

### **Broadening the Tax Base**

The advent of new technologies and business models has challenged Government to re-evaluate the funding mechanisms for the industry. As part of its overall commitment to the industry, the Government has addressed, through legislation, the anomaly whereby remote and online betting operators were outside the tax net. The measures introduced in The Betting (Amendment) Act, 2015 had a very positive effect on revenue streams with significant increases being realised. It is worth noting that betting tax has increased from a total of €31m for 2015 to €52.2m in 2017.

I welcome Minister Donohoe's announcement in his budget speech for 2019 whereby betting tax is being increased from 1% to 2%. It is estimated that this increase will contribute €40 million to the Exchequer in 2019.

## **Conclusion**

Given the wide geographic distribution of these two industries they are fundamental to the achievement of a more balanced regional economic growth. Relieving the burden on our major urban centers and nurturing rural economies is a key priority for Government. In this context, these industries should be given recognition for the considerable contribution that they make to rural economic activity and employment.

Brexit poses an array of substantial threats to the Irish economy, and coupled with the fact that we are a small and open economy naturally prone to volatility, it is difficult to predict what the future holds. It is therefore more important than ever that we support these important industries to help maintain sustainable growth in these sectors.

Both sectors also face a series of challenges in the areas of funding, infrastructure and staffing but even in the face of all these challenges, the industries are steadfast in their ambition to build on recent progress and successes.

Accordingly, I am asking you all for your support to ensure that Horse Racing Ireland and Bord na gCon receive the funding provided for in Budget 2019 and that the very important role played by these industries, and the economic activity generated by them, are sustained into the future.

I commend this regulation to the Committee and I look forward to discussing any matters arising.

Thank you.