

**Horse Racing Ireland – Joint Committee on Agriculture  
Tuesday 19<sup>th</sup> November 2019**

Chairman, members. We are grateful for the opportunity to meet the Joint Committee this afternoon to discuss the overall performance, operational matters and corporate plans for Horse Racing Ireland.

As you all know, horse racing and breeding is a significant industry in this country, producing almost €2 billion in total expenditure annually, and supporting 29,000 direct and indirect jobs.

Over 1.3m people attend racemeetings all over the county, across our 26 racecourses, every year.

Using some key metrics, the domestic racing industry is performing well:

- Our published figures for the first half of 2019 saw attendances at Irish race meetings increase by 9%.
- Betting with on-course bookmakers rose 11.5% for the first half of the year.

These numbers point to the popularity of racing in Ireland which makes the business side of racing and breeding more viable for operators all over the country

- The figure for horses-in-training, for example, was up 3.5%
- Active owners increased 8.5% in the first six months of 2019
- And new owners registered were up 9.5%.

These numbers show increased participation and that's good news for towns and villages throughout Ireland which benefit from local employment and spin-off secondary expenditure.

Last August, you will have received a copy of Deloitte's Regional Economic Impact Reports which detail the impact which horse racing and breeding has in rural Ireland. This was a region by region analysis of the 2017 Deloitte Report which showed the economic value of the thoroughbred racing

and breeding industry to Ireland at €1.8 billion per annum, generating employment (direct and indirect) of 29,000 people and annual sales of €438m.

The economic figures for counties traditionally associated with breeding and racing are noteworthy. For example, over 2500 jobs in County Tipperary are supported directly and indirectly by racing, and those jobs fuel almost €400m in annual expenditure.

Every industry will have its own clusters and there are clearly centres of excellence in places like Tipperary, Cork, Meath, Kildare, Carlow and Kilkenny, where the scale of the impact cannot be replicated everywhere.

That said, the Deloitte report illustrates very clearly the regional spread of the industry throughout the country.

In the Midlands (Laois/Offaly/Longford/Westmeath) there are an estimated 1200 direct and indirect jobs supported by racing, and almost €100m in expenditure. These are significant numbers.

In the North West (Sligo, Leitrim, Donegal) 120 jobs and over €12m in expenditure – relatively significant and these are numbers that I am confident will grow. Donegal, for example, is a county that has shown a recent trend towards producing young jockeys of the highest calibre, something which could demonstrate a growing interest in the county in working with horses and participating in our industry.

In the West, (Mayo, Galway, Roscommon), racing and breeding supports almost 1000 jobs, and over €100m in expenditure. By any measure in that region, a thousand jobs is hugely significant.

So we would say, yes, this is an industry that is delivering on Government investment and a sport which continues to be one of the most popular activities in the country.

But those figures mask some serious concerns in areas which we know need care and attention and investment.

Ireland has many advantages when it comes to racing and breeding.

Our land and our climate bestow natural advantages but we also have a tradition of horse care that is the envy of the world over and is the reason why – no matter what famous yard or racetrack you walk into, anywhere in the world – you will see and hear Irish people.

Those talents are world-renowned and why people from around the world come to Ireland to invest in the business.

Ireland has always held a close affinity and skill with the racehorse. A recent report showed that there were 50 thoroughbred horses per 10,000 people in Ireland, a figure that is a multiple of other major racing nations, and 10 times the figure than our nearest neighbour, Britain.

It is worth noting that of the near 7,000 registered breeders in Ireland, most of those, 92%, own five broodmares or less and are scattered in every corner of the country.

So the serious headwinds that we face will impact nationwide, and Brexit is the biggest one of those.

No matter what happens in the corridors of power in Britain, there will be no soft Brexit for Irish racing and breeding, and we will soon be isolated geographically from our key export markets.

Allow me put in context just how important the thoroughbred export market is to rural Ireland: our reputation for quality fuels a demand that means we produce more thoroughbreds each year than Britain and France combined. We are the third biggest producer of thoroughbreds in the world. 60% of our annual crop of thoroughbreds are exported but – crucially – 80% of those exports go to our main market in Britain. There is no getting away from the fact that Britain is an irreplaceable market for the Irish thoroughbred.

We already fear – and it has been reported in the Irish Field newspaper as recently as last week – that there is a political desire in Westminster after Brexit to put in place domestic policies and incentives to aggressively advantage the British breeding industry. Should that happen, the country which will be most negatively impacted will be Ireland.

We need to invest significantly in our industry to combat the impact of Brexit and any potential protectionism from our main markets.

Horse Racing Ireland has a strong strategic plan that is before the Department of Agriculture, but it needs Government support and funding.

We know that we can further develop this industry with your support, growing rural employment and increasing economic output.

Our plan is ambitious, but necessarily so, and targets increased participation across all levels of the industry – on the Flat, over Jumps and in our point-to-point fields.

We have an ambition to develop a second all-weather track, which would be a key piece of infrastructure for our industry. We envisage this development will include a training incubation hub based at the track which will be used by trainers to help them get a start in the industry and provide the kind of assistance that will grow employment and economic activity in rural Ireland.

Most of all, we need to invest in equine welfare and staff welfare programmes. The plan provides for a total redevelopment of the Irish Equine Centre.

As the Chairman of Horse Racing Ireland, Nicky Hartery, said to you here last year, the care that racehorses get is something that the industry is renowned for, but as we have seen in other jurisdictions – primarily America and most recently Australia – it is crucial these standards are maintained.

The current facility that houses the Irish Equine Centre in Johnstown in County Kildare is not fit for purpose and significant investment is needed just to maintain the current industry insurance premium.

It goes without saying that a disease-free herd is essential and the role which the Irish Equine Centre plays for the State in ensuring the health and welfare of thoroughbred racehorses and many other types of animals should not be underestimated.

While we understand that Budget 2020 was a standstill budget, written under the threat of a no deal Brexit, in order for the industry to prosper and grow in the future, increased funding to support the Strategic Plan will be needed.

The means to do that is now in place and as applies in most other major racing countries, it would be better if racing were funded through taxes generated by those choosing to bet on racing rather than competing for funds with other causes from the general taxation pool.

We are grateful for the encouragement received to this end by Minister Creed and look forward to future positive engagement with the Minister and his officials on making this plan a reality once the uncertainty around Brexit is removed.

Our plans for racing and breeding in Ireland will provide a dividend for Government support and an economic return for rural Ireland and we believe this can be done at a reduced cost to the Exchequer.

As you know, historically, the Government helped fund the horse racing and breeding industries through the Horse and Greyhound Racing Fund, which itself included the levies collected from bets placed in Ireland each year.

Until recently, Ireland levied a rate of betting tax which was one of the lowest of any country in the world.

Since Budget 2019, and the decision to raise the betting tax to 2% of turnover, the yield has increased by more than €50million per annum and this year there will be more money raised from betting tax than is distributed to the Horse and Greyhound Fund.

We believe that this provides the opportunity to put in place a long-term, secure and sustainable funding base that can allow a vibrant, but vulnerable rural industry to maximise its potential.

This surplus can be used to invest in an industry that is delivering strongly for rural Ireland, both in protecting from the potential vicious effects of Brexit, copper-fastening the health care standards

enjoyed by our horses, and to invest in an ambitious yet realistic plan that will see increased employment across the villages and towns of Ireland.

I again thank the Committee for giving us the opportunity to discuss the industry and our plans, and we will be happy to address any questions that members of the Committee may have.