

Opening Statement, Irish Harness
Racing Association (IHRA),
17.04.2024

As Chairperson of the Irish Harness Racing Association (IHRA), I am before you today to advocate for a simple decision that holds both economic potential and cultural significance for Ireland: the granting of a tote license to our long-established sport of harness racing. Our objectives are very simple and straight forward. We want our sport to be self-financing. We are not looking for a handout, we just want to be able to raise funds through a tote to build harness racing in Ireland. We want to grow our sport. We want to link in with harness racing in Europe and in the US. We want to provide racetracks to encourage people that participate in illegal road racing onto proper run tracks. You might think we are a minor sport and why grant a tote licence to them. Harness Racing is a major sport in Europe and the US. In mainland Europe it is a bigger sport than thoroughbred racing. In Ireland over a 100 year ago the main track back was Croke Park, and it attracted massive crowd and interest in the past.

If we were to get a licence, I estimate that we would have 5 racetracks in Ireland and an industry supporting thousands of jobs mainly in rural Ireland. We would become the breeding centre for trotting horses as we are for thoroughbred racing.

Horse racing has been an integral part of our cultural heritage for centuries, intertwining tradition, sport, and economic vitality. It is an industry that not only supports countless jobs but also sustains the livelihoods of breeders, trainers, jockeys, and countless others within its ecosystem. However, to ensure its continued growth and sustainability, we must adapt to the evolving landscape of the industry.

The IHRA thanks this Committee for the opportunity today to discuss our Tote License application. I will provide an update and detail the ongoing development and progress of the industry since we last had the opportunity to meet with you. Your confirmation of support for the Irish Harness Racing industry and IHRA has been duly noted.

The IHRA has developed rapidly over the last ten years. In 2013, the association ran a total of 45 races compared to the 2023 season, running a total of 330 races. In 2014, the IHRA signed a breeding agreement with Le Trot, the French governing body for Trotting in France. Since then, the Le Trot has contributed over €1.5M into our sport to support our prizemoney. In 2015, the IHRA became members of the European Trotting Union (UET) and now the organisation has representation on several of their committees, making decisions with all European counterparts, to improve aspects of our sport including, breeding, animal welfare, technical and gambling. In 2023, there were a total of 41,108 races ran across all the member states within

the EUT, with a combined total of €450M in prizemoney. In Normandy alone there are more than 50 trotting tracks alone. It attracts a younger audience than traditional racing and is a very family friendly sport.

Following the publication of the Indecon Report and our subsequent five-year plan, the IHRA has taken many steps to further enhance our industry. We have continuously built up and strengthened our structural foundation for growth by reinforcing and updating our IT infrastructure.

It is imperative for me to mention today that illegal road racing or sulky racing on our road network is strongly condemned within the IHRA and is a forbidden activity under our rules for all our members. We, as a board don't have a solution to this problem, but we do believe we are an integral part to its solution. It is important to note that this illegal and antisocial activity is not seen in any other jurisdiction within the UET as they boast a well-developed network of racetracks and facilities dedicated to trotting races, providing legitimate opportunities for enthusiasts to participate, spectate and gamble. The presence of these facilities reduces the incentive for illegal racing on public roads. However, in Ireland, there may be fewer dedicated facilities for trotting racing, leading a minority of enthusiasts to resort to illegal activities for racing opportunities.

It is for this reason, that we have begun to increase racetrack footprint to reduce antisocial racing. This has been achieved by the IHRA acquiring land in Cork, with planning permission granted in the last quarter of last year; an all-weather hard track leased in Armagh; and, we have identified a site for a new track in Dublin as a joint venture with one other local sporting organisations. Currently, the IHRA are putting in place the financing of these projects, but this is well and truly underway. We did make an endowment application under the IIP scheme for the facility in Dublin.

The bottom line Chairman is that we need a tote licence to become financially independent through the acquisition of a Tote license. In December 2021, the IHRA made a presentation to the Department of Finance, and the then Minister for Finance, Minister O'Donoghue.

Granting a tote licence to our horse racing organization is not merely about adding another revenue stream; it's about embracing innovation and securing the future of an industry that is deeply ingrained in our national identity. A tote license would empower our organization to

modernize its operations, enhance the spectator experience, and attract a wider audience, thereby ensuring its long-term viability. It will give the industry funding to grow the sport with the ability to link in with European & North American markets. There are many advantages to the government also with net benefits to exchequer. For example, in, one of the world's strongest trotting federations in the world, that of France and in 2023, their gambling revenue reached €5B with a total economic value of €9B to the French Economy.

The UET strides to make provision for an obligation through the legislative process at the European Union level, with levy rates suitable for all the member countries, with a 3% minimum on bets taken for races organised abroad, and 8% for races organised in the country where the bets are recorded that we will be able to ensure that this valuable sector, that together with thoroughbred racing, provides 200,000 direct jobs in Europe, is able to continue its economic activity. In addition, the parimutuel or tote systems in operation amongst our UET members allow the respective governing bodies to increase the level of prize money such that it can attract enough competitors to generate a satisfactory level of bets. The integrity of competitions must be strictly monitored using sufficient human and material resources and through appropriate procedures.

Moreover, the economic benefits of such a decision cannot be overstated. The revenue generated from tote betting would not only bolster the horse racing industry but also contribute to the broader agricultural sector, providing much-needed support to farmers and rural communities across our island. It would stimulate investment, create jobs, and drive economic growth in both urban and rural areas alike. The breeding of the trotter is very closely aligned to the success of the IHRA racing efforts and of their pari-mutuel systems which all our EU counterparts have except for the IHRA. In Europe there are approximately 200,000 trotting horses including 33,800 broodmares and 2,567 stallions to breed to and approximately 22,900 foals born each year, which kick starts each governing bodies future racing and production lines.

The IHRA has had a market link case study which was carried out in 2017 at Dundalk Stadium. Four races on the card were streamed and available for gambling purposes through the French Tote Service. Nearly €900,000 was bet on these races in France and the IHRA received a return of a 3% commission to the tune of €27,000. This was the first Irish harness race meeting to be broadcast and bet on in France who is globally the largest harness racing market, and this meeting was conducted at Dundalk. The significance of this milestone for not just the sport but

for Ireland cannot be underestimated. Feedback from the PMU and Le-Trot was that this meeting performed well ahead of budget and received a better response than other racing usually held at that time of day. Significantly, across all racing codes – thoroughbreds, greyhounds, and harness – this meeting provided commissions higher than ever previously received for Ireland from tote wagering. Keep that statistic in mind. And this was only the first Irish harness meeting ever broadcasted and wagered on, in France.

Should the IHRA be successful in receiving this licence, we are ready to proceed to the next steps with the valued support of three strong partners. Bet Makers, are the global leaders in terms of Tote gambling software, providing a gambling platform which includes anti-money laundering and fraud components. They are experts in anti-money laundering as well Know Your Customer (KYC) and can provide improved safeguards for problem gambling than currently available; Equine MediRecord are Global leaders in Equine welfare software and are leading a new equine database project for IHRA. This Irish company currently have horse welfare and anti-doping software used in Europe, US, Middle East and Asia; and, Le Trot (France) , the largest European trotting regulator, who I have mentioned already are investing in the Irish trotting industry and has pledged increased support for this project. This French semi-state is firmly committed to this project, providing expertise and finance.

It is widely accepted that certain forms of gambling have a stronger association with gambling problems than others. Games of pure chance, such as lotteries, gambling machines and roulette, differ from games of skill factor, such as betting on horse racing. Betting on horse racing through totes is far less likely to lead to gambling harm because of the skill-based nature of the game involving comparisons of data at a relatively slow speed (i.e. races separated over a period of time), compared to repetitive games of chance such as online casino gambling which is designed for consumers to wager quickly. Tote betting causes far less harm than high frequency online gambling as well as betting with illegal operators and should be differentiated with lower tax rates. Over taxation of tote betting drives consumers to illegal betting markets, where there are no constraints and where those with gambling disorder are spurred to bet more, amplifying the harm.

But beyond the economic rationale, there is a moral imperative to support our horse racing organization. It is an institution that embodies the spirit of competition, the thrill of the chase,

and the bond between humans and animals. It fosters a sense of community, bringing people together from all walks of life to celebrate a shared passion.

Trotting, like the Gaelic Athletic Association (GAA) both hold significant roles in rural communities in Ireland, albeit in different ways. While the GAA is deeply ingrained in Irish rural life as the custodian of Gaelic games like hurling and Gaelic football, trotting offers a unique sporting experience centred around harness racing. Like the GAA, trotting serves as a focal point for community engagement, pride, and tradition in rural areas. Local trotting events bring together people of all ages, fostering a sense of camaraderie and belonging. Just as GAA clubs provide a platform for athletic competition and social interaction, trotting tracks and clubs offer a similar space for rural residents to gather, celebrate, and support their local talent. Furthermore, both industries contribute to the economic vitality of rural communities. They create employment opportunities, attract visitors from neighbouring areas, and stimulate local businesses, such as pubs, restaurants, and accommodations. While the GAA may have a longer-standing presence in rural Ireland, trotting offers its own unique charm and sense of community, complementing rather than competing with Gaelic games. Together, they enrich the cultural tapestry of rural life, embodying the spirit of sport and community that defines these areas.

To conclude, it is important for me to stress that the two main competitors to our industry in this country is that of greyhound racing and thoroughbred racing. As you are aware, both organisations are in receipt of exchequer funding through the Horse & Greyhound Racing fund, a fund that we in the IHRA, fully support but in this moment in time, we are not receiving any such monies from this fund, yet the Department of Agriculture & the Marine recognises us a form of horse racing.

The state has only issued two totaliser licenses which is to the above two mentioned organisations, allowing them to leverage funds into prizemoney and support their grassroots members in rural communities through numerous initiatives, helping owners, trainers, breeders, stud farms, farmers, and many others, which lead to greater returns to our economy. With your support, a tote license to the IHRA will not just endorse an industry; it will affirm your commitment to preserving our cultural heritage, promoting economic prosperity, and fostering a sense of unity and pride in our nation.

Racing and gambling come hand in hand, one helps the other, just like it does in the greyhound and thoroughbred industries in Ireland. All three racing codes, worldwide have three separate

tote licenses and they are an intricate part of their industry. Whilst some of you here today may be thinking that the tote doesn't work here in Ireland, and while you may be partially correct, we within the IHRA want to export our pictures to audiences outside of the country. The market already exists, and we would like to be part of it. Totaliser bets account for over 70% of all worldwide bets.

Therefore, I urge you, the esteemed members of this Agricultural Committee, to consider the profound implications of this application and please support us in whatever way you can. Let's seize this opportunity to invest in the future of our trotting racing organization, to support our agricultural sector, and to uphold the values that define us as a state.

Thank you