



British Horseracing unites to secure fair return from betting

- Racing United Charter calls on Government to close loopholes in Levy system and ensure betting industry pay fair return
- Figures show startling drop in overall funding to Horseracing from Betting

16th September 2010: British Horseracing today launched a campaign calling on the Government and the Horserace Betting Levy Board (HBLB) to secure a fair return from the betting industry, after an unacceptable fall in the funding of the sport.

The *Racing United: Campaign for a Fair Levy* is based around a new Charter urging the closure of clear loopholes that exist in the current Levy system, which have allowed funding for British Horseracing to drop by more than a third in two years from £115m in 2008 to just £75m in 2010.

While continuing to enjoy gross wins of £1bn a year just from taking bets on British Racing, bookmakers are increasingly basing their online and telephone businesses offshore to avoid paying the Levy, in addition to exploiting threshold rules originally set up to exempt only small independent high street bookmakers.

Betting exchanges, which did not exist when the Levy was introduced, are also not providing British Racing with a fair return. Furthermore, no Levy is received from bets being placed in Britain on overseas racing, despite this being standard in several other parts of the world.

The *Racing United Charter* addresses such issues with the current system, while also making clear that if the vital modernisation does not take place, the whole sport is committed to the creation of a modern market in which betting operators wanting to offer a bet must enter into enforceable contracts to do so.

The Charter has been launched jointly by the British Horseracing Authority (BHA), and the **Racecourse Association (RCA) and The Horsemen's Group**, which represent jointly the trade associations of racecourses, breeders, jockeys, stable staff, owners and trainers involved in British Racing. It is available for signing at a dedicated website, www.racingunited.co.uk.



-Despite the bookmakers' claims, it is clear that the overall funding from betting to Racing has dropped considerably. The revenues British Racing makes from media rights – which have always existed separately from the Levy – fall a long way short of offsetting the sharp drop in Levy funding.

Two years ago, British Racing received £153m (2007/8) from Levy payments and media rights income. Today that combined amount has fallen by £22m (£131m 2009/10). This decline is also set against an expanded Fixture List, from 1,342 in 2007 to 1,420 in 2009.

Nic Coward, Chief Executive of the BHA, said:

“The launch of this public campaign is the latest step in pressing home Racing’s case, a comprehensive case that is built on rigorous analysis, and which we have been advocating on behalf of the sport. Our objective is to secure what is right for the future of the whole sport, and the campaign is intended to leave no-one in any doubt as to the strength of support for it across the whole of Racing and its followers.”

Stephen Atkin, Chief Executive of the Racecourse Association, said:

“British Horseracing generates substantial profits for the betting industry and taxes for Government. It is a world leader and racecourses, training and breeding establishments form a vital part of many communities. The Levy, in its current form, is failing to deliver a fair return to horseracing because it has not kept pace with the modern betting market. It can and must be fixed. We join together with our fellow stakeholders in the sport in calling the Government and the Levy Board to act now to right this wrong.”

Alan Morcombe, Chief Executive of the Horsemen’s Group, said:

“Today’s launch marks British Horseracing’s determination to ensure that, through the 50th Levy scheme, bookmakers make an appropriate contribution to the sport which underpins their profits. For most people, the importance of the Levy is symbolised by each raceday, but it has a far reaching but all too often hidden impact too. A proper return from betting through the Levy is critical in securing the future of the thousands of people employed in communities up and down the country who make British racing a truly world class product.”

END



The Racing United Charter

We the undersigned support British Horseracing. Racing contributes £3.4bn to the UK economy, directly and indirectly funds 100,000 jobs, and contributes significantly to the social and cultural life of the nation.

The betting industry enjoys more than £1bn a year in gross win from the right to take bets on British Horseracing. We support a fair return from all areas of the betting industry to Racing.

The Horserace Betting Levy is the current mechanism by which the betting industry is supposed to provide this fair return. Payments to Racing through the Levy have dropped by a third in two years from £115m to just £75m as a result of the majority of the betting industry exploiting loopholes in the system.

We, the undersigned, call upon the Horserace Betting Levy Board and the Government to take swift and appropriate action to:

1. Close loopholes in the Levy system by:
 - a) No longer permitting the offshore betting industry to avoid its Levy obligations
 - b) Ensuring betting exchanges and their bookmaker (business) users pay a fair commercial return to British Racing
 - c) Scrapping threshold rules that currently exempt more than 60% of betting shops from paying the full rate of Levy
 - d) Including payments for customers in Britain placing bets on overseas racing
2. Ensure that **Racing's return from the Levy in 2011 is between £130m and £150m** – Racing has built a strong case backed by extensive legal and economic analysis

Racing has been committed, over the past few years, to modernising the Levy to address the loopholes above, but the betting industry has thus far failed to support our efforts. If the betting industry continues to oppose this vital modernisation we are committed to the suitable replacement of the Levy with the creation of a modern market in which betting operators wanting to offer a bet must enter into enforceable contracts for the right to do so.

Initial signatories:

Paul Roy, Chairman, British Horseracing Authority
Ian Barlow, Chairman, Racecourse Association
Paul Dixon, President, Racehorse Owners Association
Kirsten Rausing, Chairman, Thoroughbred Breeders' Association
Rupert Arnold, Chief Executive, National Trainers Foundation
Kevin Darley, Chief Executive, Professional Jockeys Association
Jim Cornelius, Chief Executive, National Association of Stable Staff

<http://www.racingunited.co.uk/>



Notes to editors:

The claim from areas of the betting industry that it contributes more to Racing than ever, and the specific assertion of the Bookmakers' Committee that it pays more in Levy and media rights than ever are incorrect.

The table below uses the media rights figures provided by the Bookmakers' Committee as part of the current Levy negotiation process.

Payments from Betting to Racing	2006/7	2007/8	2008/9	2009/10	Total
Media rights ¹ - £m	36	38	53	56	183
Levy - £m	99	115	93	75	382
Total - £m	135	153	146	131	565
British betting industry gross win from British horseracing (£m) ²	1,077	1,230	1,010	900 ³	4,217
Number of fixtures (calendar year)	1,342	1,330	1,424	1,420	

1 Media Rights payments received by racecourses (as at Fig 4; Bookmakers' submission <http://www.hblb.org.uk/documents/news/Bookmakers'%20Committee%20Recommendations%2050th%20Levy%20Scheme%20-%20July%202010.pdf>)

2 Economic Impact of British Racing, 2009

3 Estimate based on 48th Levy Yield analysed by platform

- Racing is the second most popular spectator sport in the country, attracting 5.7m people each year
- Attendance is up 4% this year
- Horseracing contributes £3.4bn annually to the British economy – the second most of any sport – with 20,000 direct and another 80,000 indirect jobs dependent on the sport
- The Horseracing Betting Levy is the funding mechanism by which the betting industry is supposed to make a fair return from the bets it takes on British horseracing
- **The Levy is racing's principle funding stream, the lifeblood of the sport, flowing to all participants** whether this is contributing to stable staff and jockey incomes, funding training or covering veterinary research and education
- Negotiations are currently underway for the 50th Levy scheme. Racing has put forward a reasoned case that this should be structured to deliver a yield to racing of between £130m and £150m
- The Racing United Charter can be found at www.racingunited.co.uk

To contact the Racing press office please call 0207 618 9100