

**Department of
Arts, Sport and
Tourism**

**Review of the
Horse and
Greyhound
Racing Fund**

FGS Consulting

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1 INTRODUCTION AND CONTEXT

- 1.1 This Review of the Horse and Greyhound Racing Fund (the Fund) was commissioned by the Department of Arts, Sport and Tourism (DAST). The Fund came into being with the passing of the Horse and Greyhound Racing Act, 2001. The Fund is overseen on behalf of the Government by the Department of Arts, Sport and Tourism, which sets the policy and financial parameters of the Fund. Monies from the Fund are allocated to the two statutory bodies, Horse Racing Ireland (HRI) and the Irish Greyhound Board (IGB) or Bord na gCon.
- 1.2 The Terms of Reference for this Review of the Fund required it to address three core issues, as follows:
- To undertake an assessment of the Horse and Greyhound Racing Sector's contribution to the economy in general and to the rural economy in particular.
 - To carry out an evaluation of the importance of the Fund to the Horse and Greyhound Racing Sectors.
 - To evaluate the likely effects of a discontinuation/curtailment of the Fund.
- 1.3 The Fund was established in 2001 and in 2004 the Government put in place regulations to increase the limit from €254m to €550m and to continue the Fund for a further four years to 2008. The current round of the Fund is due to expire early this year.
- 1.4 Over the previous cycles, a number of important changes have taken place as illustrated in Table 1 below.

Year	2001	2002	2003	2004	2005	2006	2007	2008	Total
	€million								
Fund Expenditure	58.89	68.06	64.19	66.91	68.35	70.06	73.11	76.29	545.86
Excise Income (previous year)	58.89	68.07	47.95	38.42	45.55	45.85	54.30	36.44	395.47
Exchequer Contribution	0	0	16.24	28.49	22.80	24.21	18.81	39.85	150.4
% provided by Excise	100%	100%	75%	57%	67%	65%	74%	48%	72%

Table 1: The expenditure and funding mix 2001 -2008

- 1.5 The important points to note as regards evolution of the Fund over the period are as follows:
- Payment from the Fund has increased each year from €58.89m in 2001 to €76.29m in 2008.
 - Excise income from betting taxes has decreased from €58.89m in 2000 to €36.44m in 2007. This reflects a steady decline in the rate of excise tax on betting which stood at 20% in 1985 and which gradually reduced to 10% in the mid-1990s, to 5% in 2000, to 2% in 2001 and to 1% in 2004.
 - The Exchequer contribution to the Fund has grown from 0% in 2001 to 52% (estimated) in 2008.
 - The contribution to the Fund from excise taxes has decreased from 100% in 2001 to 48% (estimated) in 2008.
 - The total contribution of the Fund to the Horse and Greyhound Racing Sectors from 2001 to 2008 inclusive is €545.86m at a net cost to the Exchequer of €150.4m.
- 1.6 Certain changes to the Fund were announced for 2009 by the Minister for Finance in his Budget speech to Dáil Éireann on 14 October 2008. These are as follows:
- The Fund allocation for 2009 is €69.7m which represents a reduction of €6.6m from the 2008 allocation of €76.3m.
 - The arrangements to date, whereby the annual payment to the Fund is automatically calculated by reference to the previous year's betting duty or to the amount of the contribution to the Fund in 2000 adjusted for inflation, have not been applied to the funding in 2009.
 - Excise duty on off-course betting will be increased in 2009 from 1% to 2%.
- 1.7 The overall import of the aforementioned changes to the Fund for 2009 is the introduction of a level of uncertainty in the funding arrangements of the Horse and Greyhound Racing Sectors beyond 2009. This Review of the Fund, therefore, is taking place against a background of change which extends beyond the normal considerations arising from a four-year review cycle. Not only is there a level of uncertainty introduced by the changes announced in the Budget, but the whole context for a Review of the Fund has been altered by the sharp decline in the economy and by the consequent pressures on the public finances.
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- 1.8 The primary purpose of this Review is to aid decision-making on the future funding of the Horse and Greyhound Racing Sector. The remaining sections of this Report on the Review outcomes address the matters referred to us in our Terms of Reference, as follows:
- **Section 2** assesses the importance to the economy in general and to the rural economy in particular of the Horse and Greyhound Racing industries.
 - **Section 3** evaluates the role and importance of the Fund to both industries.
 - **Section 4** analyses the likely impacts of discontinuation/curtailment of the Fund and addresses related issues relevant to decision-making on the future funding of the Horse and Greyhound Racing industries.
- 1.9 In carrying out this Review, we accessed a wide range of source documentation (see bibliography in Appendix I) and consulted extensively with key informants in the Public Sector and in the Horse and Greyhound Racing industries.

2 EVALUATING THE IMPORTANCE OF THE HORSE & GREYHOUND RACING INDUSTRIES

Introduction

- 2.1 Our Terms of Reference required us to evaluate the importance of the Horse and Greyhound Racing industries to the economy in general and to the rural economy in particular. This is not a simple task and it does not lend itself to easy quantification across all of the variables and considerations which need to be taken into account in any such evaluation.
- 2.2 At the outset, there are perhaps at least two underlying factors which have traditionally bedevilled debate on the relationship between horse and greyhound racing and the Exchequer. These are as follows:
- The view that is taken as to whether or not horse and greyhound racing are sports or industries and, therefore, on whether or not public policy in this arena should be formulated in the context of support for a sport (the beneficiaries of which are those who participate) or support for industries which are important to the economy (the beneficiary of which is the economy as a whole).
 - The view that is taken as to whether the trade off between Exchequer funding on the one hand and Exchequer income from excise duties on betting on the other hand is the sole determinant of whether the Exchequer is a net contributor to or a net beneficiary of horse and greyhound racing.
- 2.3 In conducting our research for this Review, we encountered a number of different perspectives on the foregoing themes. It is, we believe, important therefore, that we set out clearly our approach to these matters in the context of this overall Review of the Fund.
- 2.4 We believe that the underlying approach to the Review must be predicated on the concept that horse and greyhound racing, in the context of the Irish economy, are substantial industries in their own right and which, therefore, need to be evaluated within a framework which transcends the considerations which would arise if they were evaluated solely in the context of sports which exist primarily for the benefit of those who participate actively or as attendees at race meetings. The original rationale for the introduction of the Fund, in the first instance, and for the putting in place of the statutory framework within which the Fund is overseen and administered, was clearly based on the premise of supporting, overseeing and regulating industries which play an

important role in the economy and not in the context of solely providing State subvention for sporting activity. Those arguments, therefore, which are sometimes put forward that Exchequer funding aimed at supporting horse and greyhound racing is either inappropriate or disproportionate on the basis of benefiting “elite” or “minority” sports; are, we believe, essentially disingenuous and tend to deflect attention away from the more substantive issues which arise from the fact that these are important industries which play a significant role in the wider economy and in the rural economy in particular.

- 2.5 Similarly, we believe that any representation of the relationship between Exchequer ‘income’ from the horse and greyhound racing industries and Exchequer ‘spending’ on the industries which is based solely on the monetary value of the take, at any given time, from excise duties on betting on the one hand, and the size of the Fund on the other hand, is an overly simplistic paradigm given the totality of the considerations which need to be taken in to account in that regard. Nonetheless, we found in our research for this Review, many references to economic arguments purporting to be based almost exclusively on the trade off between excise duty on betting and spending through the Fund. Such arguments may have some greater validity, although still not definitively so, in countries such as the USA, Japan, Hong Kong, France etc where betting is run through tote monopolies directly by, and for the benefit, of the industries themselves. However, such arguments oversimplify the situation which applies in Ireland and in the UK where betting is dominated by open private markets where the bulk of the income from betting activity does not accrue directly to the horse and greyhound industries themselves. The relationship, therefore, in such circumstances, between Exchequer benefit and Exchequer cost is a much more complex one than might be implied from any simple trade off between betting taxes and Fund spending.
- 2.6 A major challenge arises, therefore, in evaluating the importance of the horse and greyhound racing industries and in constructing an appropriate framework for the evaluation which takes all relevant considerations into account. Our framework for evaluating the importance of these industries, and for providing a robust and holistic underpinning for policy making and for funding decisions, is set out hereunder.

Framework for Evaluation

2.7 The framework we have used for evaluating the importance of the horse and greyhound industries is set out diagrammatically below (Figure 1)

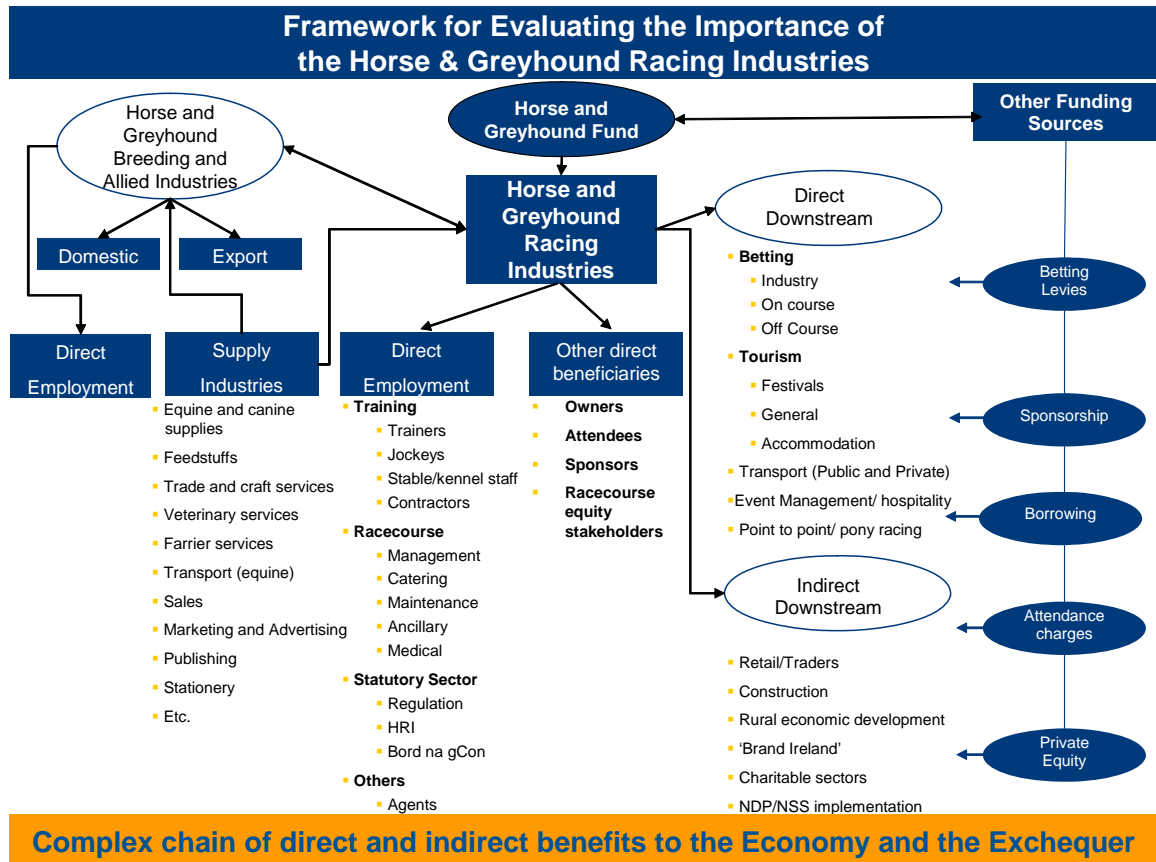


Figure 1: Framework for evaluating the Importance of the Horse and Greyhound Racing Industries

2.8 This framework depicts what is, in effect, a very complex chain of direct and indirect benefits to the economy and to the Exchequer from the existence of the horse and greyhound racing industries. It seeks to locate the Fund and other sources of funding for the industries, in that context and to provide a means for furthering informed debate on public policy making and funding decisions relating to the industries in question.

2.9 The evaluation framework is based on a number of core principles, as follows:

- The horse and greyhound industries, which are, in part, supported by the Fund, give rise to considerable direct employment. Such direct employment falls into a number of primary categories, including those employed in the core training and racing activity, those employed

at racecourses, those employed in the statutory sector overseeing and regulating the industries and a variety of others such as agents etc, who are also directly employed in the industries themselves.

- The industries also have a number of other direct beneficiaries which include owners, attendees at race meetings, sponsors and racecourse private equity stakeholders.
- There is a symbiotic and closely interconnected relationship between the horse and greyhound racing industries on the one hand, and the horse and greyhound breeding and allied industries on the other hand. Any evaluation of the contribution of the racing industries must take account of the interdependence between breeding and racing. This is especially true of the situation as it applies in Ireland.
- The economic impact of the breeding and allied industries, which are dependent on vibrant showcasing through the associated racing industries, has both a domestic benefit and a foreign earnings dimension through exports.
- The breeding and racing industries give rise to extensive economic activity and employment in a wide variety of supply industries which are dependent upon them. These include, *inter alia*, equine and canine supplies, feedstuffs, equine and canine related trade and craft industries, veterinary, farrier and other professional services, equine and canine transport, sales, marketing and advertising, publishing, stationery and a large array of others which service both the breeding and racing sectors.
- The horse and greyhound industries give rise to considerable direct downstream economic activity and employment. Such direct downstream activity arises in areas such as the betting industry, tourism, both in the context of specific festivals and generally, public and private transport, associated activity in areas such as event management and hospitality, and feeder activity in areas such as point-to-point racing and pony racing.
- These industries also give rise to considerable indirect downstream activity. This occurs in areas such as the retail and trading sectors, in the construction sector, especially in the context of the capital development programmes associated with both horse and greyhound racing infrastructure, and in a wide variety of other areas.
- The industries have a particular impact in the context of the rural economy given the nature of the industries themselves and where direct and indirect economic activity associated with them tends to be located. For example, some of the activity associated with leader groups, local partnerships, county enterprise boards, and county development strategies, is directly and indirectly associated with the horse and greyhound racing industries, in relation to

supporting local enterprise which either feeds into, or is dependent upon, the Horse and Greyhound racing industries.

- A significant consideration arises in the context of the contribution which the horse and the greyhound industries contribute to the overall underpinning of 'brand Ireland'. The Irish horse and the Irish greyhound have instant global recognition and represent 'products' where Ireland has an indisputable position of world leadership. They make a major contribution, therefore, to the overall 'brand Ireland' concept.
- Considerable charitable and associated fund raising activity takes place in the context of horse and greyhound race meetings. For example, in the case of greyhound racing, Bord na gCon estimate that in 2007 fundraising associated with greyhound racing events amounted to €7.5 million.
- Finally, as regards indirect downstream benefits to the economy, the horse and greyhound racing industries contribute to the overall implementation goals of the National Development Plan and of the National Spatial Strategy, especially as they relate to issues concerned with rural development, infrastructure enhancement, balanced regional development and tourism.
- The evaluation framework needs to take account of the fact that funding for these industries derives from a multiplicity of sources and not just from the Fund itself. These include sponsorships, attendance charges, tote income, private equity, borrowing, and the reinvestment of prize monies back into the industries.

Measuring the Contribution

2.10 The framework developed by us to evaluate the importance of the horse and greyhound racing industries seeks to depict the complexity of the considerations which arise in that regard. It is, however, a difficult task to definitively measure the contribution involved given the nature and scope of the many variables and factors to be taken into account. Some of the variables involved lend themselves to reasonably accurate quantification and, therefore, where possible, we outline, in the paragraphs which follow, the variables to which such quantification applies. Many of the variables, however, do not lend themselves to precise measurement and in those cases we have attempted to identify proxy measures and/or trends and indicators to assist in the task of measuring the importance of these industries. An overarching difficulty arises from the fact that horse and greyhound racing, as industries, are not separately categorised for the purposes of many of the mainstream economic and social data capture mechanisms (CSO surveys, trade statistics, employment, tourism etc) which apply in the case of many other industry sectors.

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- 2.11 Direct employment in the horse sector is estimated at 16,500 jobs and in the greyhound sector at 11,000 jobs giving rise to a total combined employment figure of some 27,500. These jobs represent a broad spread of different employment types across both sectors. Wage data is not separately categorised or captured in respect of the jobs involved in these industries.
- 2.12 It is estimated that there are some 12,200 horses in training (representing an approximate 50% increase on 2000 levels). Leaving aside cost of purchase, some €244 million per annum is spent on keeping horses in training. On the breeding side, it is estimated that there are some 20,700 mares and some 416 stallions (up over 40% on 2000 levels) in a sector which has been estimated to make a gross economic contribution of some €330 million per annum.
- 2.13 Figures are captured somewhat differently for greyhounds. However, it is estimated that there are some 14,000 greyhounds in training and that the annual spending associated with the breeding, rearing, training and racing of greyhounds amounts to some €64.4 million. (Source: IGB 2008, see Table 18 in Appendix 4)
- 2.14 The number of single owners of racehorses has grown to 5,558 (up 50% on 2000 levels) while the number of owners involved in syndicates is estimated at some 8,500 (up 112% on 2000 levels). While the owners are beneficiaries of a total annual prize fund which now stands at some €60 million (up 94% on 2000 levels) only some 1,700 horses approximately actually win a race whereas, as pointed out some €244 million is spent on keeping horses in training. It also must be noted that against an annual Fund contribution to prize monies of some €32 million, owners contribute a further €18 million in entry fees. In addition, some 30% of the total prize fund is directly filtered back into the industry since it accrues to the trainers, riders and stable staff associated with placed horses in races.
- 2.15 Other key indicators of activity within the horse racing industry include the growth in the number of fixtures at 333 (up 23% on 2000 levels), the number of races at 2,397 (up 25% on 2000 levels), the number of runners at 34,290 (up 34% on 2000 levels) and the number who attend race meetings at 1.46 million (up 8% on 2000 levels).
- 2.16 There is a significant export dimension to both the horse and greyhound sectors. For example, Ireland operates a single stud book for horses with the UK and some 2,900 horses were exported to the UK in 2007 in addition to a further 1,900 (approx.) which were exported to 41 other countries. On the greyhound side some 8,000 dogs were exported to Britain last year. Figures are not readily available for other greyhound export markets but there are known to be some well developed niche markets for such exports e.g. Sweden.
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2.17 There is considerable employment and other economic activity generated by supply industry services to both the horse and the greyhound sectors. Unfortunately, the data capture mechanisms do not exist to enable quantifiable metrics to be generated in this regard. However, a number of important points need to be taken into account in this regards as follows:

- The supply industries which are dependent on the breeding and racing industries are sizeable and extensive. They range over a broad spectrum. While data capture mechanisms do not permit accurate measurement of employment in these industries it is very evident that the number employed in these service industries will far exceed the number of those directly employed in breeding and racing.
- Many of these supply industries are solely dependent on breeding and racing and would not exist if the breeding and racing industries themselves did not exist.
- In quite a number of cases, these supply industries represent specialist craft and trade type operations which would find it difficult to exist or survive without vibrant breeding and racing industries.
- A large number of these supply industries exist in rural areas, very often in circumstances where they are the main or only provider of employment.

2.18 Putting a definitive figure on the direct downstream economic activity associated with the horse and greyhound racing industries is problematic. However, a number of trends and indicators do exist which demonstrate clearly the scale of what is involved as follows:

- The value of the Irish off course betting market in 2007 was some €5.2 billion of which some €3.7 billion is in the retail betting sector and therefore, subject to excise duty. The remainder is in online and associated betting markets which are not currently taxed.
- Total tourism figures associated with horseracing amount to some 80,000 visitor numbers per annum. (Source: HRI submission 2008). Independent studies have shown that the Galway festival is worth €60m to the local economy each year and that the Punchestown festival is worth some €45m per annum to the local economy. The Galway festival ranks fourth largest in the list of the ten highest attended race meetings in the world.
- Considerable other direct downstream activity takes place in the context of the racing industries in areas such as transport and event management etc. which cannot, however, be quantified through existing data capture mechanisms.

2.19 Perhaps one of the most significant contributions made by the horse sector is to the overall contribution to “brand Ireland” The horse, and activity associated with horses, is closely identified

with Ireland and significantly enhances Ireland's recognition and standing globally. Not only does this have a direct taxation benefit but it also impacts hugely on business travel and on other areas of economic activity with many leading overseas owners and breeders locating their operations in the Irish market.

2.20 There is also very considerable indirect downstream economic activity associated with the horse and greyhound sectors. These include:

- Major benefit to the retail and trading sectors associated with festivals, race meetings and on an ongoing basis.
- Significant construction and related activity especially in the context of the major infrastructural developments at racecourses.
- Many charitable organisations use race meetings for fund raising activity with considerable benefit accruing from such activity.

2.21 Finally, as regards economic benefit, it should be noted that, by its very nature, the activity in the horse and greyhound sectors is mostly associated with rural areas. The significant contribution made by these sectors to the overall goals of the National Development plan, the national spatial strategy and to overall rural economic development should not be underestimated.

2.22 Other key indicators include:

- According to the Indecon Report (2004) tax paid annually by the horse breeding sector was estimated at €37.5m.
- The Bloodstock industry accounts for up to 4.4% of agricultural output.
- Irish horses won 27 out of 41 of the Group 1 races run in Britain and Ireland in 2008
- Ireland has the third highest number of foals born in the world in 2007.
- An Irish owned stallion has been Europe's champion sire for each of the last 18 years. In 2002, nine out of the top ten sires in Ireland were Irish.
- Retail Betting has increased by 172% in the period 2001 to 2007.

Conclusion

2.23 In the light of the foregoing analysis, it is clear that these industries are vitally important to the Irish economy. It is also evident that both the horse and greyhound industries have been hugely supported by the Fund since its introduction and that they have, as intended, grown and developed over the period during which the fund has been in existence. The targeted support under the Fund has delivered meaningful and measurable benefits to these important industries



and such benefit has, in particular, accrued to the rural economy. It is clear to us, therefore, that the existence and operation of the Fund to date has met the overall objective of helping to grow and develop vibrant horse and greyhound racing industries making meaningful contributions to the economy.

3 ROLE AND IMPORTANCE OF THE HORSE AND GREYHOUND RACING FUND

3.1 Our framework for evaluating the role and importance of the Fund is set out hereunder. (Figure 2)

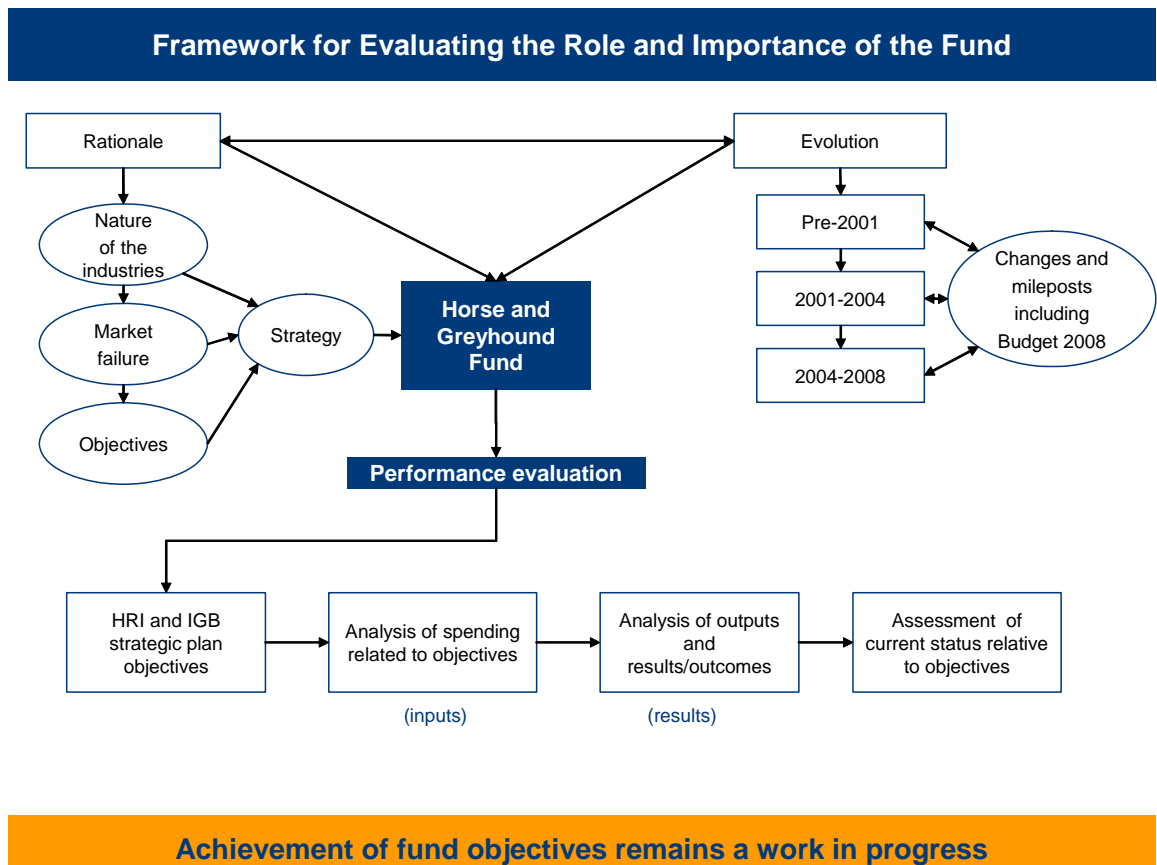


Figure 2: Framework for the evaluation of the Fund

Rationale

3.2 The Fund was initiated in order to provide permanent and guaranteed state funding for what were seen as important industries. The decisions taken in the context of the Horse and Greyhound Act, 2001 which established the Fund were clear and explicit and included the following:

- Secure funding based on a formula to protect its size and integrity over the years.
 - A statutory basis for the fund.
 - Sustained support for industries which were recognised as needing guaranteed and secure funding.
- 3.3 It is evident that the primary consideration in the context of establishing the fund was the extent of market failure which existed. These industries were not in a position to invest in necessary infrastructure nor could they, from own resources, create the necessary conditions for growth and development.
- 3.4 The decisions by the Oireachtas at the time were based on setting up the HRI and on giving it, together with the IGB, a clear mandate to produce strategies for the development of the horse and greyhound racing industries. The Fund was to be, and remains today, the primary mechanism for the implementation of these strategies. The Fund is essential, therefore, for implementing the strategies of HRI and IGB.

Evolution

- 3.5 The Fund has been through two four-year cycles since it was set up in 2001. Table 2 below shows the spending by HRI on key items during the first cycle.

Year	2001	2002	2003	2004
Fund Income €m				
Fund contribution to HRI	47.12 ¹	54.45	51.35	53.53
Key lines of expenditure €m				
Contributions to Prize money	22.52	26.53	28.36	30.93
Integrity	4.46	5.33	6.27	7.12
Racecourse development Grants	0.49	2.08	2.76	4.76
Grants to Industry Bodies	1.10	2.59	1.14	1.19
Authority Administration	1.42	4.01	4.02	4.92
Marketing and Promotion	0.76	1.55	1.89	2.73
Surplus	42.25 ²	8.52	9.03	8.77

Table 2: HRI selected lines of income and expenditure 2001 – 2004³ (Source: HRI, Annual Reports 2001-2004)

3.6 Table 3 below shows the spending by HRI during the second cycle.

¹ An additional €10.16m funding went to the IHA in 2001

² 36m from land sale

³ NB This table contains only selected lines - does not represent all income and expenditure received by HRI in the period

Year	2005	2006	2007
Fund Income €m			
Fund contribution to HRI	54.68	56.05	58.49
Key lines of expenditure €m			
Contributions to Prize money	30.97	31.67	33.37
Integrity	8.39	9.78	9.67
Racecourse development Grants	4.07	3.21	21.53
Grants to Industry Bodies	1.36	1.91	2.44
Authority Administration	5.25	5.52	5.09
Marketing and Promotion	2.82	2.68	2.88
Surplus/Deficit	6.36	5.13	(5.40)

Table 3: HRI selected lines of income and expenditure 2005 – 2007⁴
 (Source: HRI, 2008)

	% change - Fund first cycle (2001-2004)	% change - Fund second cycle (2005 -2007)
Contributions to Prize money	37.34%	7.75%
Integrity	59.64%	15.26%
Racecourse development Grants	871.43%	428.99%
Grants to Industry Bodies	8.18%	79.41%
Authority Administration	246.48%	-3.05%
Marketing and Promotion	259.21%	2.13%
Surplus	40.32%	-184.91%

Table 4: Analysis of spending changes at HRI

⁴ NB This table contains only selected lines - does not represent all income and expenditure received by HRI in the period

3.7 Table 4 above shows clearly that the spending at HRI has changed in its pattern since the first cycle but that racecourse development continues to be the main growth area. Our view is that these spending lines are consistent with the objectives set out by HRI in their statement of Strategy 2003 – 2007.

Year	2001	2002	2003	2004
Fund Income €m				
Fund contribution to IGB	11.7	13.5	12.8	13.4
Key lines of expenditure €m				
Contributions to Prize money	4.4	5.1	5.5	7.1
Integrity	⁵	⁶	1.48	1.79
Development Grants	20.24	11.61	9.79	1.75
Grants to Industry Bodies	0.60	0.63	0.78	0.61
Administration	4.20 ⁷	4.34 ¹	3.28	3.27
Marketing and Promotion	0.34	0.87	0.88	1.03
Head Office and Tote Surplus ⁸	4.30	5.34	3.75	3.77

Table 5: IGB selected lines of income and expenditure 2001 – 2004

⁵ Not recorded as a separate line item, covered from Administration.

⁶ Not recorded as a separate line item, covered from Administration.

⁷ Includes expenditure on Integrity

⁸ Before Capital Grants

Year	2005	2006	2007	2008
Fund Income €m				
Fund contribution to IGB	13.6	14.1	14.6	15.3
Key lines of expenditure €m				2008 ⁹
Contributions to Prize money	7.65	8.22	8.43	6.95
Integrity	1.95	1.97	1.88	1.49
Development Grants	3.71	1.26	0.94	0.20
Grants to Industry Bodies	0.65	0.74	0.53	0.52
Administration	4.66	5.57	4.31	3.29
Marketing and Promotion	1.98	1.39	1.18	1.24
Head Office and Tote Surplus ¹⁰	1.74	0.99	3.04	2.79

Table 6: IGB selected lines of income and expenditure 2005 – 2008

⁹ Figures to October 2008

¹⁰ Before Capital Grants

	% change- Fund first cycle (2001-2004)	% change - Fund second cycle (2005 -2007)
Contributions to Prize money	61.36%	10.19%
Integrity	n/a	-3.28%
Racecourse Development Grants	-91.35%	-74.63%
Grants to Industry Bodies	1.67%	-18.34%
Administration	n/a	-7.58%
Marketing and Promotion	202.94%	-40.69%
Head Office and Tote Surplus ¹¹	-12.33%	75.03%

Table 7: Analysis of spending changes at IGB

3.8 Table 7 shows that there has been a clear trend towards increasing the spend on contributions to prize money over the course of the two cycles of the fund to date. Apart from 2005 (€3.75m) there has been a steady decline in the funding of racecourse development grants. This is offset by the creation of a capital fund from the surplus. The Capital Fund is used to fund significant capital projects. Marketing and Promotion spending by the IGB ramped up to a high of €1.98m in 2005 but has declined since then. The table also shows that the figure spent on Administration was increasing to a high of €5.57m in 2006 but is now in decline. Spending on the integrity of the sport was also increasing up to 2006 (€1.97m) but fell in 2007. This indicates that the IGB is focusing on its key strategy goal of maintaining prize money within the sport at an attractive level as a driver for the industry as a whole.

Performance Evaluation

3.9 As the Fund's key function is to support the strategic objectives of both the HRI and IGB we have analysed the key objectives for each as set out in their respective strategy statements.

3.10 Table 8 shows the key goals as set out in HRI's strategy statement 2003 -2007. This shows that HRI has make good progress towards meeting its key goals. HRI is in the course of finalising a

¹¹ Before Capital Grants

new strategy statement to cover the next four years but has not finalised it yet pending clarification in relation to funding.

Area	Purpose	Specific Commitments	Achieved?
Funding	To achieve secure funding for the industry over the duration of the Plan by a continuation of the Horse and Greyhound Racing Fund and a significant increase in other sources of revenue	<ul style="list-style-type: none"> • Increase contribution of on-course bookmakers • Parity of funding for the two courses in NI 	<p>Achieved</p> <p>Not Achieved</p>
Racecourses	To create a vibrant racecourse sector operating on commercial lines with a business model which will allow tracks to benefit from new income streams directly linked to attendance, betting and sponsorship performance.	<ul style="list-style-type: none"> • Redevelopment of Leopardstown • Redevelopment of The Curragh • Improve racing surfaces • Weigh rooms • Upgrading of bookmakers rings • Development of an all weather racecourse • New Headquarters for HRI • HRI initiated rationalization of racecourses • 50% of HRI funding to Increase Prize money 	<p>Commenced</p> <p>On Hold</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p>
Integrity	To ensure that the integrity of Irish racing meets the highest possible international standards with appropriate funding.	<ul style="list-style-type: none"> • HRI will support the Turf Club in the installation of closed circuit security cameras in stable yard areas 	<p>Achieved</p>
Product Development	To examine, refine and market the entire racing product with a customer focus to make racing a sport of choice and to	<ul style="list-style-type: none"> • Racecourses to improve both their drainage and racing surfaces. • Funding assistance to 	<p>Achieved</p> <p>Achieved</p>

	ensure that racing in Ireland is a unique and enjoyable experience for all racegoers.	<p>ensure a high level of marketing activity by racecourses throughout the year.</p> <ul style="list-style-type: none"> Funding for the supply of a big screen to the majority of Irish race meetings. 	Achieved
Tote	To realise fully the commercial potential of the Tote so that it can make a much greater contribution to the future funding of Irish racing.	<ul style="list-style-type: none"> Tote turnover can increase close to €100 million giving an annual net contribution to racing of €6 million. This will involve costs both in terms of staff related issues and investment in technology, equipment and on course facilities. 	Not Achieved
Breeding	To develop and promote Ireland's status as a producer of horses which have an inherent advantage in world markets due to the natural environment, industry infrastructure and human skills base.	<ul style="list-style-type: none"> Commission a comprehensive independent study of the Irish horse population, its trends in recent years, and its prospects for the future encompassing economic, statistical and genetic criteria. HRI is committed to continuing its level of direct funding for the Irish Equine Centre so as to secure its future finances and to allow it to expand into other areas of business. 	<p>Not Achieved</p> <p>Achieved</p>
Training, Education & Employment	To assist educational institutions and organisations in developing facilities and courses which ensure that proper training is available for all aspects	<ul style="list-style-type: none"> HRI will continue to support RACE and assist it in the promotion of Ireland as a worldwide centre of equine training. National Archive of 	Achieved

	of the industry.	<p>Racing</p> <ul style="list-style-type: none"> HRI will initiate a formalised staff training and education process for its own staff including subsidiary companies. 	<p>Achieved</p> <p>Achieved</p>
Information Technology	To utilise information technology to maximise business opportunities and operate in the most efficient and cost-effective manner, while centralising the production and dissemination of all information and statistical data relating to racing and bloodstock.	<ul style="list-style-type: none"> Improved HRI websites A database of 100,000 racegoers will be developed by HRI, Technology will be introduced to rationalise the current method of producing the Form Book HRI will create an accessible database of all statistics relating to the racing and breeding sectors. invest significantly in a greater number of automatic Touch Tote terminals 	<p>Achieved</p> <p>Partially Achieved</p> <p>Not Achieved</p> <p>Achieved</p> <p>Achieved</p>

Table 8: HRI Objectives and specific spending commitments 2003- 2007 (Source: HRI, 2008)

3.11 Table 9 shows the key goals as set out in IGB's strategy statement 2007-2012. IGB did not have a strategy statement or similar prior to 2007. This strategy is very much a 'work in progress', continuing to spend on items such as the Capital development programme and the Welfare management system. Allowing for the fact that the inception of many of the projects predate 2007, for example, developments at Waterford (1.5M), Cork (350K), Tralee (250K), Newbridge (200K), it is clear from Table 9 that the IGB is making very satisfactory progress towards implementing the strategy.

Area	Purpose	Specific Commitments	Achieved?
Complete the Capital Development Programme:	<ul style="list-style-type: none"> ensure that the remaining underdeveloped facilities become as value added to the wider industry as the other more developed stadiums 	<ul style="list-style-type: none"> The immediate development of Limerick Greyhound Stadium, followed by Kilkenny Greyhound Stadium and Clonmel are absolute priorities and are key to the overall success of the five year business plan. These developments will be closely followed by the development of Mullingar Greyhound Stadium and Enniscorthy Greyhound Stadium. 	<ul style="list-style-type: none"> Limerick – purchased & Construction started Kilkenny – finalising agreement Clonmel – finalising agreement Mullingar – letter of agreement with CoCo.
Deliver a Financial Management Programme and Processes to Drive Bord na gCon:	<ul style="list-style-type: none"> Deliver greater operating efficiency and improve the financial return and commercial performance of all stadiums 	<ul style="list-style-type: none"> Improved Financial Reporting software, systems and processes 	<ul style="list-style-type: none"> New ERP software. New performance management
Implement a Customer Relationship Management (CRM) System.	<ul style="list-style-type: none"> Better understand the diverse customer base To enable better and more targeted marketing initiatives 	<ul style="list-style-type: none"> Implement a Customer Relationship Management System (CRM) system 	<ul style="list-style-type: none"> Centralized Sales centre approach (11 employees) CRM to be developed
Invest and Develop the Tote Environment:	<ul style="list-style-type: none"> Within the Stadium environment we believe that by presenting improved inter-track product as well as developing our 	<ul style="list-style-type: none"> Improving presentation of intertrack racing A Loyalty Programme for our customers will be 	<ul style="list-style-type: none"> Tote available to customers in UK and Sweden and Northern Ireland.

	<p>capability to offer more betting options and knowledge to our customers that we can increasingly capitalize on our unique product</p>	<p>introduced by year end 2007.</p>	
<p>Develop and Maintain a Welfare Management System:</p>	<ul style="list-style-type: none"> To maintain and improve the public image of greyhound racing 	<ul style="list-style-type: none"> A revised website which will promote and provide information on greyhounds as pets. Development of a 'Best Practice Guide' The traceability of 'lost ' greyhounds The processing of Neglect cases Training and education of the industry participants. 	<ul style="list-style-type: none"> New website on line Achieved DNA testing (2500) of brood bitches in 2008 Stipendiary (investigative) stewards working with other welfare groups such as ISPCA IGB has two members on the Skillsnet Steering Committee
<p>Ensure a Rewarding experience and a safe greyhound environment at Tracks:</p>	<ul style="list-style-type: none"> To ensure that owning and training greyhounds remains an attractive pursuit. 	<ul style="list-style-type: none"> Maintaining and seeking to increase prize money is a fundamental cornerstone of our current business practice. Appropriate track 	<ul style="list-style-type: none"> Prize money increased by 500K in 2008 from its existing level of 12M. Extensive capital investment in

		<p>maintenance equipment</p> <ul style="list-style-type: none"> • Developing manuals to educate staff on proper maintenance procedures • Comprehensive training for ground staff. • The improvement of photo finish equipment. • The enhancement in design and operation of starting traps. 	<p>track maintenance equipments</p> <ul style="list-style-type: none"> • Universal track maintenance model, • Achieved • New digital photo-finish systems installed at Cork, Galway and Waterford • Development of a new trap prototype. Replacement programme to be achieved
<p>Spread the ‘Greyhound Experience’:</p>	<ul style="list-style-type: none"> • Fully engage in the entertainment and leisure areas to capitalize on discretionary consumer spending and by competing aggressively for every leisure euro. • The primary strategy for marketing will be to ensure that by being constantly in touch with consumer behaviour, we can pre-empt market needs and contribute to the shaping of our industry 	<ul style="list-style-type: none"> • Professional marketing campaign 	<ul style="list-style-type: none"> • Better analysis of the “Return on Spend” for all advertising campaigns for 2008, • In depth analysis of customer segments • Planned local activity around national activity to ensure maximum exposure for

	to the needs of those who will determine our industry's future.		each planned activity.
Improving the Employee Interaction and Environment:	<ul style="list-style-type: none"> Building an organisation of empowered and motivated people working together. 	<ul style="list-style-type: none"> An electronic time and attendance system will be installed at all IGB sites A human resources management information system (HRIS). 	<ul style="list-style-type: none"> A time and Attendance system is about to be installed performance management system in place

Table 9: IGB Objectives and specific spending commitments 2007-2012 (Source: IGB, 2008)

Conclusion

- 3.12 The Fund has produced significant results and outcomes for the investment made. The Fund is an important offsetting investment vehicle for the state combating what would otherwise be potentially fatal market failure in the case of these industries.
- 3.13 Since the Fund was always intended to provide secure and permanent state funding for these industries, the achievement of the objectives of the industry strategies supported by the Fund will always represent a work in progress. These industries, at the level at which they are required to operate in order to produce the benefits, could not be fully self-sustaining.
- 3.14 Certainty of funding is of vital importance in the context of capital development and, therefore, there is, we believe, a clear case for the continuation of multi-annual funding in the medium term, at the very least. However, consideration of the balance of funding sources will be a key issue for decision arising from this review process.

4 FUTURE REQUIREMENTS

Analysis Framework

4.1 Our analysis framework for determining future requirements is set out hereunder. (Figure 3)

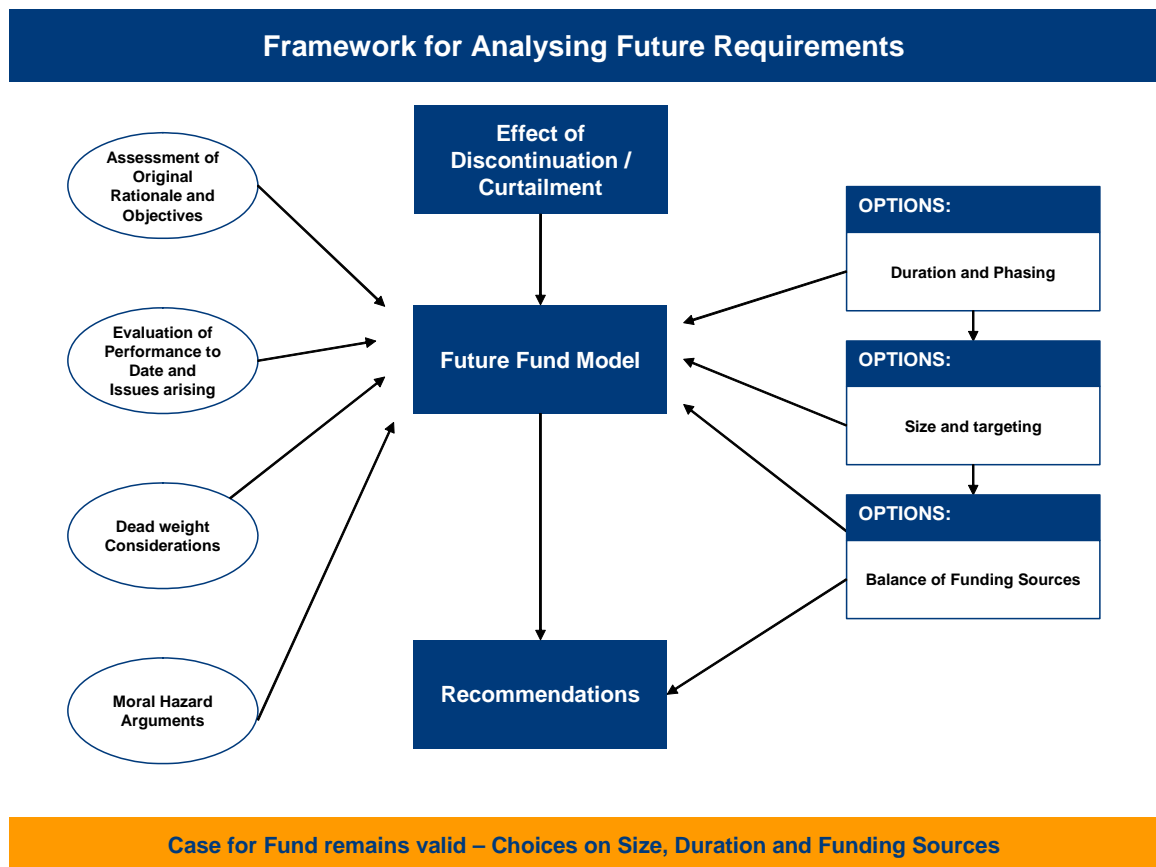


Figure 3: Framework for determining future funding requirements

4.2 In order to determine the effects of any discontinuation /curtailment of the Fund it is necessary to examine the following considerations:

- The extent to which the original rationale and objectives still apply.
- The impacts of the performance of the Fund to date.
- The dead weight considerations to be taken into account.
- The moral hazard arguments which might be raised in the context of the Fund.

Effects of Discontinuation/Curtailment

4.3 We believe that the effects of any discontinuation of the Fund would be serious in the case of both industries for the following key reasons;

- The original rationale for, and objectives to be achieved, remain as relevant today as they were in 2001. These industries need secure state support. If this was not available, infrastructural development would not take place, the product would deteriorate, employment would fall, integrity would become compromised and the industries would be seriously undermined.
- The Fund is achieving its objectives. The return on investment is significant.
- There is also, however, a need to take steps to minimise the incidence of deadweight loss (i.e. to offset any scenario whereby scarce resources are allocated to an industry beyond the point where it is efficient to do so). The key benefit of the Fund lies in its potential to act as a ‘kick-start’ mechanism rather than a permanent support and consequently, we believe that there is merit in considering strategies to help reduce over-reliance on the fund and to increase the self-sustainability of these industries over time.
- There is a need to be mindful for the potential scope for moral hazard (i.e. the risk of a perverse incentive towards ongoing reliance upon the Fund). Such a risk arises from the long-term availability of support under the Fund and the knowledge that racecourse operators can return to the fund for support on an ongoing basis. Consequently, we believe that there is merit in encouraging reduced dependence upon the Exchequer for capital investment and that to this end; consideration should be given to strategies which would allow both industries to adjust to a new funding climate over time.

Recommendations

4.4 There is, we believe, however, an incontrovertible case to be made for the maintenance, over the next four year cycle, of the Fund. There are, however, choices to be made as regards:

- Duration and phasing.
- Size and targeting.
- The balance of sources of contribution to the fund.

4.5 Our views on these choices are set out in the paragraphs which follow.

4.6 The decision made in Budget 2009 to end the automatic formula for providing permanent and secure funding for these industries is significant. The scaling back of activity already announced

by HRI and IGB (See Appendix 2) is a clear indication of the dependence of these industries on the Fund. While obviously choices can be made as regards the duration and phasing of investment through the Fund, our firm view is that uncertainty as regards the funding climate is not beneficial in the case of these industries. We recommend, therefore, that the Fund should continue for a further four-year cycle on a secure basis subject to further review in 2012.

- 4.7 Our views on the size and targeting of the Fund are that no evidence has emerged in conducting this review to indicate any necessity to deviate from the objectives to date of using the Fund to support implementation of the strategies of HRI and the IGB as agreed with DAST. Implementation of these strategies has proven to be an effective means of ensuring a return on state investment in these industries.
- 4.8 The issue of the balance of sources of funding is primarily a political one. The issue here has always been one of the relationship between betting duty and the Fund. Initially, betting duty contributed 100% to the Fund. That figure now stands at 48%. However, the following considerations are relevant in that context:
- The tax on retail betting has been increased from 1% to 2% in the 2009 Finance Act.
 - Despite this increase, Ireland has the lowest rate of betting tax in the world.
 - In 2001, some 80% of betting activity was in the off-course retail sector. By 2008, this had fallen to 54%. Some €1.5 billion, out of a total of €5.2 Billion, is now bet online, and by other means, which keeps it out of the tax net and out of the regulatory regime. This growing trend in untaxed and unregulated betting is a very significant issue which we believe warrants further consideration by Government.
- 4.9 A sudden sharp decline in the overall level of the Fund and uncertainty as to size of the Fund in the short term would, we believe, have serious detrimental consequences for the horse and greyhound industries and, therefore, would likely lead to product deterioration, employment loss and to a serious curtailment of associated economic activity. The considerable progress made under the Fund mechanism since 2001 would be put at significant risk and Exchequer investment to date could easily be undermined.
- 4.10 However, over-reliance by these industries in the medium to longer term on a net exchequer contribution to the Fund is not a sustainable proposition. The key policy issues which need to be addressed in that regard include:
- The extent and growth of internet/online-based betting which is untaxed.
 - The contribution to funding of the industries from betting levies.



- The need to ensure that Exchequer investment and support through the Fund to date is leveraged through the progressive migration of these industries to a greater level of self-sustainability over time.



APPENDICES



APPENDIX 1 BIBLIOGRAPHY

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APPENDIX 2 HRI PRESS RELEASE



Press Release from Horse Racing Ireland

Dated - 20th November 2008

SIGNIFICANT CHANGES TO FUNDING OF RACING INDUSTRY ANNOUNCED BY HORSE RACING IRELAND

Horse Racing Ireland (HRI) today announced a series of budgetary measures for 2009. These are in response to the challenging economic environment and the reduction in funding to the industry announced in Budget 2009. The measures include a range of cost saving initiatives, a reduction in prize money, a freezing of grant aid to organisations supported by HRI, a pay freeze for HRI staff and restrictions on racecourse capital development projects.

HRI's Chief Executive, Brian Kavanagh stated: "Irish racing and breeding has shown consistent growth in recent years. Today Ireland's breeding industry is the third largest in the world and Irish trained horses have won two thirds of the Group 1 flat races run in Britain and Ireland this year. Central to this growth and success has been the long term security of funding provided by the Horse and Greyhound Racing Fund".

The Irish horse racing and breeding industry employs over 16,500 people directly and indirectly and 1.5 million people go racing in Ireland every year.

Brian Kavanagh continued: "While cutbacks are regrettable, they are unavoidable in the current climate. An improvement in the economic environment and the continuation of secure, long term funding are central to a return to growth in the industry. HRI is already working with Government to achieve this aim and in particular to ensure the resumption of the Racecourse Capital Development Programme as soon as possible".

The key features of the 2009 HRI budget are as follows:-Prize Money

Total prize money will be reduced by €4.2 million to €56.5 million in 2009. On a like for like basis this represents a 7% reduction from 2008, which will be applied across all categories of races. Funding for point to point racing will also be reduced.

Racecourse Capital Developments

The Racecourse Capital Development Fund will be curtailed. Any projects on which work has already commenced will be concluded, but no new projects will be approved in the short term. The Racecourse Capital Development Fund is financed by long term borrowings and until the issues surrounding the future of the Horse and Greyhound Racing Fund are addressed, borrowings to cover necessary future developments cannot be put in place.



Cost Savings

Cost savings of €1.3 million will be achieved within HRI through reductions in central overhead and administration costs, and reduced activity in marketing.

Pay Freeze

A ten month pay freeze will be applied to all staff employed by HRI, Tote Ireland and HRI Racecourses Ltd, with the implementation of the first phase of the National Wage Agreement deferred for seven months.

Integrity Costs

The funding of integrity costs incurred by the Turf Club will be reduced by 5.8% in 2009 with most of the savings to be achieved from greater efficiencies rather than a reduced level of activity.

Racecourse Support Schemes

A number of racecourse support schemes including the sponsorship incentive scheme, the winter racing grant, the share of tote betting and the big screen support scheme will be restricted or amended.

Grants to Industry Bodies

All grants paid by HRI to industry bodies such as RACE, the Irish Equine Centre, the Blue Cross, the Order of Malta, the Irish Farriery School and the Irish Horse Welfare Trust will be frozen at 2008 levels.

HRI Charges

In view of the difficulties being faced by clients, all charges levied by HRI including race entry fees, registration charges, bookmakers' permit fees and the Thoroughbred Foal Levy will be held at 2008 levels.

Breeders Prizes Scheme

In view of the anticipated decrease in income from the Thoroughbred Foal Levy next year the Breeders Prize Scheme will be discontinued with effect from 1st January 2009.

Sponsorship

HRI recognises the importance of sponsorship to Irish racing in recent years and in order to protect the historically healthy levels of race sponsorship, HRI will work together with racecourses and their sponsors to tailor packages to reflect the current difficult environment.



APPENDIX 3 IGB PRESS RELEASE



Press Release from Irish Greyhound Board

Dated - 11th December 2008

IRISH GREYHOUND BOARD TO MAINTAIN RECORD PRIZEMONEY LEVEL IN 2009

* €2 million cost saving plan approved by Board

Prize money in Irish greyhound racing in 2009 will be maintained at this year's record levels. The Irish Greyhound Board has approved a set of measures aimed at dealing with next year's nine per cent reduction in the Horse and Greyhound Racing Fund while maintaining the core strength of prize money on which so many elements of the sport are reliant.

Earlier this week, the Board announced a start date of March 2009 for the start of construction on the new Limerick Greyhound Stadium. Other capital projects are to be reviewed pending news of the longer term future structure of the Horse and Greyhound Racing Fund.

The Board yesterday approved a cost saving and rationalisation programme for 2009 which will generate cost savings for the year of €2 million.

There will be cost efficiencies across all departments and in a number of different areas. Among these are changes to tote and levy operations, savings from head office and track operation costs and reviews of staffing levels and remuneration levels for the year ahead.

Chief Executive Adrian Neilan and a number of senior managers are to take a voluntary five per cent pay cut. Consultation has taken place with all staff on salaries above €50,000 with regard to a twelve month pay freeze.

Additional money will be put towards marketing of the sport to consumers and towards creating value for money packages to help build on what is proving to be a successful Christmas season.

"It is essential that we save today in order to maintain the cornerstones of prize money and capital infrastructure on which the future of this great industry will rest," said Irish Greyhound Board Chairman Dick O'Sullivan.

"We already run a tight ship but the reduction of the Horse and Greyhound Racing Fund, as well as the pressures brought to bear by the general economic climate, has to be addressed."

"The management team have produced a series of cost savings, including at their personal expense, which are prudent and will position us to kick on strongly once we have rounded this particular bend in the development of the sport."



“Greyhound racing plays a vital role in Irish society, particularly in rural areas. Our stadia have facilitated the raising of €20 million through benefit nights over the last three years and they fulfil an important social role as well.”

“We as a Board have a duty of care towards the protection and development of the Irish greyhound industry. It sustains up to 11,000 full and part time jobs throughout the country and is a vital part of Irish rural and urban society. The decisions we have made this week are prudent and essential. They have been taken in the best interests of the sport as a whole.”

“We are planning and preparing for the future. The one area however, where all those plans could be torn asunder is if there is continued uncertainty over the future of the Horse and Greyhound Racing Fund. This fund supports the jobs and creates the platform on which Ireland has built a world leading industry. Its continuation is vital and we need confirmation of that as quickly as possible so that we can plan for 2010 and beyond.”



APPENDIX 4 SUPPORTING TABLES

Betting Industry

Year	H1 2008		H1 2007		% change on a constant currency basis	
	Revenue	Operating Profit	Revenue	Operating Profit	Revenue	Operating Profit
Online	350	21.1	297	14.8	28%	+62%
Telephone	143	3.0	153	4.1	-1%	-20%
Retail	574	21.0	544	22.0	8%	-3%
TOTAL	1,067	45.1	994	40.8	12%	+18%

Table 10: Revenue and Operating profit by channel - Half year comparison - (Source: Paddy Power Interim Results September 2008)

Horse Industry

Activity	2000	2007	% Increase
Fixtures	270	333	+23%
Races	1,919	2,397	+25%
Runners	25,611	34,290	+34%
Attendances	1.35m	1.46m	+8%

Table 11: The Growth of Horse Racing in Ireland 2000 – 2007 (Source: HRI, 2008)

Horses in Training	2000	2007	% Increase
Total individual	8,028	12,188	+52%
Average Monthly	4,776	6,742	+41%

Table 12: The Growth of Horses in Training; 2000 – 2007 (Source: HRI, 2008)

Direct Beneficiaries

Ownership	2000	2007	% Increase
Single Owners	3,727	5,588	+50%
Syndicates	683	1,451	+112%
New Owners	711	1,449	+104%

Table 13: The Growth of Ownership; 2000 – 2007 (Source: HRI, 2008)

Prize Money	2000	2007	% Increase
Total Prize Money	€30.7m	€59.6m	+94%
Sponsorship	€4.6m	€7.3m	+59%

Table 14: Horse racing in Ireland - Prize money growth 2000- 2007

Direct Down stream

Betting	2000	2007	% Increase
Bookmakers on-course Betting	€164m	€205m	+25%
Tote On-Course Betting	€35.5m	€61.3m	+73%
Off-Course Betting (Excludes off-shore phone and Internet Betting on which duty is not collected)	€1.2bn	€3.6bn	+208%

Table 15: Increase in Betting activity 2000-2007 (Source: HRI 2008)

Breeding and Allied Industries

Breeding	2000	2007	% Increase
Foals	8,793	12,633	+44%
Mares	14,655	20,700	+41%
Stallions	347	416	+20%

Table 16: The Growth of Breeding 2000 – 2007 (Source: HRI, 2008)

Greyhound Industry

Direct Beneficiaries

4.11 Cork stadium was upgraded in 2000 at a cost of € 11.4 m. Since then it has experienced a significant improvement in financial performance. See Table 17 below. This shows that the net cash flow difference as a result of the development is 988K per annum.

Ownership	1999	2007
Tote Turnover	€590,000	€5,701,000
Tote Profit ¹²	€64,900	€627,900
Track Operations	-€12,000	€361,000

Table 17: Cork Stadium KPIs 1999– 2007 (Source: IGB, 2008)

¹² Based on a margin of 11%

Supply Industries

Greyhounds in Training	Number	Cost	Annual Spending
Breeding			
Stud fees	4,500	€1,500	6.7m
Maintenance	4,500	€3,120	14.0m
Litters (first 12 weeks)			
Rearing	4,500	€2,000	€9.0m
Vaccinations	27,000	€50	€1.3m
Registration with ICC	27,000	€30	€0.8m
Litters (12 weeks – 12 Months)			
Rearing programme	25,000	€1,820	€45.5m
Worming and Veterinary	25,000	€240	€6.0m
Training (12 weeks – 2 years)			
Registration and naming with ICC	23,000	€30	€0.7m
Training fees	14,000	€3,640	€50.9m
Travel	14,000	€2,600	€36.4m
Trial fees	14,000	€624	€8.7m
Veterinary +Supplements	14,000	€1,300	€18.2m
Training (2 years – 3 years)			
Training fees	14,000	€3,640	€50.9m
Travel	14,000	€2,600	€36.4m
Trial fees	14,000	€624	€8.7m
Race Entry fees	14,000	€1,040	€14.6m
Veterinary +Supplements	14,000	€1,300	€18.2m
Training (3 years – retirement)			
Same as Training (2 years – 3 years)	14,000		€128.8m
Lifetime Spend		€257.7m	
Annual Spend (assuming 4 years)		€64.4m	

Table 18: Cost of ownership for greyhounds (Source: IGB, 2008)

Indirect Downstream

4.12 This stadium in Galway was developed in 2003 with an overall investment of about €6.4m.

4.13 From Table 19 below we can see the ‘before’ and ‘after’ performance indicators.

Ownership	2002	2007
Greyhounds	1063	2147
Sponsorship	€27,000	€208,000
Benefit nights/Fundraisers	10	61
Attendance	12,500	84,000

Table 19: Galway Stadium KPIs 2002 – 2007 (Source: IGB, 2008)

FGS is an independent member firm of RSM International, an affiliation of international accounting and consulting firms.