

# A Fair Share for Irish Thoroughbred Breeding and Racing



**ITBA**

WORKING FOR IRISH BREEDERS

# Why are Irish breeders world-leaders at producing racehorses?

- After cattle, thoroughbreds are the second most valuable livestock sector in Ireland.
- Tens of thousands of people find employment in the industry.
- Four out of five Irish people consider horse racing as an important part of their heritage and almost as many people go to the races as attend GAA Hurling and Football Championship matches.
- Thoroughbred breeding and racing generates €1.1bn for the economy every year.

**Yet the industry cannot be taken for granted. Without a secure funding model NOW we stand to lose so much that has been created over decades to create this proud tradition.**

Irish thoroughbred breeding and racing has taken a huge hit over the past few years.

- More than 4,000 jobs have been lost in the sector.
- Foal numbers have dropped 40% from 2007 levels.
- Mare numbers are 30% lower than they were in 2003.
- In 2004, we had seven out of the top 10 stallions in Europe, now we have three.
- Ireland used to be the world's third largest producer of thoroughbreds - we have slipped to fourth.

Funding to Horse Racing Ireland has been cut by 30% since 2008. Some Irish races risk being downgraded. Only the Irish Derby features in the top 150 richest races in the world - at number 52.

# But it doesn't have to be this way.

- While the industry has been having a tough time, the amount of money being bet on racing in Ireland has gone up with total betting turnover in Ireland now over €4bn annually but only €27m collected in Betting Duty.
- At just 1%, Ireland has the lowest taxation on betting in the world, outside of locations like Gibraltar or the Isle of Man.
- Ireland is the only racing nation without an automatic, direct payment from betting to racing. And racing is the driver of betting turnover.
- By increasing the Betting Duty to 2.5% of turnover, similar to the low level in the UK, it is expected that sufficient funds per year could be collected, which would allow horse and greyhound racing in Ireland to thrive.

## **Additional Funding is needed for:**

- To offer a competitive return to owners, returning prize money to levels on a par with our competitors in the UK and France and thus attracting investment.
- Greatly increased funding for Irish Thoroughbred Marketing, developing new markets for Irish thoroughbred breeders and racehorse owners and promoting Ireland as a location for inward investment
- Enhanced support for the Irish Equine Centre so it can continue its work in equine disease research, surveillance and prevention
- Integrity services / Racecourse development / Health and Safety
- Horse welfare
- Training and education

Making Ireland more attractive to owners by offering them a competitive return will stimulate employment in breeding and training and create sustainable jobs in rural Ireland.

It will encourage foreign direct investment. By giving breeders security to invest, it will keep the best stallions and mares in the country, creating greater export value.

We have the solution  
and can create  
growth in rural Ireland.

We are not asking for a hand out. What is needed is a fair share for racing, a secure and appropriate level of funding, like that enjoyed by our competitors at no cost to the National Exchequer.

At long last, once the legislation is passed, the Betting Duty is going to be collected from online betting, not just the bookies' shops. But this is only a half-measure.

**We are calling on Minister Noonan to increase the betting duty to 2.5% in the October budget and to earmark a fair share for Irish thoroughbred breeding and racing to allow this important industry to regain and retain its competitive position.**

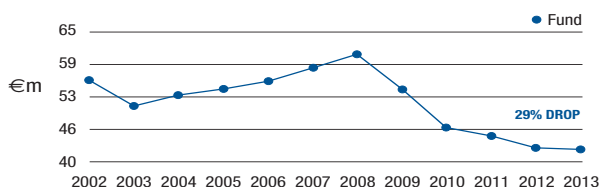


# 15 Years of Decisions Impacting on the Industry

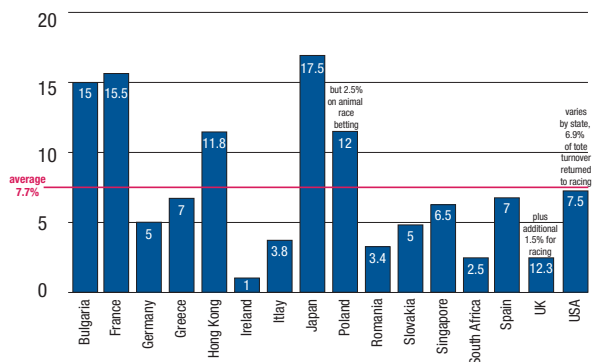
1999	Betting Duty reduced from 10% to 5%
2002	Betting Duty reduced to 2%
2006	Betting Duty reduced to 1% Link to funding for racing broken
2008	Removal of Stallion Tax Exemption
2013	EU ruling against agricultural rate of VAT on horse sales

## Supports for Thoroughbred Industry

- Discretionary allocation from National Exchequer to Horse and Greyhound Racing Fund, 80% is used to fund HRI and its operations, capital grants for racecourses
- The Government adds €23.4m for a total of €45m



## Turnover / Equivalent Rates Internationally



Source: Prof Leighton Vaughan Williams,  
*The Options for Taxing Betting in Ireland 2013*



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