

## Go Racing In Yorkshire Annual Awards Luncheon

Thursday 19 November 2009

Speech by Ian Barlow

Chairman, The Racecourse Association Ltd

Good afternoon. I'm delighted to be back in Yorkshire, the county with by far the most racecourses, my members. Before you start telling me how wonderful everything and everyone is in Yorkshire, I know, I'm also one of the chosen, born in Shipley.

My earliest memories of racing are when we lived in Lancashire in the 60's. We always attended the Grand National. My father ran a large plant near Aintree. Mrs Topham ran Aintree. For those of you who remember her she was no slight woman. I'd guess she was close to 20 stone. Walking up the stairs to the first floor of the County Stand was not an option. And there was no lift. So my father lent her a forklift truck and operator to get her up to the first floor. And we got four tickets to the County Stand.

Over the last 15 years I have been involved in Racing, as chairman of the BHB tax group, as an adviser and later auditor to the BHB and BHA, as a member of the Stable and Stud Staff review chaired by Lord Donoghue and as a founder member of the Starting Price Regulatory Commission.

I'm three months into my new job as Chairman of the Racecourse Association and this is the first opportunity I've had to speak about the challenges Racing faces and the role the racecourses will play in meeting these challenges.

Let me take a moment to take stock of where we are.

I'm a glass half full sort of person.

We still have the highest quality turf racing in the world with the second highest 16% proportion of top rated horses after the US.

We have the greatest variety of racecourses from Cartmel to Cheltenham, Catterick to York. Turf, all weather, left handed, right handed, uphill, downhill, courses that join up, some that don't.

Our integrity is recognised globally as second to none.

We are still the second most attended sport in the UK. Almost 6 million people will go racing this year, the same as last year despite the recession.

More money is still bet on racing than on any other sport.

And many of our racecourses are run in a dynamic and imaginative way. It is no mean feat to get a record 12,600 attending a midweek afternoon fixture as Sally Iggulden did at Beverley in August.

Of course, I do meet the occasional person who sees the glass half empty. Not surprisingly.

Yes, we do have rapidly declining prize money and prize money that is too low for our most talented horses.

Yes, we do not get a sufficient return from betting that takes place outside the reach of the current Levy in the rapidly expanding online channels overseas. The BHA's recent Economic Impact report shows that comparable amounts are bet on racing in Japan and the UK but in Japan £740 million, 5% of turnover, is returned to racing where here it's only £120 million or 1% of turnover. In France and the US the ratio is 8%.

And yes, the economic downturn is tough for owners, trainers, breeders and many others who make a living from our sport.

But it's no good us just whingeing about all of this. What are we going to do about it?

I believe there are solutions to each of these issues. But they will take time and will only be achieved if we approach the issues methodically, objectively, using hard evidence to make our case with Government and to persuade our partners and customers.

And only if we work together in Racing. Too often we are our own worst enemies. Arguing amongst ourselves in public we look disjointed and dysfunctional to the very outsiders we are trying to influence. Too often we express opinions as if they were facts. Too often we dismiss new ideas out of hand. We need fewer CAVE's - Colleagues who are Against Virtually Everything. We as Racing need to speak with one voice if we are to be effective. I've seen a marked improvement over the past few months under the leadership of the BHA and its Chairman, Paul Roy but there is still room for improvement.

One of the things that frustrate me is that no one can tell me what our collective ambition is for British racing. Everyone says we want to have the best racing in the world. But what does that mean?

I'm not suggesting that this can be described in one strap line nor even in one sentence. But we simply must know what we are aiming for so that we can plan how to get there. And we must also be able to explain it simply to everyone in Racing so that whoever we are, from stable staff to administrator, we have a shared view of our goals making them so much easier to achieve.

You'll be familiar with the example of NASA in the 60's. Everyone, from senior executives to receptionists, knew their mission: To get a man on the moon by the end of the decade. Sure, it was just one organisation and we are many. But the principle is the same.

Let me suggest five components to our goal of having the best racing in the world.

First that the quality of our turf racing is unsurpassed, measured by the ratings of the horses who are trained here and the races we stage.

Secondly that our sport is re-established in the country's psyche appearing routinely on the back pages of the newspapers and frequently on the front pages not just once or twice a year for the Grand National or Royal Ascot.

Thirdly that we have by a clear margin the second most watched sport in the UK after football with 10 million racing annually and attendances growing.

Fourthly that our sport is rated by customers as the best value for money of any visitor attraction or sport in the UK.

Finally I'd like to see our racecourses at the heart of the communities in which they are located.

Those are five criteria by which we can be judged. Each is capable of being measured. Each can easily be remembered even by an ageing accountant like me.

Our racecourses have a huge role to play in achieving these goals. They are the commercial heart of the sport with the talent and the management capabilities. They are already doing a great job maintaining attendances through the current downturn and investing in their facilities, £550 million over the past 5 years.

Fulfilling these five criteria will make our sport more attractive to our key investors, the owners who put more than £250 million annually into Racing and to our key customer groups, racegoers, sponsors and punters. Particularly punters because they are our largest source of income via the bookmakers.

How will the racecourses contribute to these goals?

First, like any successful business every racecourse will be clear about what it is best at and stick closely to this. Whether it be 'best quality racing in the North of England' which might be York's aspiration, or 'best country jumps track in the country', or 'best day out in North Yorkshire'. The beauty of our racing in the UK is the variety of courses. There is a role for everyone.

Secondly, by focusing on our customers on and off course. That's what our part of the Racing for Change project, the Raceday Experience, is about. We have our annual racecourse seminar next week at Chester focused on this, sharing our expertise, raising the bar. From basics like the loos to making our food a reason to come racing, not the reverse, to presenting better the spectacle using the new technologies. Remember we know we are competing not just with each other or other sports but with every other form of leisure activity whether it's an outing to Chatsworth or a day's shopping at the Metro centre in Gateshead.

I'd like every racecourse to have at least one festival annually which is a 'can't miss' social event in its area like Grand National or St Leger meetings or indeed the Melbourne Spring Carnival from which I have just returned.

I'd like to see peer pressure between the racecourses to improve. Subjecting themselves to a sort of Egon Ronay annual assessment building on the work the ROA already do for owners' facilities. Visit Scotland already does these assessments north of the border. I

know it bugs Vivien Kyles at Hamilton Park that she's got only four stars while Bill Farnsworth at Musselburgh has five. I'd also like to see annual awards to recognise the fantastic efforts of our racecourse staff building on the existing groundsmen's awards.

I'd like to hear us listening more to the bookmakers on how we can best construct our fixture list to maximise income from punters. The appointment of a heavyweight Betting Relationship Director for Racing which is in progress is a step in the right direction.

Finally we are simply going to have to do something about prize money at the top end. It is from a racecourse viewpoint its single biggest cost but we do risk hollowing out our better horses, those just below the Pattern level, if it simply isn't economic to run them beyond their 3 year old year.

So that's something of what the racecourses can do to improve the sport.

But there are many other principals in the sport. What do they need to do and how should we in the racecourse work with them? I have two observations after my first three months. First, how many bodies are involved in running racing and how often they meet. I've looked at my diary for next year and I'm just not able to attend all the meetings that have been scheduled for me. On a positive note my second observation is that there is a strong spirit of cooperation between these bodies, but that is really a second best to clear leadership.

The BHA, the ROA, the RCA , REL and the Levy Board, yes these are some of the many bodies involved in running Racing, are working closely together across a number of critical issues. The fixture list, the way the Levy is distributed, maximising the Levy, reducing the costs of running Racing, improving the presentation of the sport through the Racing for Change project and generating new revenues from offshore betting operators and from our data.

If we can't immediately reduce the number of bodies involved in Racing we can get them working even more closely with each other sharing resources particularly the substantial resources of the BHA. That was part of the vision that BHA had for their new premises at 75 High Holborn. The ROA is already planning to relocate their and Jockey Club Racecourses moved in at the start. RCA have a room there but I can see cost savings in other bodies co-locating and sharing the BHA resource base, not necessarily all in London. More importantly bringing the various bodies physically together would encourage better team working.

In the time I have available I can't cover a number of other current topics. Like the Racing for Change project. Like Racing's ambitions for the Tote, an underexploited asset. Like the large potential income stream we are beginning to exploit through taking British Racing to international customers. For which 48-hour declarations are crucial. Like the work we are doing to find ways of charging overseas operators who are currently betting on UK racing for free.

But every aspect of Racing is being examined.

I do see the glass half full. We do have a fantastic product. If we put our energies into working together we will continue to generate employment for the many tens of thousands of dedicated staff that work in Racing and have a properly funded industry that will sustain the best racing in the world.

It'll be tough. We will have to achieve this for ourselves, winning the arguments with customers and with Government.

And it'll take time but I believe in five years time we will be in much better shape than we are today.

Thank you.