



Bringing Experienced Owners Together - Joining Forces to Buy Better Horses - Campaigning for Change

**BEST OF
THE BLOG**

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The Prize-Money Challenge - £200m by 2020 and 50% ROO

“The Owners for Owners challenge is for a clear goal to be agreed of at least £200m of prize-money available for owners by 2020, thereby ensuring that British Racing is at least somewhere near parity with the French. Return on Ownership must increase from the current abysmal 20p in the £.”

As followers of the blog know, I've been looking at the economics of racing, starting with the lamentable state of owner prize money in the UK. Interestingly, when I went along to a recent Racehorse Owners' Association presentation at Newbury on 20th September, this was definitely their number one issue because it is such a fundamental part of the whole fabric of racing.

The CEO, Richard Wayman, outlined the three key priorities for the ROA: firstly the negotiations with racecourses to secure a contractual obligation to inject money from media rights into prize money; secondly, supporting the case for fundamental legislative reform of the betting industry, particularly evasion of levy through offshore operations out of Gibraltar; and thirdly, improving the quality of the owner experience on the racecourses themselves. There was a Q&A session after Richard's presentation, and I argued for a clear goal for prize money. That whole line of thinking appeared to be well received by the owners present.

The Owners for Owners Challenge is for a clear goal to be agreed of at least £200m of prize money available for owners by 2020, thereby ensuring that British racing is at least somewhere near parity with the French and that the return on ownership increases from 20p in the pound to nearer 50p.

There were three main reactions to this goal at Newbury. Apparently some years ago a very famous National Hunt owner was well reported as saying that "Owning a racehorse is a hobby, you shouldn't expect to cover your costs and if you cannot afford it, don't do it". When a member of the audience mentioned this, there was no doubting whatsoever the views of the owners present. The whole mind-set around that statement was seen as ludicrous. Owners are injecting almost £0.5bn a year into the industry, and without an acceptable return the base of the sport will be eroded.

Another reaction was a challenge as to whether there was really an appetite across the owner population to fight for a fair and acceptable return on ownership. Quite clearly, once there are contractual prize money agreements in place with some racecourses, it will be very interesting indeed to see what the ROA, and in turn, owners are prepared to do with the racecourses that won't sign up for a prize money increase as a result of the revenue secured through media rights. My own position is that we should do everything possible to support the courses that are prepared to increase prize money, and vote with our horses' feet – don't send them to the tracks that aren't prepared to reward owners properly.

The final reaction was to do with the goal itself, or more accurately, the actions needed to achieve it. A goal of this magnitude cannot be achieved just by incremental tweaking around the margins of cost and revenue. It will need much more fundamental and transformational change. Furthermore, this will have to reflect the huge innovations under way in betting, with the migration to PC and smartphone platforms. The vast majority of the revenue needed for additional prize money has to come from betting. Either bookmakers are persuaded / forced to make a much bigger contribution, or the racing industry itself should push for changes in the betting landscape: indeed, could racing itself link up with major investors and launch its own suite of betting platforms, harnessing the most modern technologies? A number of our owners believe this is a route that should definitely be explored and evaluated. It may seem far-fetched at the moment, but step changes of this type could well be what racing needs.

