



chapter thirteen

Relationship with the Underlying Activities

- 13.1 Our terms of reference require us to concentrate on gambling; they do not require us to consider the health or prosperity of the activities on which gambling may be based. The Rothschild Commission¹ was particularly required to consider
- The contribution made from the proceeds of gambling towards the support of other activities (including sport), the means by which this might be enhanced, and the conditions to be imposed.
- 13.2 One might suggest that the change between the two sets of terms of reference reflect the changes that have taken place in the view of the appropriate role of the state over the past twenty or so years.
- 13.3 Despite this injunction, the Rothschild Commission reflected a robust attitude to the issue. It is worth quoting their arguments in relation to horseracing at some length:
- The proposition that bookmakers and punters ought to contribute to racing is widely regarded as self-evident. In a joint submission from a number of racing organisations we were told that one of the main problems confronting racing was “whether the proceeds of gambling can be made to supply a large enough injection of finance into horseracing”. The Tote went even further. It declared that “so long as bookmakers are allowed to extract huge sums of money every year from the horseracing industry, the industry will never be healthy”. The implication is that the profits of bookmakers belong in some sense to racing.*
- We do not agree with this approach. Racing and betting are separate economic activities. Of course the one is dependent on the existence of the other, but then so are many economic activities. The fact that bookmakers have chosen to make their living in a way which depends upon other people being willing to run horse races means that prudent self-interest might lead them to make a contribution to the maintenance of the sport. But it cannot create a moral obligation. If the bookmakers prefer to see racing decline and take the consequences, that is their business. The same goes for the punters. They may wish to help racing but they are under no obligation to do so.*
- 13.4 We find it hard to improve on those conclusions and believe they apply generally. We make no recommendations directed at regulating the relationship between gambling and the underlying activities. We believe that should be a matter for bargaining and negotiation between the gambling industry and the related activities, subject to the normal concerns of the competition authorities. We note that the Tote will be transferred to the horseracing industry and that it will be allowed to retain its monopoly of pool betting. That implies a public policy decision on which we do not comment although we have commented on its effects on the punter.
- 13.5 The greyhound racing industry has, understandably, asked for parity with horse-racing in terms of a levy paid by the bookmakers. It claims that less than 0.4% of all greyhound bets were returned to the greyhound industry via a voluntary levy, compared to around 1.5% of all horseracing bets.² As we have already said, it is not for us to make recommendations regarding the relationship between gambling and the underlying activities. The relationship is a commercial one and therefore any levy should be voluntary. Notably, the Home Office has already signalled its intention to abolish the horserace betting levy scheme, having “identified no overriding reason why the assessment, collection and apportionment of a levy on horserace betting should be a proper function of the public sector”. Similarly, there is no statutory basis for the relationship between the football pools and the money it donates to the Football Foundation (formerly the Football Trust), as a discretionary trust, and the Foundation for Sports and The Arts, which is also a discretionary trust.³
- 13.6 There is a related issue on which we have received a number of submissions, namely the welfare of greyhounds. Although we believe that this too lies outside our terms of reference, we have some sympathy for the arguments. We were told that of a minimum of 10,000 greyhounds retired or discarded each year, only some 1,800 are re-homed. There are many documented instances of the inhumane fate of the remaining 8,500 dogs. It is the responsibility of the industry to put its own house in order. However, they are no doubt aware that there are pressures on the government to act on animal welfare issues which can evoke strong public emotions.