



The Association of British Bookmakers Annual General Meeting, Monday 14th March 2016.

Speech by Paul Darling OBE QC, Chairman of the ABB.

“It is my great pleasure to welcome you all to this Annual General Meeting of the Association of British Bookmakers. It has been my privilege to lead the Trade Association representing betting shops throughout England, Wales and Scotland for the whole of the year on which we are reporting.

One of the great things about an Annual General Meeting is that it gives you the chance to take a step back and reflect on the last year. The ABB has had a good, if tough, year. I thank Martin Cruddace, who was interim Chief Executive for some of last year. I welcome Malcolm George, who has already proving to be an outstanding Chief Executive. It is important to acknowledge the very considerable contribution of the ABB team. Peter Craske, Ursula Servis and Lauren Hilton supported by Nicola Thompson.

I should mention with gratitude Hillary Douglas, who was our Campaigns Director for some of the year that we are considering and Gary Follis, who has joined us since the year end. All of those people do a dedicated and high quality job.

I want today to deal with three topics. First, I want to deal with gaming machines and the regulatory environment more generally. Secondly, I want to deal with racing and the levy, and thirdly, I want to deal with the future.

So, first gaming machines and the regulatory environment. Responsible gambling, harm prevention and harm minimisation are and must be at the centre of everything that the industry does. There are many many initiatives that the industry has undertaken, is undertaking and will undertake. Each of them needs to be implemented and evaluated and the lessons learnt. Of course and sadly there will, from time to time, be lapses. Hopefully they will be few and become even fewer in the light of the strong management and culture. I make it clear that the ABB, whilst I am its Chairman, will not support or condone lapses. Indeed we will do everything we will do everything that we can to continue the considerable and systematic improvement in the industry’s approach to responsible gambling and reduce the capacity for lapses. I should say very clearly that I believe that the ABB’s membership in all categories and at all levels puts responsible gambling, social responsibility and the interests of its customers at the core of everything that it does.

What therefore is disappointing is that the industry is being so unfairly treated by the campaigners, the media and some politicians. No longer is there any pretence of reliance on objective accurate information. I say that many of those who come out with such misrepresentations should know better. It is our job to get the debate back to the evidence and I pledge that the ABB, whilst I am the Chairman, will do all that it can to achieve that. I am not going to stand by and let the misrepresentations continue unchecked.

We have the triennial review coming up. Many will be putting forward sectional arguments. What is key is that in that debate it is the evidence that is considered and considered objectively. Do not twist, do not spin, just look at the facts. I am confident that our Regulator and Government will be doing just that. I make one promise and one plea. My promise is that the ABB will use the evidence objectively and accept where it goes. My plea is to look at the evidence with an open mind and without preconceived prejudice.

I turn to racing and the levy.

The funding of racing by betting has been an intractable problem for many years. I welcome the process that the Government has decided to undertake. We want to achieve, and will work hard with Government, Racing, the rest of the betting industry and all other interested parties, to achieve a legal, sustainable and fair system of funding. I want to make three specific points.

First, that debate has to be intellectual and evidence based. Again the Betting Industry has nothing to fear from the truth. As in other areas myths grow up. They achieve almost by accident the status of given truth. One such myth is that the amount that Betting in all of its guises pays to Racing has decreased. Nothing could be further from the truth. It has gone up considerably. Where that funding should end up is, of course, a difficult matter but it is quite wrong for that debate to start with the back drop of a number of wrong assumptions.

Second, and I want to be quite blunt about this, the amount contributed by betting shops to racing has become completely unsustainable. Shops pay very considerable media payments as well as levy. Racing is a product that is now a loss maker in many betting shops. I say to my friends in racing – “accept the economic realities of racing in betting shops”. A 10.75% levy is simply unaffordable and counter productive, making the racing product less attractive than others.

Third, relationships. Racing and betting have mutually dependent interests but their relationship does not reflect that. At the All Party Parliamentary Racing Reception in December, Jim Mullen said memorably that betting did not feel welcome. That must improve. Attitudes must change on both sides. Racing must be willing to treat betting as a partner and not as the enemy from whom as much cash as possible must be extracted by whatever is today's latest device. Of course betting must make a fair contribution to the running of racing. The fact, for example, that there was no consultation with betting about the choice of ITV as the channel on which racing was going to be shown is, to put it mildly, surprising.

When I point this out, everyone in racing agrees but nothing changes. It must. I have to say something about authorised betting partners. The ABB's members have paid very substantial and unsustainable amounts of levy over the years. They have provided very substantial guarantees which have underpinned the levy. They have borne the brunt of media rights payments and provided considerable sponsorship. They were entitled to be surprised when treated in exactly the same way as purely remote operators who have paid either nothing or very little. The diminishing of the role of the Levy Board, which has done an excellent job in this area and achieved collaboration and consensus to an unheralded degree, is, in my view, unhelpful. As one of those who has been on every side of this debate (and aware of the need to understand and respect the positions of others) I know the scale of the task. I see green shoots.

I recently met the Chair of the Racecourse Association to discuss how things can be improved. This was a very positive meeting indeed and I am going to do all that I can to promote improvement.

Finally, I turn to the future. In the midst of all of today's individual issues and problems, gaming machines and the levy are not the only two by any manner of means, it is very important not to forget that we need to be looking to the future. We need to be asking ourselves, what is the future shape of retail betting? Where do we fit on to the high street? How does our economic model as affected by regulatory changes and developments work as the world changes? How do digital and on-line relate to retail? What is the effect of the aging population?

Betting shops are accepted to be a vital, vibrant part of the community. Indeed many have said to me in South Shields that they would like more betting shops because they bring life to otherwise moribund shopping centres. How are we going to make the betting shop an even more valuable part of the community and be recognised as such? All of those are things that we as an industry are going to have to ask ourselves. But we do so in the context of the industry's biggest asset – its staff. People who work in betting shops, day in day out, are the life blood of this industry. They deserve better than some of the attacks, the unjustified attacks that they receive. I am glad to be playing my part in protecting and promoting betting shops and those who work in them and those who bet in them."

Speech by Malcolm George, ABB Chief Executive.

Thank you and can I say what a pleasure it is to deliver my first speech to the ABB AGM. As many of you will know, I joined the ABB just over 8 months ago from outside the betting industry. So it has been a steep learning curve.

And that's probably where my speech should start today. What do I know and what have I learnt during the last 8 months?

Well, first and foremost, I have learnt that I joined an industry that has been in decline over a period of many years. Taxes, the regulatory burden, sharply rising costs have all conspired to reduce the number of betting shops on the high street. Last year alone approximately 300 shops closed – almost one a day. And independent research suggests that a further 1,200 shops may close by 2020. And that number applies only if the Government keep the regulatory and fiscal framework for shops as it is. Increased taxes or further regulation could see the number of closures soar. So with the budget this week, I call on the Chancellor not to penalise the industry with further tax rises – what we need now is a period of stability.

And that has to be the first priority for the ABB. In everything we do, every action we take, we must ensure that we are focused on our number one priority - protecting shops and ensuring that they have a financial and regulatory environment that allows them to survive and, in the future, thrive.

But defending shops per se is not a worthwhile goal in itself - sure the jobs matter and they are an integral part of the high street, but the ABB and my team defend and promote betting shops because they are so much more than just an economic function. We fight for high street bookies because we believe they are a force for social good. They have been part of communities for over 50 years. We are proud of the leisure experience they have brought to over 8 million customers annually and for the contribution to sports in the UK through levies, sponsorship and the payment of media rights.

And this brings me on to my second lesson from my time at the ABB.

When betting shops work –
When the staff are trained and motivated.

When the management provide the right support for the team on the ground.

When we have the structures and controls that support our customers

Betting shops are the best and safest environments in which to gamble.

Now every betting shop has to perform like this. And recent Gambling Commission investigations have suggested that on occasion we have not met the standards that every betting shop operator should perform to.

I want to say to you today that we cannot let our standards fall. Every interaction with a customer, every management decision, every action we take must combine to take us not just up to, but beyond the standard that our regulators, our licence providers and our customers require of us.

Only if we achieve this, can our shops be our greatest asset and our shop staff be our best ambassadors. I know, when we take politicians to our best performing shops, when they see the care that our teams demonstrate to customers, it's as if a light goes on. And the politician realises that if betting shops close, if they become over-burdened in red tape, then our society will be the poorer for it and our customers will lose an important and integral leisure facility.

I want to turn now to a further lesson, which might be characterised as how to get up at 5.00 in the morning to do a media interview. Given the media of the last few weeks, it would be impossible to make a speech and not comment on this.

I have to say, after 25 years in lobbying and communications I have never previously witnessed such distortion, such wilful deception and such ignorance of the facts as we have seen in the mainstream media in recent weeks. The campaign against machines conflates lies, dodgy dossiers and false statistics to create a picture of our business that is wholly removed from the truth.

As an organisation, we have accepted every invitation to comment, every bid for an interview to try to set the record straight. And we will continue to do this. In the most egregious cases we have instructed lawyers to take the publications to task and show that we will not lie down when interests seek to distort the truth about our industry.

It may feel that media is massed against the betting shop industry. But I want to pause on this point. When one steps back from the immediate battle, it becomes clear that the attacks are far broader than just against the ABB or betting shops. The attacks have targeted online, they have targeted our pan-industry charity the RGT and our industry regulator the Gambling Commission.

And this is why I believe the whole of the gambling industry has to act as one. The industry – arcades, bingo, casinos, on-line – need to make clear that they will condemn publications and organisations that seek to diminish the exceptional and brilliant work the RGT does for problem gamblers. That they will denounce those who seek to smear the motivations and commitment of those that lead our charities for little or no personal gain.

We should all condemn those that indulge in attacks against our regulator or launch vicious personal attacks against industry figures – whatever the sector.

We are all stronger if we act as an industry and I say this with sadness – to those of you in other sectors who consort with the sources of these attacks, who provide them with support – stop now. Indeed I would go further. Every industry association represented here should publicly condemn attacks on the RGT, condemn the launch of a spurious Charity Commission complaint that distracts from their core work. We should all make clear that we will never deal with or engage with such organisations.

United the gambling industry can prosper and thrive and take truly effective action to protect those with gambling problems. Disjointed, and all sectors will suffer. The prohibitionists will win the day, driving the problem gambler underground and far from effective help.

So where does the ABB go from here?

This year will see further action focused on responsible gambling. Evidence-based action in areas such as mandatory alerts on machines and multi-operator self-exclusion. The industry's massive investment in behavioural analytics, as exemplified by our Player Awareness Systems will start to bear fruit and provide valuable evidence in areas such as messaging and limits. This evidence will be acted upon and further protections set in place.

Our members' support for charities in the problem gambling arena and our investment in grass-roots community action will be further underlined. And we will redouble our efforts to get the industry's message out.

I have to say, the team at the ABB is as strong a team as I have ever worked with. From the Chairman down.

Given the tools we have to work with

The industry's commitment to responsible gambling

The brilliant work betting shop staff do

The amazing support the industry provides to sports and communities

With your support, we can and will win this battle and we can and will ensure that our stakeholders realise that the betting shop is the safest place to gamble.

Thank you.