

## [Government to heed ASI's advice](#) [1]

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According to [reports](#) [3] in yesterday's *Financial Times*, the government are finally going to heed our advice and put the Tote (the state-owned betting company) up for auction. As we have consistently argued, from our influential 2004 report [At Odds With Taxpayers](#) [4] to the present day, this is the only fair and straightforward method of finding out what the Tote is actually worth, and getting good value on the sale for UK taxpayers.

The government's original plan was to simply sell the Tote to the racing industry and the Tote's management at a knockdown price - "for the good of racing". However, the ASI challenged the government through a formal complaint to the European Commission's Competition Directorate, which twice ruled that the government's backroom deal with the racing industry would constitute an illegal use of state aid.

In any case, the racing industry and the Tote's management have only managed to muster £330 million, well short of the £400 million valuation placed on the Tote by PWC, the accountancy firm.

However, if the Treasury now goes ahead and auctions off the Tote, the price realised may be north of £500 million, according to our City sources. That is good news for UK taxpayers, and good news for racing too - since the government plans to give something back for 'the good of racing'.

However, it is worth remembering that horse racing as a sport and business has never been more prosperous. It would be far better to put the revenue raised towards cutting some taxes and maintaining some sports grounds, so that British kids can get some more exercise.

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- [2] <http://www.adamsmith.org/taxonomy/term/5872>
- [3] <http://www.ft.com/cms/s/0/679c549e-ac42-11dc-82f0-0000779fd2ac.html>
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- [6] <http://disqus.com>