

PAC-R-1592 Correspondence 3A.4
Meeting 142 20/11/14



Ms Margaret Falsey
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2

12 November 2014

Re: Follow up information from the Irish Sports Council

Dear Ms. Falsey,

I refer to your letter dated 30th October 2014 and the request for additional information following the Public Accounts Committee meeting on 23rd October.

I have set out in the enclosed paper the further information that you have requested in relation to the following issues:

1. A note on the outcome of the meeting with Dr. Thomas Reed on 29th October.
2. A comparative note on how Ireland and other countries fund young professional golfers starting their career.
3. A note on the mediation process between the owners of Millstreet arena and Showjumping Ireland.
4. The new criteria for determination as to how certain bodies are to be included in grant allocation.

I trust the enclosed information will be of assistance to the Committee. If you require any further information please do not hesitate to contact me.

Yours sincerely

John Treacy
Chief Executive Officer

Additional Information for the Committee of Public Accounts

1. Meeting with Dr. Thomas Reed

A delegation from the Irish Sports Council (including the Chief Executive, Mr. John Treacy) met with Dr. Thomas Reed on Wednesday October 29th 2014, in Buswells Hotel, Dublin 2.

The meeting was held following recent correspondence between the Warmblood Studbook of Ireland (WSI) and the Irish Sports Council (ISC) and at the request of the Public Accounts Committee.

Mr. John Treacy welcomed Dr. Reed to the meeting and invited him to provide details on his background.

Dr. Reed explained that he re-located to Ireland from the USA circa 1994, established Morningside Stud in 1999, and a decade later with two co-directors established the Warmblood Studbook of Ireland (WSI). WSI was approved by the Department of Agriculture on 18 March 2009 to manage the studbook of the Irish Warmblood horse. WSI has had considerable success approving warmblood mares and stallions that have gone on to win major championships in Ireland and collaborating with breeders to produce the next generation of international showjumpers.

Dr. Reed explained in some detail the breeding models in operation in Germany, the UK, the Netherlands and Belgium and compared them with the Irish model. Dr. Reed explained that Ireland is the only country in the world he is aware of where the national federation (Horse Sport Ireland-HSI) controls and manages a studbook. Dr. Reed believes that the Dutch, German and Belgian models where the national federation work with the national studbooks in a collaborative way to promote the various equestrian sports work better than the Irish model where the sport body has serious conflicts of interest by virtue of its control of a studbook. One conflict of interest noted by Dr. Reed was that HSI will not allow WSI to become an affiliate. Dr. Reed reported that some years ago WSI wrote to the Chief Executive of Horse Sport Ireland to request that the process of WSI applying for membership of HSI be initiated but this request was ignored. Further requests were made at a meeting with the HSI Chairman, CEO, and Director of Breeding and Programmes but these requests also were ignored. Dr. Reed stated that it is inconceivable that a request for affiliation to the national federation by a studbook licenced under EU and national law would be ignored by any federation in the rest of the European Union.

Dr. Reed raised several issues he has with the operations of Horse Sport Ireland (HSI). These include a general lack of transparency, a range of conflict of interests, the conditions under which derogations are granted by the Department of Agriculture to HSI that exclude all breeds other than Irish Sport Horses from certain competitions, its lack of governing authority over the various equestrian sports, and the non-charging of VAT despite the Revenue Commissioners insistence that all other organizations owning and/or managing studbooks be compliant with VAT legislation. Dr. Reed explained that he had written to the Revenue Commissioners, the Minister for Finance, the Minister of Agriculture, the Minister of Sport, and the Public Accounts Committee about the non-payment of VAT by the Irish Horse Board since 1993 and HSI from 2008 -2013. Dr. Reed also questioned the appropriateness of the Irish Sports Council providing funding to HSI in 2007 and recognising it as the national governing body for equestrian sport given that 99% of equestrian competitions and entries are governed by HSI's affiliates. Only 1% are governed by FEI rules and therefore by HSI. Dr. Reed explained that WSI has boycotted the consultation process for the development

of a strategic plan for the horse sport sector, because WSI was excluded from the process despite repeated requests to be part of the committee. Dr. Reed explained that by virtue the fact that WSI is a duly-licensed and successful showjumping studbook, its directors have bred over a dozen international showjumping horses and international eventing horses, and have sold these horses to clients in Europe, North America, and South America, membership in the committee should have been granted.

Mr. Treacy explained that the ISC has no remit for the horse breeding sector and outlined the background to the Irish Sports Council recognition and funding of Horse Sport Ireland (HSI). He explained that HSI was established in November 2006 as a joint initiative of the Minister for Arts, Sport and Tourism and the Minister for Agriculture and Food following the publication of the Dowling Report in July 2006 which recommended new governance structures for horse sport in Ireland. In line with the report's recommendations, on January 1st 2008 HSI became the umbrella governing body for equestrian sport in Ireland when the functions of the Equestrian Federation of Ireland were officially transferred to it. Mr. Treacy explained that under the provisions of the Irish Sports Council Act, the ISC has an overarching obligation to comply with any general policy directives given to it by the Minister. Mr. Treacy explained that the 2007 ISC budget as determined by Government specifically earmarked funding for "the new horse sport governing body – Horse Sport Ireland". Dr. Reed was presented with a transcript from the Dáil record of 30 November 2006 which quotes Minister for Arts, Sport and Tourism (Mr. O'Donoghue) stating "*the Dowling report indicated that an additional €1.75m would be required from the Government for Horse Sport Ireland in 2007. I am pleased that this additional funding was provided in the recently published 2007 Estimates*". Therefore the ISC did not violate its founding statute as had been claimed.

Mr. Treacy also explained that HSI aim to increase the number of people participating in the sector, implement the Coaching Development Programme for Ireland in conjunction with Coaching Ireland, work with the Council's Anti-Doping Unit and have adopted their own sports specific Code of Ethics Guidelines for use within their disciplines based on the Irish Sports Council's Code. HSI have taken a pro-active role in the implementation of the Code by providing information, training to and working with affiliated clubs and other associated bodies to ensure compliance within their sport. HSI also deliver a comprehensive High Performance Programme (which the ISC invests in), and select national teams for international competitions. The ISC requested Dr. Reed to re-consider his boycott of the strategic planning consultation process and recommended that he make a thorough submission. Dr. Reed replied that he has given his best advice, analyses, and recommendations in private conversations to certain members of the strategic process steering committee despite the exclusion of WSI from the committee because he wants the process to be successful so that Ireland does not become in the near future a net importer of sport horses.

Dr. Reed welcomed the clarity provided by the Dáil transcript and accepted that the ISC were obliged to comply with the Ministerial directive and pay funding to Horse Sport Ireland in 2007. He stated that he has no issue with HSI being labelled an "umbrella body" but re-iterated his dissatisfaction with the label "governing body". He requested the ISC to use its leverage and influence to ensure a better equestrian system for young people and young horses in Ireland is put in place. Dr. Reed outlined his vision for a more vibrant, healthy, efficient and progressive breeding culture and horse sport sector in Ireland.

The ISC agreed to discuss the key points raised by Dr. Reed with Horse Sport Ireland and once again encouraged Dr. Reed to contribute to the development of the strategic plan for horse sport. Dr. Reed reiterated that WSI had made private contributions to the strategic planning process but that public

contributions were not possible. He also stated that WSI had submitted a document to the Department of Agriculture that contained a proposed set of new rules for the Irish Sport Horse (ISH) Studbook that would allow it once again to become a significant producer of international showjumpers. This document was submitted to the Department of Agriculture, Food and Marine (DAFM) at the time when HSI's license to manage the ISH Studbook was due to expire. Dr. Reed noted that unlike every other organization that manages studbooks in Ireland, HSI is not required by DAFM officials to re-apply for license renewal.

The meeting concluded with both parties welcoming the discussion.

2. Comparative note on funding for young professional golfers

Ireland

The Team Ireland Golf Trust (TIGT) was established in 1999 to assist Irish professional golfers, both male and female, in the early stages of their careers. The objective of the Trust is to support golfers who have the potential to become established players on the main international tours, such as the European Tour, US PGA Tour, Ladies European Tour and Irish Ladies Golf Union (LPGA) Tour.

The Team Ireland Golf Trust is designed to provide support, both financial and non-financial, to selected young professional golfers to help them make the transition from amateur to professional and to achieve their potential as tour professionals. The success of professional golfers on international tours also helps to promote Ireland as a golf tourism destination.

TIGT allocated funding of €146,000 to 15 golfers in 2013.

Team Ireland Golf Trust budget 2014

The total budget for TIGT in 2014 is €170,000 which is made up of the following contributions:

Irish Sports Council - €134,000
Fáilte Ireland - €36,000

The budget includes an amount of €8,000 for the Golfing Union of Ireland (GUI) Academy and €8,000 for the Team Ireland Golf Performance Manager (Neil Manchip) who works with the golfers.

Team Ireland Golf Trust grant allocations 2014

The decision to award the grants is based on performance criteria agreed with the GUI, ILGU and the PGA Irish Region and also the 3-5 Year Rule similar to that which applies in the Carding Scheme (see details at Appendix 1). The maximum grant to any golfer is €20,000.

Name	Tour	Funding
Kevin Phelan	European Tour	€20,000
Ruaidhri McGee	Challenge Tour	€15,000
Gareth Shaw	Challenge Tour	€15,000
Alan Dunbar	Challenge Tour	€12,000
Niall Kearney	Challenge Tour	€10,000
Seamus Power	PGA Latin America Tour	€10,000
Brian Casey	Alps Tour	€7,000
Paul Cutler	Europro Tour	€7,000
Brendan McCarroll	Alps Tour	€5,000
Total		€101,000

In addition to the financial support, TIGT also provides non-financial support services to the golfers in the form of:

- Free access to the state of the art practice facilities at the GUI's National Academy in Carton House.
- Access to Sport Science and Medicine services, coordinated by the Irish Institute of Sport, similar to Carded athletes.
- One sponsor's invite, through Fáilte Ireland, to the Irish Open.

Comparison with other Countries

France

The FFGolf in France supports a team of approximately 15 professional players on an annual basis. In 2013, a total budget of €3.1 million was dedicated for professional player support, with €647,500 for dedicated coaching support for professionals. This support is focused on a players final two years as amateur and the first five years of their professional career. The main support mechanisms for athletes in the "elite & turning professional" player support programme include the following:

- Coaching: financial support for personal coach and provision of a federal coach at the player's disposal
- Logistics support: visa, accommodation, travel
- Wild cards for tournaments: Challenge Tour, LET events in France and European countries
- Contact with experienced former professional players (for example Jean van de Velde, Thomas Levet, Christian Cevaer, Patricia Meunier Lebouc)

In addition the federation supports and invests in tournament golf, with a spend of €1.5 million in 2013 on tournament provision. These events were spread across the European Tour (French Open), Challenge Tour (x3 events), LET & LETAS (x3 events) and Satellite Tour support for men and ladies (Alps Tour and Generali Ladies Tour).

As an example, Alexander Levy (second year European Tour player and recent winner of the Portugal Masters) receives approximately €30,000 per annum based on coach provision (Federal coach plus other specialist coaching) and logistics including travel, accommodation and organisational support.

Perrine Delacour, a first year LPGA player receives support totalling €40,000 per year spread across coaching provision (60 days coaching with FFGolf coach and personal coach in USA plus fitness trainer), financial support through expenses and accommodation provision and logistical organisation (training sessions and tournaments).

Scotland

In 2010, Scottish Golf Support Limited (SGSL) Pro Support programme was launched in order to provide support for players who had enjoyed significant success at international amateur level. SGSL was set up with a sportScotland investment of £1 million GBP over at least five years. In 2014 the programme supports four players (two Challenge Tour and two Ladies European Tour) with £23,000 GBP each in direct funding. The funding can be used to cover the following:

- Winter training
- Coaching
- Specialist support provision based on individual need

In return the players support the SGU, SLGA and ClubGolf activities in the form of clinics and squad sessions. A full range of service provision is also made available to the players from the sportScotland Institute of Sport. This funding is restricted to three years, however Institute support is offered for selected players after this timeframe. The minimum requirements for funding include having full playing rights on the European Challenge Tour or Ladies European Tour, being in the early stages of playing professional golf and show a willingness to engage with and maximise the support being offered.

Australia

In order to provide support for their athletes, Golf Australia operate a “Rookie program” which is available for players in the last six months of their amateur career and who have turned professional within the previous five years. Each scholarship is offered for one year at a time with a review every six months, making it possible for an athlete to receive funding for a five year period. Some of the selection criteria include the following:

- Successful amateur record at national and international level
- Having a team of service providers in place
- Submission of a full personal business plan
- Competing on a recognised professional tour

The funding streams are broken down into two segments; training and preparation funding plus competition expenses. There is no limit (minimum or maximum) on the number of athletes in the Rookie program and fully supported athletes will receive a scholarship for up to \$100,000 AUD (€70,000) in reimbursed funding to cover the above categories. There are also opportunities for partial funding. There are currently 10 athletes (seven male and three female) on the 2014 Rookie program.

3. Mediation process between the owners of Millstreet arena and Showjumping Ireland

The Irish Sports Council Chairman is involved in attempts to mediate a settlement on an outstanding matter between Millstreet arena and Showjumping Ireland. As the matter is confidential in nature our Chairman will write directly to the Chairman of the Committee of Public Accounts to update him on the outcome of the mediation process.

4. New criteria regarding grant allocation

The Irish Sports Council is committed to including a criteria for funding that references the need of the National Governing Body and the demographic profile of its membership. The 2015 grant application process commenced on September 5th 2014 when grant application forms and 'Terms and Conditions of Grant Approval' were circulated to National Governing Bodies. Please note that this was prior to the Council's attendance at the Committee of Public Accounts on October 2nd. Therefore it was not practical to add a new criteria for 2015 at this late stage. The Council will review our criteria over the course of 2015 with a view to the new criteria coming into effect in 2016. These changes will be forwarded to the Committee when they have been approved by Council.

Appendix 1

Team Ireland Golf Trust Eligibility and Criteria

Professional golfers, male or female, who meet the performance criteria as outlined below, will be eligible to submit an application for assistance from the Team Ireland Golf Trust. Applicants must provide evidence of a competition schedule and tour playing rights, which will lead to becoming an established player on the European Tour/US PGA Tour and the Ladies European Tour/LPGA Tour.

The Scheme will consist of three general categories for achievement of criteria; current professional golfers, male amateur golfers turning professional and female amateur golfers turning professional.

I) Professional Golfers (including PGA Irish Region professionals)

a) *To be considered for support from the Trust, male professional golfers must meet criteria for the 2014 season on the following tours:*

- PGA European Tour (exemption categories 1 – 12)
- PGA Challenge Tour (exemption categories 1- 13)
- U.S.PGA Tour (exempt tour priority rankings 1 – 27)
- U.S. Nationwide Tour (exempt status)
- Satellite Tours (PGA Europro Tour, EPD Tour, ALPS Tour, Nordic League – top 30 on the 2013 Order of Merit)
- Asian Tour (exempt status)
- South African Sunshine Tour (exempt categories 1 -13)
- Japan Golf Tour (exempted status)
- PGA Tour of Australasia (exempt status)

b) *To be considered for support from the Trust, female professional golfers must meet criteria for the 2014 season on the following tours:*

- Ladies European Tour (exemption categories 1 – 10)
- U.S. LPGA Tour (priority status 1- 21)
- Japanese Tour (exempt status)
- Let Access Series membership (subject to meeting female amateur golfers criteria and 2014 competition schedule)

Note: *Please note that applications received from players who achieve the criteria at a and b above will be subject to the provisions of the three to five year rule as set out at section 5 of the guidelines.*

II) Male Amateur Golfers (turning professional)

Only players in the top six of total points accumulated over a two-year period from the criteria as set out for youths and senior categories in the current GUI Grant Scheme will be considered.

The annual criteria for points are:

Willie Gill Award:	Points as achieved in formula for GUI Championships
Internationals:	100 points for selection on Walker Cup team or Ireland team for World Amateur Team Championship.
Home Internationals:	25 points for selection on Ireland team
European Team:	25 points for selection on Ireland team

In addition, players who are ranked among the top 100 in the R&A's Official World amateur Rankings at the time of turning professional will also be considered.

Note: Please note that applicants who are deemed eligible for support under the amateur criteria may be allowed up to a maximum of three years to achieve the professional golfers criteria in section 1a (excluding Satellite Tours criteria). This will be subject to annual review of each application and compliance with the terms and conditions of the Scheme.

III) Female Amateur Golfers (turning professional)

To be eligible for grant aid from the Team Ireland Golf Trust, female first-time applicants must have achieved elements of the following performance criteria, or similar, in amateur competition over the previous two years:

- Top 50 in World Women's Amateur Golf Rankings (WWAGR)
- Top 25 in Ladies European Amateur Rankings (LEAR)
- Top 10 in the Ladies Golf Union Order of Merit (LGUOM)
- Full Irish Senior International for a minimum of 2 years
- Selected on Great Britain and Ireland, Curtis Cup, Vagliano Trophy or 5 Nations Team
- Top 5 in the Ladies Order of Merit for 2 consecutive years
- Winner or runner up in the Irish Women's Close or Open Stroke play Championships

In exceptional circumstances, success in major International Events may be considered where the applicant does not meet the above criteria.

Three - Five Year Rule

Notwithstanding any other part of the rules of the Scheme, the Trust may, on a case-by-case basis, review the eligibility of players who have for a cumulative period of three to five years, received financial and/or other support from the Trust pursuant to the terms of the Scheme. The purpose of the review is to determine whether financial and/or other support will continue to be made available to such players. In conducting such a review, the Trust will consider the player's;

- Progression within professional golf and within the Team Ireland Golf Trust over the last three to five years
- Current playing status as a professional golfer
- Ability to progress in professional tour golf over the coming years