

**Opening Address by Michael Creed T.D, Minister for Agriculture, Food and the Marine to  
the Joint Committee on Agriculture, Food and the Marine**

**Draft Horse and Greyhound Racing Fund Regulations 2019**

26<sup>th</sup> November 2019

***Chairman, Members of the Joint Committee,***

***Introduction***

The horse and greyhound racing industries occupy a special place in the Irish psyche and a key position in the rich tapestry of Irish sport. They are valuable to our economy, central to our identity and cornerstones of our social and cultural heritage. There is an indisputable passion and commitment to these sports across this island.

An important pillar of Government policy is to ensure that the horse and greyhound racing industries achieve their maximum potential and in so doing contribute to economic and social development across a wide geographic swathe of the country.

Time and again through the years Governments have acknowledged the importance of these industries and have supported them through legislation and policy initiatives. The support provided by public funds through investment in these industries has enabled Ireland to develop into a world centre of excellence for horseracing, greyhound racing and breeding. The Horse and Greyhound Racing Fund has been front and centre in providing this investment and has played a pivotal role in shaping the destiny of these industries.

***The Fund***

These industries receive financial support from the State through the Horse and Greyhound Racing Fund, under Section 12 of the Horse and Greyhound Racing Act, 2001. My department makes payments from the Fund to Horse Racing Ireland and to Bord na gCon.

In the period 2001 to date, a total of €1.28 billion has been paid from the Fund to the horse and greyhound racing industries in accordance with the provisions of the Act. The cumulative upper limit on payments from the fund, provided for under the relevant regulations, has therefore been reached.

Exchequer funding provided from the Fund is crucial to the survival and continued development of the horse and greyhound racing industries. In order to give effect to the provisions of Budget 2020, this cumulative upper limit must be increased by regulation.

The Estimates for my Department, passed by both Houses as part of Budget 2020, include an allocation of €84m for the Horse and Greyhound Racing Fund. This will be distributed in accordance with Section 12(6) of the Horse and Greyhound Racing Act, 2001, with 80% going to HRI (€67.2) and 20% to Bord na gCon (€16.8m).

In order to allow my Department to provide the monies allocated in Budget 2020, it is necessary to comply with the technical requirement under Section 12 (13) of the Horse and Greyhound Racing Act, to increase the cumulative limit on the amount payable from the Horse and Greyhound Racing Fund by €84m, to some €1.36 billion.

This is achieved by way of the Regulations submitted to this Committee today. The aggregate limit on the Horse and Greyhound Racing Fund has been increased in this manner in 2004 and in 2009 to 2019 inclusive.

## **Horse Racing Industry**

The *2017 Deloitte Report into the Economic Impact of Irish Breeding and Racing*, commissioned by HRI, indicates that the total direct and stimulated expenditure of the Irish breeding and racing

industry is estimated at €1.84 billion in 2016. In addition, it is estimated that there are 15,200 jobs at the core of the racing and breeding industry or in directly related industries.

Horse racing generates a very significant return to the rural economy in Ireland and a positive international profile for our country. Of course, behind all the facts and figures are the thousands of men and women who, directly and indirectly, make the Irish racing and breeding industry what it is today.

According to Horse Racing Ireland (HRI) Annual Report for 2018 there was a sharp rise in the number of new owners engaging in Irish Racing last year. An increase of almost 800 new owners up 16.2% year on year was a significant factor in the growth in horses in training numbers throughout the country.

Retaining existing owners and increasing the number of new owners has been a priority for HRI in recent years. The knock-on effect is a rise in horses in training up 2.4% in 2018. The HRI Capital Development Fund covering the period 2015 to 2019 saw projects completed at nine racecourses across the country last year with works at six further tracks continuing in 2019.

As proven in 2019, Irish owners, trainers, jockeys and horses are setting standards globally and their stellar achievements and enduring influence underscore Ireland's international prominence. The Irish equine breeding and racing industry is extremely competitive at a global level, despite other major racing nations having much larger populations and economies. Despite our size, we are the third biggest producers of thoroughbred foals in the world and estimates place Ireland only behind the United States as the biggest seller of bloodstock by public auction globally.

However, the significant threat posed by Brexit to the current ease of movement of horses between Britain and France in addition to the global nature of major breeding operations, illustrate that while Ireland arguably now has leadership position within Europe, its pre-eminence is not guaranteed.

It is worth noting that Government funding, in addition to supporting this key industry, also presents an excellent opportunity to yield a high return for its investment leading to a flow of income right through the economy. Support for certain strategic industries is important for future economic growth and can provide widespread benefits for our society as well as for our economy.

## **Greyhound Racing Industry**

According to the 2017 Power Report, the greyhound industry provides and supports considerable employment both directly and indirectly across the Irish economy. It is estimated that in 2016, the industry supported 5,058 full-time and part-time jobs in the economy. In addition, there are 7,313 active greyhound owners. The total number of people deriving economic benefit from the sector is estimated at 12,371. It is an industry that is deeply engrained in the social and cultural networks of rural Ireland.

The future of the industry is dependent on a strong governance platform and on the industry having the highest standards of integrity and welfare founded on a strong regulatory system. I am confident that provisions in the new Greyhound Racing Act which came into effect on the 28<sup>th</sup> May last, will make a real difference. This legislation strengthens the legal basis for the industry, with a view to fortifying the integrity of the greyhound racing sector and improving provision for greyhound traceability. The new Act will improve the governance of Bord na gCon, strengthen regulatory controls in the industry, modernise sanctions and improve integrity within the sector. It provides the industry with real tools with which it can effect fundamental change and reform.

Traceability has been a priority action for Bord na gCon following legislative provision in the new Greyhound Racing Act and a formal tendering process has commenced to establish such a traceability system for the racing greyhound. Bord na gCon has also created a new position of Director of Greyhound Care and Welfare and the person appointed will have responsibility for the development of programmes and initiatives that exceed industry standards of care and welfare and foster a culture of continuous improvement and excellence.

Bord na gCon has introduced a range of care and welfare initiatives which include the following measures;

- the Introduction of a ‘Greyhound Injury Support Scheme,
- financially incentivising the re-homing of greyhounds in Ireland through additional supports through the Irish Retired Greyhound Trust (IRGT), which is operated by Bord na gCon,
- the establishment of a Confidential Freephone Line to enable the reporting of welfare breaches, and,
- a revision in conjunction with the International Greyhound Welfare Forum, of the Code of Practice and the Care and Welfare of Greyhounds to address retirement and transportation of greyhounds.

### **Broadening the Tax Base**

The advent of new technologies and business models has challenged Government to re-evaluate the funding mechanisms for the industry. As part of its overall commitment to the industry, the Government has addressed, through legislation, the anomaly whereby remote and online betting operators were outside the tax net. The measures introduced in The Betting (Amendment) Act, 2015 had a very positive effect on revenue streams with significant increases being realised.

Betting tax was increased from 1% to 2% in last year’s budget and has contributed €62 million to the Exchequer in the period from January to August 2019.

### **Conclusion**

Given the wide geographic distribution of these two industries they are fundamental to the achievement of a more balanced regional economic growth. Relieving the burden on our major urban centers and nurturing rural economies is a key priority for Government. In this context, these industries should be given recognition for the considerable contribution that they make to rural economic activity and employment.

Brexit poses an array of substantial threats to the Irish economy and coupled with the fact that we are a small and open economy naturally prone to volatility, it is difficult to predict what the future holds. It is therefore more important than ever that we support these important industries to help maintain sustainable growth in these sectors.

The welfare of horses and greyhounds is a cornerstone of both industries and I am assured that HRI and BnG are striving to ensure the highest standards for the sport and its participants, on and away from the race course.

Accordingly, I am asking you all for your support to ensure that Horse Racing Ireland and Bord na gCon receive the funding provided for in Budget 2020 and that the very important role played by these industries, and the economic activity generated by them, are sustained into the future.

I commend this regulation to the Committee, and I look forward to discussing any matters arising.

Thank you.