

## **Joint Oireachtas Committee on Transport, Tourism and Sport**

**16 April 2019**

### **Opening Statement by Minister for Transport, Tourism and Sport Shane Ross,**

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Thank you Chairman, I am joined today by Minister of State Brendan Griffin who will also give an opening statement.

At the outset, I would like to thank the Committee for their tireless work on this matter and for the light they have shone on serious issues within the FAI. Investigative journalists have also played a commendable role, particularly Mark Tighe, who I wish to thank.

I would also like to apologise to the Committee for failing to provide my opening statement in advance as requested. As I'm sure you'll appreciate, this has been a very fluid situation including significant developments as late as this morning, which would have overtaken any script provided to you earlier.

Chairman, I regret that there has been a cloud over Irish sport, and in particular Irish soccer since the 17<sup>th</sup> of March – St Patrick’s Day – when news broke about the loan of €100,000 to the Football Association of Ireland by its then Chief Executive, John Delaney.

On the 19<sup>th</sup> March, we wrote to Sport Ireland directing them to engage with the FAI to clarify matters of concern. Since then, there has been intensive activity between FAI, Sport Ireland and my department.

The decision of the board of Sport Ireland to withhold and suspend funding to the FAI was an extraordinary moment for Irish sport. I don’t have to remind the Committee of the scale and reach of the FAI. This is an organisation with over 200 employees, with an annual turnover of close to €60 million. But this is also an organisation with several thousand clubs, the National Governing Body for the most popular participation team sport in Ireland. While it may not be among our native sports, soccer is a sport which is at the heart of Irish life and culture.

Chairman, it would be remiss of me not to mention the importance of due process and natural justice when dealing with these matters. While Members of the Committee are unfettered, the response by the officials of my Department, by Sport Ireland, by Minister Griffin and by me must be considered and appropriate.

Having said that, I have watched the FAI's engagement with your Committee and I have monitored developments since then. Last week's appearance along with events over the weekend have been hugely disappointing. Yesterday's announcement that the former CEO had voluntarily stepped aside pending an "independent" investigation fell far short of expectations.

While it is the case that due process is hugely important, you will not be surprised to hear me say that I have become increasingly concerned with these developments. Here we have a clear case of the FAI admitting that they failed to abide by the conditions for receipt of State funding. We have had a shambolic appearance by the FAI at this Committee last week at which even the most basic questions, for whatever reasons, went unanswered.

Concerns remain around a financial transaction, basic levels of corporate governance, the creation of the new Executive Vice President role, issues of a substantial nature being considered by the Office of the Director of Corporate Enforcement and other developments that would suggest that all is not well.

Minister Griffin and I have made our serious concerns known.

We have impressed upon Sport Ireland the need for root and branch reform of corporate governance. Over the weekend, I also spoke publicly about the need for strong corporate governance as a precondition for ongoing state funding, including capital works. As late as last night, we reiterated to Sport Ireland the need for regime change.

As a result of the ongoing pressure, I am pleased to confirm to the Committee that in the last few hours, the FAI has written to me, indicating decisive action is being taken. I will now read the FAI's letter into the record of the meeting.

[Read FAI letter]

I welcome that the FAI is engaging with Sport Ireland in a process, and that they have now indicated that the board will step down. I believe that an EGM should be called before the July date, as soon as the active investigations have been concluded, to facilitate a transition to a new board by way of transparent elections.

Given the ever growing lack of public confidence in the FAI, this move is to be welcomed and is hopefully the first step on the road to rebuilding trust in this important NGB.

Considering the issues over which most of this board has presided, and those issues being obvious even before the various investigations have started, it is clearly time for a regime change.

As regards Government funding, I welcome the swift and decisive action of the board of Sport Ireland to suspend and withhold their funding. I can add that there will be no further Government funding for the FAI until we see real change and reform in the association's corporate governance, and until we have credible answers.

With regard to future allocations under the Sports Capital Programme and the Large Scale Sport Infrastructure Fund, I will be closely monitoring developments on corporate governance and the conditions which must be met before Sport Ireland's funding to the Association is reinstated. In this regard, no new capital payments will be made by my Department to the FAI until I am satisfied with the new measures put in place.

I am pleased that the FAI will work with Mazars to overhaul the association's governance. I think it is well known that I have great difficulty with organisations conducting internal reviews and investigations, so I welcome the invitation by the FAI to Sport Ireland to input to the terms of reference of the Mazars exercise.

I trust that the FAI will continue to liaise with Sport Ireland throughout this challenging process and in implementing any changes recommended therein.

As Minister, I have responsibility for a considerable number of appointments to State boards and am well aware of the importance of appointing individuals with a broad range of skills and experience, particularly in this context financial and legal expertise. The FAI should take meaningful steps to improve the process for the election of its board, and to implement any recommendations with regard to the appointment of independent Directors.

Irish football, as we have heard, includes a broad range of stakeholders extending far beyond the FAI's HQ at the National Sports Campus. On the new board it would be appropriate to include representatives of the players (both male and female), supporters, coaches, volunteers and leagues.

Chairman, it has been abundantly clear over the past weeks that there is an immense frustration throughout grassroots soccer in Ireland. We have also seen protests at recent international matches and at League of Ireland fixtures. Every Committee member has received a huge number of letters and emails from volunteers and supporters across the country who are furious with the leadership of the association and the way it has responded to the recent controversy.

Many have also highlighted other issues which are extremely important for the future of soccer in Ireland, such as youth development, participation of women and girls, and the challenges faced by League of Ireland clubs.

It is now opportune to convene a stakeholders' forum to allow representatives from every level of football in Ireland, from the international teams to the schoolboys' leagues, from the local community clubs to those playing in the League of Ireland's Premier Division, to come together to shape the future for their association and for their sport. This is quite the crisis for the FAI, but it is also an opportunity to develop an inclusive vision for the development of soccer in Ireland. Minister Griffin and I will facilitate that long overdue conversation.

Chairman, I would welcome the Committee's observations and any questions that you will have.

Thank you Chairman