

Opening Statement Dr Kevin Smyth, Assistant Secretary General, Department of Agriculture Food and Marine to the Joint Oireachtas Committee for Agriculture Food and Marine on 20th July 2021 regarding issues related to the horse racing industry

Thoroughbred Horse Racing

- Successive Governments have acknowledged the importance of the thoroughbred horse racing industry and have supported it through legislation and policy. The support provided by public funds through investment in the industry has enabled Ireland to develop a world class reputation for excellence in thoroughbred horseracing and breeding.
- The most recent estimates (provided by Deloitte 2017) show employment from the core breeding and racing industry, off course betting and arising from secondary expenditure resulted in circa 28,500 jobs and generating €1.84bn.
- Ireland is the largest producer of thoroughbred foals in Europe and the third largest in the world – behind the USA and Australia. 60% of Irish Thoroughbreds born annually are exported, 80% to Britain.
- Thoroughbred breeders are based in every county and 92% own 5 mares or fewer. The value of thoroughbreds sold at public auction in 2020 was some €151m (Britain accounted for some €123m of this amount).
- Horse Racing Ireland (HRI) is a commercial state body established under the Horse and Greyhound Racing Act, 2001. It falls under the aegis of the Department of Agriculture, Food and the Marine.
- The Horse Racing Ireland Act, 2016 provides that Horse Racing Ireland is responsible for the overall administration, governance, development and promotion of the Irish horse racing industry, and for guaranteeing funding to the Racing Regulatory Body to carry out its functions through an integrity services budget which is agreed annually.

Horse and Greyhound Racing Fund

- Financial support is received from the State through the Horse and Greyhound Racing Fund, under Section 12 of the Horse and Greyhound Racing Act, 2001.
- €96m was allocated to the Horse and Greyhound Racing Fund in Budget 2021, of which €76.8m is allocated to Horse Racing Ireland (HRI).
- Oversight of the role of HRI is provided through a Shareholder’s Letter of Expectation, the HRI Strategic Plan, compliance with the Code of Governance for State Bodies, and regular liaison meetings among other things.

Overview of Regulation of Horse Racing

- As and from 1 January 2018, the Irish Horseracing Regulatory Board is the regulatory body for all horseracing in Ireland. The Irish Horseracing Regulatory Board (IHRB) is a company limited by guarantee set up by the Turf Club (established in 1790) and the Irish National Hunt Steeplechase Committee for the purpose of carrying out the regulatory and licensing functions for Irish horseracing.
- This body is responsible for protecting the integrity and reputation of Irish horseracing in Ireland.
- The Irish Horseracing Industry Act 1994, (as amended) provides for the Irish Horseracing Regulatory Board (IHRB) to have the following functions
 - to regulate horseracing
 - to make and enforce the Rules of Racing and in so doing to promote integrity and fair play in horseracing
 - to provide adequate integrity services for horseracing, and
 - to license racecourses under the Rules of Racing.

Legislation provides for the Irish Horseracing Regulatory Board (IHRB) to be responsible for the “*making and enforcing of the Rules of Racing*”, including “*making all decisions relating to doping control, forensics and handicapping in respect of horse racing.*” Funding it provided by HRI on the basis of an agreed annual budget.

Welfare of Racehorses Initiatives

- HRI have an industry assistance programme in place, called EQUIIP which provides education and upskilling with other supports through industry assistance programmes.
- The Irish Thoroughbred Welfare Council was formed in January 2020 to guide HRI policy in the area. There is a project working to ensure the widespread adoption of International Federation Horseracing Authorities (IFHA) basic standards.
- HRI and DAFM work closely with the Irish Equine Centre, and its impending redevelopment is a future keystone of horse care in Ireland.
- HRI's policy on welfare is reflected in the "Promoting Responsible Thoroughbred Ownership" document to which bodies concerned with welfare within the horseracing and breeding industry subscribe. The key message is those who own or keep a horse are morally and legally responsible for its health, safety and welfare.
- HRI directly supports the Irish Horse Welfare Trust which seeks to re-home and re-train thoroughbreds no longer active in training.

DAFM's Role in Investigations

The Department of Agriculture, Food and the Marine (DAFM) is the principal regulator of the Agri-food Sector with regard to non-compliance with the illegal use of veterinary medicines and animal welfare issues. The IHRB regulates horseracing as previously described. There are common compliance issues of interest to both regulatory bodies. The Investigations Division was established in 2014 as part of an on-going modernisation of the structures of the Department and the wider public service reform process. The Division's mission is to:

1. To support DAFM, its agencies and other relevant Bodies by providing the capability to have investigations carried out as requested and to ensure that such investigations are carried out to a standard that will withstand legal scrutiny.
2. To contribute to DAFM capacity in horizon scanning and risk analysis.
3. To support the implementation of control regimes and the development of legislation underpinning these within DAFM and its agencies as required.

DAFM Investigations Division supports the work of IHRB through a Memorandum of Understanding and DAFM's principal regulatory activity involves risk-based inspection regimes and non-compliances generally attract financial/administrative sanctions. DAFM carries out thousands of inspections annually in many diverse areas.

In summary, as you can see from my statement there is a complex relationship between DAFM, HRI and the IHRB. The Department's remit covers not just the issue of finance but issues of governance and standards in areas such as welfare and inspection. The operation of the rules of racing and doping controls are clearly within the legislative remit of IHRB which is set in statute and safeguards its operational independence.

I would be happy to take questions to address any issues which the Committee may have. The Team today is myself Kevin Smyth who as Chief Financial Officer has responsibility for the governance of HRI, Dr Micheal Sheahan who deals with welfare and ID issues and Tim Drea who heads our Investigations Division.