

DÁIL ÉIREANN

AN COISTE UM CHUNTAIS PHOIBLÍ

COMMITTEE OF PUBLIC ACCOUNTS

Déardaoin, 19 Meán Fómhair 2019

Thursday, 19 September 2019

The Committee met at 9 a.m.

MEMBERS PRESENT:

Deputy Bobby Aylward,	Deputy Alan Farrell,
Deputy Peter Burke,	Deputy Alan Kelly,
Deputy Shane Cassells,	Deputy Imelda Munster,
Deputy Catherine Connolly,	Deputy Catherine Murphy,
Deputy David Cullinane,	Deputy Kate O'Connell.

DEPUTY SEAN FLEMING IN THE CHAIR.

Mr. Seamus McCarthy (*An tArd Reachtaire Cuntas agus Ciste*) called and examined.

Business of Committee

Chairman: We are joined by the Comptroller and Auditor General, Mr. Seamus McCarthy, as a permanent witness to the committee, and he is joined by Ms Orla Duane, deputy director of audit. I would like to welcome the Comptroller and Auditor General and all the members back after what I hope was a good break. I also welcome a new member of the committee, Deputy Imelda Munster. We look forward to her input while working with us. I thank Deputy Jonathan O'Brien, whom Deputy Munster is replacing, for all his work on the committee.

The first item is the minutes of the meeting of 11 July 2019. Are they agreed? Agreed. We will move onto correspondence received. Because of the summer break, we have a substantial amount of correspondence in front of us. We will go through as much of it as we can but we might not get it all dealt with today. We can come back next week to deal with anything not dealt with today. There will be no voting session in the Dáil today. We will commence with Bord na gCon at 11 a.m. and we will be able to follow the timetable.

Deputy David Cullinane: We have lengthy correspondence and I have a letter about the public services card, PSC. There is a hearing about it next week and I wondered whether there was a chance to have a discussion, at some point, about that meeting, particularly in the context of some of the issues that have been raised since the publication of the report. I have in mind a quick couple of minutes on the matter.

Chairman: We will spend a couple of minutes on the work programme before we deal with Bord na gCon and accounts received and part of the work programme is next week's schedule. The first items of correspondence are category A correspondence, which are briefing documents and opening statements for today's meeting. Category B, which is Nos. 2387A and 2388A, dated 17 September, from Bord na gCon, includes the opening statement and briefing documents for today's meeting. Is it agreed that we will note and publish those? Agreed.

Deputy Alan Kelly: Is this going up on the screen as on previous occasions?

Chairman: Not the opening statements but the correspondence.

Deputy Alan Kelly: I mean as the Chairman is going through the correspondence.

Chairman: I hope to, yes. For the benefit of people watching the meeting, the layout looks a bit different. There are extra items showing the names of people closer to where-----

Deputy Alan Kelly: No. I was just wondering about the screen in front of us. It is easier to see it on the screen in front of us.

Chairman: We will work on that in the next couple of minutes-----

Deputy Alan Kelly: No bother.

Chairman: -----and we will see how we get on.

No. 2389A dated 17 September 2019 from the Department of Agriculture, Food and the Marine is a briefing note for today's meeting on the financial position of Bord na gCon in 2018.

Category B is correspondence from Accounting Officers and-or Ministers and follow up to PAC meetings, and other items for publishing. The first item under this category is No. 2301B,

held over from our meeting on 11 July 2019, from Mr. Seán Ó Foghlú, Secretary General, Department of Education and Skills, dated 5 July 2019, providing clarification requested by the committee on information previously provided by the Department regarding the Protected Disclosures Act 2014. Is it agreed that we will note and publish that? Agreed.

No. 2318B is from Mr. Robert Watt, Secretary General, Department of Public Expenditure and Reform, dated 10 July 2019, responding to the committee's recommendation in Periodic Report No. 4 for the Department of Public Expenditure and Reform to make arrangements for a liaison or monitoring capability in respect of property acquisitions above a certain value. This arose from two third level institutions in Cork city essentially competing for the same project and driving the price up against each other, which may have resulted in extra costs to the taxpayer. Mr. Watt's reply acknowledges the point. He says there are potential risks in trying to influence bodies that are statutorily independent. However, he understands the Department will consult the Higher Education Authority, HEA, on this matter with a view to issuing a communication to all higher education institutes in due course on potential measures that can reasonably be taken by them to minimise the risk of this occurring. The Department will update the committee on developments in this matter.

Deputy Alan Kelly: I originally raised this issue. It is bizarre. We have got University College Cork and Cork Institute of Technology, CIT, competing against one another and costing the taxpayer money. I understand the point being made by the Secretary General but can we also ask the Department of Education and Skills to send us a copy of the circular it will issue, according to this letter, as soon as possible?

Chairman: That is agreed, but the correspondence-----

Deputy Alan Kelly: Can we write to the Department of Education and Skills asking for a copy of it?

Chairman: Of the-----

Deputy Alan Kelly: The guidelines that will be issued.

Chairman: I think he called it a communication. We will see the format of that and ask for a copy of it when it is received from the Department or the HEA. That is agreed. There is an issue that we want this dealt with across the public sector generally but the specific issue we highlighted was third level education, so we will stick to that rather than broaden it across every Department and State agency. It is something we will watch in future but we will deal with the specifics of third level education, which is where this arose.

No. 2319B from Mr. Jim Breslin, Secretary General, Department of Health, dated 11 July 2019, is a response to matters raised at our meeting on 27 June in respect of the scoping inquiry being undertaken by Dr. Gabriel Scally and the delay in publishing the supplementary report. The July reply was addressed to Deputy Alan Kelly because he had raised the issue but it was also an issue for the Committee of Public Accounts, PAC. Is the Deputy happy for this letter to be published?

Deputy Alan Kelly: I am very happy to publish it. I have had an amount of correspondence with the Department of Health on this matter. I am not satisfied with the responses I have received. I received further information on this issue at the health committee yesterday. The jigsaw is coming together gradually but I am happy to publish the letter.

Chairman: We will publish it, and the Deputy is free to come back on it again.

Deputy Alan Kelly: I will; the Chairman need not worry.

Chairman: I do not have to suggest that to the Deputy. That is agreed.

Next is No. 2320B from Mr. Fergal Lynch, Secretary General, Department of Children and Youth Affairs, dated 11 July 2019, providing a further note as requested by the committee relating to our meeting on 19 June 2019. It includes details of funding family resource centres and childcare facilities under the national childcare investment programme. We will note and publish that

correspondence. It gives a breakdown of all the family resource centres by county and also details of the funding provided to each of those under the various funding categories. It contains quite a bit of information.

We have not received one item. The first one we asked for was to do with pending claims for the Department being managed by the State Claims Agency. In the reply Mr. Lynch states:

The State Claims Agency (SCA) has been requested to provide this information. The information is still being collated by the SCA and will be forwarded to the PAC [as soon as it is received].

We will ask for an update on that because this letter is more than two months old. We want the balance of that information, if it has not been received, to be forwarded to us as quickly as possible. We will note and publish that.

No. 2321B from Mr. Paddy O’Keeffe, Tax Appeals Commission, dated 11 July 2019, is an update on the large cases on its files because we were concerned about very large cases.

No. 2376B, also from Mr. Paddy O’Keeffe, dated 9 September 2019, gives us an update regarding tax appeals in hand. We will publish both of those. Can I see that last one on the screen? I read the earlier one for 11 July in detail. This is the most recent one and it gives a detailed list. It is good to publish them. Most of them relate to corporation tax where major disputes arise. Some individual cases are in excess of €100 million. They give a brief note, which we will publish. It is not possible to give a timeline in respect of some of them. These cases are in the early stage of being processed. Information is being received and examined in respect of some of them. There has been a request for submissions to be made in respect of others. Some of them are before the courts and are being held over until the appeals are dealt with. One of them was the subject of a decision of the Supreme Court and they are examining that. Those ten cases amounted to €2.558 billion, which is a phenomenal amount.

Deputy Catherine Murphy: It is indeed. I understand the Revenue will not and should not give us information on individual entities. It would be useful to see if any trends can be identified. Most of those who do not pay the full 12.5% corporation tax do so because they can write items off. The pharmaceutical sector is a big one. We lose on the double because we pay high prices for our medicines and, at the same time, we have a very generous tax system. It would be useful to see if we could identify trends at the end of a year in respect of certain sectors. If there is a reduction in the amount demanded, what was the family of things, so to speak, that it falls within? There will be unusual ones but it would be interesting if trends are emerging because that is where budgets can pick that up.

Chairman: We will ask them if they can give the category in the next update. In earlier reports, there were some income tax or capital gains tax cases. All the big cases now are to do with corporation tax, certainly in the latest two reports we received, which says something in its own right, and the figures involved are massive. I suspect they must be multinationals of some description to be involved in cases, all of which on the schedule involve amounts of more than €30 million, although there is also an environmental levy among those top ten. We will ask if they can without, potentially, identifying the companies involved and the category of the industry they are involved in. We will ask whether that can be done.

Deputy Catherine Murphy: And whether there are trends in the industry. Was it, for example, an error? Was it a write-off? Does the Chairman know what I mean?

Chairman: Was it the interpretation of legislation?

Deputy Catherine Murphy: Yes, exactly.

Chairman: I would say that most of them are.

Deputy Catherine Murphy: Yes.

Chairman: I suspect, for most of these, the company believes they are doing what is right, the Revenue or Tax Appeals Commission has a different opinion and there is legal interpretation. Maybe the Comptroller and Auditor General might-----

Mr. Seamus McCarthy: I think it is generally the case that it would be turning on a significant point of law, particularly for these big ones.

Chairman: Yes. We will ask how many of them are based on interpretation of legislation, rather than mistakes. If they can identify the sector, then well and good.

Deputy Catherine Murphy: Yes.

Chairman: It could be property, pharma or IT. We do not know the sector but it would be interesting to start to see that.

What I can say about the trends, the amounts outstanding in the Tax Appeals Commission, only about two years ago it was just over €1 billion, between €1.3 billion and €1.6 billion, and it jumped to €3 billion very quickly. There is a handful of massive multinationals with a phenomenal amount in play. These are the ones in play. I am not even talking about the ones not in play. The trends, I think, are clearly concentrating on the corporation tax side of it. We will ask for a breakdown on that but I think we ourselves have seen where all of the big categories are coming from. We will ask for that, as best we can. We are getting regular reports, and we can refine them as we go along. Is that agreed? We will publish that particular schedule. Is that agreed? We will note and publish.

The next item is No. 2322 from Declan Hoban, head of administration, Office of the Director of Public Prosecutions, dated 12 July 2019, which provides clarification on information in periodic report No. 6. Mr. Hoban drew attention to two matters. One is that the title of “Deputy Director General” was used in our report, whereas “Deputy Director” is the correct term. The drafting was based on a transcript where the term was used. We will put that on the public record.

The second relates to a point in paragraph J.8 of our report where a reference is mistakenly

made to the Attorney General rather than the Director of Public Prosecutions. I propose to note the correction. The error occurred in drafting. It was a factual correction. No conclusion was drawn in relation to that issue. Is it agreed that we will note and publish that? Agreed. I am delighted to see people are reading our reports with a microscope. We are impressed by that.

The next item is No. 2323 from Moyagh Murdock, chief executive officer, Road Safety Authority, dated 17 July 2019, responding to matters raised in correspondence from the Irish Road Haulage Association in respect of the authority's functions that impact on the licensed road haulage sector. The authority has advised it is liaising separately with the association on the particular issues and has invited the association to furnish specific information and evidence to back up its assertions regarding enforcement activities by An Garda Síochána. In its conclusion, the Road Safety Authority acknowledged that its enforcement checks are constrained by limited resources, absence of fixed charges, deficits in powers and lack of access to information held by other agencies. However, the authority rejects any assertion that there has been a misuse or misapplication of public funds and that assertions to the contrary should be sustained with evidence or withdrawn.

I propose that we suggest that the Irish Road Haulage Association accepts the Road Safety Authority's offer to liaise directly with them, with regard to these matters. We will note and publish the response.

To paraphrase what the Irish Road Haulage Association was saying, in layperson's English, is that its members know the approximate number of trucks in the country, they know the approximate number of trucks that are from outside of the State and the number of drivers who are from outside of the State. They believe that Irish domestic road hauliers, because they registered here and are resident here, are far easier to be picked up and checked. They feel that the trucks coming in from outside of the State are not being checked to the same extent. They gave the figures whereby 7% or 8% of the checks are in respect of lorries registered outside the State or where the drivers are non-resident in the State. They pointed out the difficulties with enforcement. They have succeeded in some litigation in getting enforcement against some of the hauliers. Obviously, by definition, it is more difficult to get a judgment against a driver who is from another European country. There are difficulties. The Irish hauliers believe they get a harder time than the foreign trucks and the foreign truck drivers. It is all there.

The one thing that was a little bit difficult, and people may comment, is what the Road Safety Authority then kind of says. If the Irish Road Haulage Association supplies evidence to the Road Safety Authority such as the name of the truck, the date of the truck, where the truck left and where it was going to and who was driving it, the authority will investigate the matter. The details nearly even include the driver's date of birth and where the lorry owner is incorporated. It is an unreasonable request, I think, to ask the Irish Road Haulage Association to do that level of investigation. There is a little bit of toing and froing between them. I do not know how further we can take this matter. We are going to publish it, send it to the Irish Road Haulage Association and suggest that they continue their meetings. I think that is fair. We have gone as far as we can. We have elucidated the issue quite a bit.

Deputy Catherine Murphy: Presumably, if they are coming from other European countries, there is an equal spotlight on their own industry or people from their own area. Is there anything inequitable about how we do things in comparison with other countries?

Chairman: No. I think they said they do not know. They have no information on the enforcement procedures in the other EU countries. They do not know. It is something that the

Irish Road Haulage Association can take up through its European associates. There must be associations at an EU level for road haulage because I am sure there are issues that are not just specific to Ireland. Perhaps that is a useful point. From our point of view, we will note and publish the correspondence. We have obtained a lot of information, which was not in the public arena but it is out there now. I hope that it will be in some way helpful to the people who contacted us.

The next item is No. 2324 from John O'Sullivan, Commissioner, Valuation Office, dated 17 July 2019, responding to a request for details regarding the valuation appeals process. We asked about the appeals on commercial rates for business owners, the revaluation programme, the details regarding the resourcing of the Valuation Office and details regarding the Valuation Tribunal. We welcome the information on the basis of information. It would take approximately two years to clear the current backlog of appeals.

We also have related correspondence No. 2341 from the same Mr. O'Sullivan, dated 30 July 2019, responding to correspondence that we sent from the Irish Petrol Retailers Association. Mr. O'Sullivan distinguished between the role of the Valuation Office and the Valuation Tribunal. He stated that the association's comments, in relation to the independence of the Valuation Tribunal are unwarranted and misplaced, as far as they are concerned. There is also information regarding a freedom of information request and the freedom of information appeals process that is available to the association. We will note and publish that.

It has given, as I have said, a chart that shows the publication dates. I also have seen the chart where it has completed revaluations. The office seem to be saying, for several counties, that they have looked after local authorities and that the percentage of ratepayers experiencing a rate reduction in nearly all cases is well over 50%, and is anywhere between 50% and 70%. The percentage of ratepayers experiencing rate increases is in the region of 30% to 40%. For a small number, generally, there was no change. We all know from our own counties where we hear from the 40% who maybe had an increase but we do not hear much from the 60% who had a decrease. I have just given the information as they have given it.

I will make one last point. The Irish Petrol Retailers Association said it was denied information under freedom of information legislation. The association is saying in their correspondence that they gave the legal reason information could not be released as part of the freedom of information, FOI, request and there is an appeals process. We are not the appeals process. It is up to them to go through the appeals process in relation to the FOI non-release of information.

Deputy Catherine Murphy: One thing that causes a problem is where there are long gaps between the valuation.

Chairman: Yes.

Deputy Catherine Murphy: People may have made alterations to business and things like that. Petrol stations have changed quite dramatically over the years and most of them have a very strong retail aspect at this stage.

I am still unhappy that we are not really getting to one of the issues, and it may not be for this committee, which is how they model the valuations. In a shop, is the first couple of metres valued at A rate, the next at B rate and the area beyond that at C rate, which is a lower rate? I am discussing this in very general terms.

Mr. Seamus McCarthy: Yes.

Deputy Catherine Murphy: The problem is that the proportion of the area at the front of smaller shops compared to the rest of the floor space is much larger. Areas which have a very large floor space in that scenario will win. It is all very well to talk about winners and losers in general terms - we know the overall take is intended to be neutral - but it may be inequitable even where it is neutral. We all know shops with paid parking on a main street will compete with a supermarket with free parking outside of a town. Shops are struggling and one needs one's main street to be a functioning area. There is a social component to that.

I may not be correct in this regard but things that give an extra advantage to a much larger space outside of a town can be problematic. That particular aspect, as well as delays in revaluation, are the critical points in understanding the thought process for designing the revaluations. Particular sectors were hit. This committee does not deal with the nitty-gritty of such matters. Which committee would address them?

Chairman: Under which Department's aegis is the Valuation Office?

Mr. Seamus McCarthy: The Department of Housing, Planning and Local Government.

Deputy Catherine Murphy: I can see why it does not get attention.

Chairman: Deputy Murphy mentioned car parking. People pay to park on a main street but not if they are in a shopping centre. That is a simple question. If anyone here has the answer, I ask them to tell me what it is. Are rates charged on car parks outside-----

Deputy Catherine Murphy: How is it modelled?

Chairman: I ask for a note on that. Some of the major multiples have large car parking spaces. That is not free; they pay to build car parks in order to attract customers but customers do not have to pay for parking while they are there. I suspect that must be included in the rateable part of the property.

Deputy Catherine Murphy: I would have thought so.

Chairman: I suspect it should be. It would be crazy if it was not because it is part of the commercial premises.

Deputy Catherine Murphy: I am using it as an example. How is it modelled? I may be wrong in my description. If people understand the process, it is much easier to accept a revaluation. There is an absence of that type of information.

Chairman: We will send the office a copy of the transcript of what was said here and ask for the modelling in respect of shops in town centres compared to shops on the outskirts.

Deputy Catherine Murphy: Or the proportion of the space-----

Chairman: How it is dealt with.

Deputy Catherine Murphy: -----and areas where there is a large floor space.

Chairman: We want to know if the part of a premises closest to the main street gets a higher valuation than the area further back. We will ask for a note on the matrix used, or whatever the appropriate word is. It would be useful for people to have that information.

The next item of correspondence is No. 2325 from Derek Moran, Secretary General of the

Department of Finance, providing an information note requested by the committee regarding the accounts of the Credit Union Restructuring Board. We requested that because the fund was on the list of bodies which were late in submitting their accounts. The letter states that legislation to dissolve the board is currently going through the Oireachtas and is expected to be passed later this year. The organisation is being wound down and that is why we did not receive the accounts. I am sure Mr. McCarthy will, in due course, do a final audit on the body when it is eventually wound down. God knows who will be on this committee at that stage. We will note and publish that.

The next item is No. 2326 from Sharon McGuinness, chief executive officer of the Health and Safety Authority, dated 18 July, in response to a request regarding matters raised with us in correspondence in regard to the installation of cell windows in Garda stations. The authority is satisfied that there are no matters of concern which require further action under its legislative remit. It advises that the relevant Department is the Department of Housing, Planning and Local Government. There is related correspondence from Maurice Buckley, Chairman, Office of Public Works, OPW, because it relates to Garda stations and the OPW was involved in the construction of the cases. He advises that a due diligence review of cell windows provided by two approved suppliers was undertaken by an independent structural engineer, who concluded that both suppliers produce windows that are fit-for-purpose. Mr. Buckley also provided an information note regarding the controls in place for ensuring tenders are delivered the specifications set out in the tender. We will note and publish both of the items and forward them to the person who originally corresponded with us on this matter. I do not think we can take the matter any further. We have received a lot of information on a specific issue and we will send it on.

Deputy Catherine Murphy: This arose in the context of the State Claims Agency. We tried to draw attention to something which might mitigate against future claims.

Chairman: Yes, exactly. From our perspective, the matter is now closed. We will send on the correspondence. We will note and publish that.

The next item is No. 2327, from Paul Quinn, chief procurement officer, Office of Government Procurement, dated 18 July, providing a note requested by the committee regarding the Construction Contracts Act. This relates to a request for clarification in regard to a situation where the main contractor puts in a claim for costs associated with additional work carried out and we wished to find out where the subcontractor stood while the matter was awaiting approval. He has essentially said that there is no provision in the legislation in respect of that matter. He stated that the construction contract does not get into commercial arrangements on those types of issues between the main contractor and various subcontractors. It does not take into account all of the different commercial arrangements which parties may enter into but does set basic standards which are intended to regulate payments between them. Nor does it involve itself in the complexities which arise on a project but rather provides a framework within which parties on all tiers of the supply chain can engage to ensure the cashflow of those executing the works.

We asked about a specific point. There can be delays when there is a dispute between a main contractor and it was a question of where stands the subcontractor in the meantime. Essentially, he has said that they are at the mercy of what happens on a particular site. He said there is a framework but was not specific. We will note and publish that correspondence. It answers the query we raised.

The next item is No. 2328 from Derek Moran, Secretary General of the Department of Fi-

nance, dated 19 July, providing the note requested by the committee regarding the difference between national debt and general Government debt. I can state in one sense what that means, which is very good. People become confused. Mr. Moran stated that the general Government debt, which is a measure of total gross debt of the State compiled by EUROSTAT, does not have any netting of cash balances, whereas the national debt is the net debt incurred by the Exchequer after taking account of cash balances and other financial assets. General Government debt is the gross figure and when we refer to the national debt we are referring to the net amount, net of any cash balances. We know the NTMA has approximately €30 billion in cash balances. There is quite a difference.

Mr. Seamus McCarthy: It was-----

Chairman: It was not far off. I am a bit rusty after the summer. That is the difference. When different terms are used, people get confused.

Deputy Catherine Connolly: I am coming to terms with it myself. Does gross national debt include the debt of central and local government bodies?

Chairman: Yes.

Mr. Seamus McCarthy: It is the general Government debt.

Deputy Catherine Connolly: It says here-----

Mr. Seamus McCarthy: GGD.

Deputy Catherine Connolly: It states that the gross national debt is the principal component of general Government debt. However, the gross national debt also includes the debt of central and local government bodies.

Chairman: Yes. There are three terms, that is, gross national debt, which is principally the Government general gross debt-----

Deputy Catherine Connolly: The way it is written here-----

Mr. Seamus McCarthy: I do not think this is correct. The general Government debt includes the debt of central and local government.

Deputy Catherine Connolly: It is reading as if it is the gross national debt.

Mr. Seamus McCarthy: The gross national debt is, in effect, the borrowing of the NTMA.

Deputy Catherine Connolly: What is written here is, "The gross national debt is the principal component of general Government debt. However, it also includes the debt of central and local government bodies."

Mr. Seamus McCarthy: I think it is the way it is written.

Chairman: General Government debt includes the debt of central and local government.

Deputy Catherine Connolly: The Chairman can see how difficult it is.

Mr. Seamus McCarthy: I am dealing with this in a chapter that will be published in the next couple of weeks, so the committee will have an opportunity to discuss it.

Chairman: Please make sure the wording in it is clearer than this letter.

Mr. Seamus McCarthy: I will try.

Deputy Catherine Connolly: It is not so much the wording as trying to understand the concepts. We asked for that because we did not understand it and then, having looked at it, I still do not understand it. Mr. McCarthy is saying one thing and the Department is saying another.

Chairman: The sentence in that letter does not read well. It states that gross national debt is the principal component of-----

Deputy Catherine Connolly: General Government debt.

Chairman: -----general Government debt. However, "it"-----

Deputy Catherine Connolly: Which "it"?

Chairman: "It", as one reads it grammatically, refers to the general Government debt, but I believe the Department means that it refers to-----

Deputy Catherine Connolly: The "it" refers to the gross national debt.

Chairman: The sentence is not clear.

Mr. Seamus McCarthy: I think it is incorrect.

Chairman: We will ask Mr. Derek Moran to clarify that.

Mr. Seamus McCarthy: I can try to look back on a previous chapter and come back on that before the end of the meeting.

Chairman: We will ask the Department of Finance to clarify the note to make it simpler and make it read in a more straightforward fashion.

Deputy Catherine Connolly: The whole exercise is for us to try to understand it so we are in a position to ask questions. If we do not understand it, we cannot ask questions.

Deputy Catherine Murphy: Does the general Government debt, including local government, take account of cash balances too?

Chairman: No. That is the national debt. We will ask the Department to simplify it.

Deputy Catherine Connolly: Not to simplify it, but explain it.

Chairman: I do not mean simplify but clarify. No. 2329 B is from Mr. Ray Mitchell, assistant national director of the HSE, providing notes on matters requested by the committee on 27 June about the national incident management system and the number of category 1 incidents. We sought this information to feed into and help draft our next periodic report on the State Claims Agency, in which medical negligence and other claims against the State will be a significant element. Category 1 is major and extreme events, category 2 is moderate events, and category 3 is minor events. The notes give a breakdown of the top five minor events, including slips, trips and falls, clinical procedures, self-injuries, behaviour on medication, and violence, harassment and aggression. The note states that the main problems in category 1 are with clinical procedures. This will feed into our report on medical negligence, the cost to the State and the State Claims Agency. We will tease that out for our next periodic report. We will note and

publish that.

No. 2330 B is from Dr. Jack Golden, interim chief executive officer of the National Paediatric Hospital Development Board, dated 18 July, providing information on the communications consultancy services contract. We asked for that at an earlier meeting. The note states that the amounts paid to Q4 Public Relations under the communications consultancy services contract were €204,000 in 2015, €274,000 in 2016, €276,000 in 2017, and €248,000 to date in 2019. It gives the scope of that contract and what is involved. We will note and publish that. Somebody specifically asked that question the last day the board was here.

Deputy Catherine Connolly: I asked. I do not know why it needs to spend that much money on consultancy services for communications. For the record, I think it is unacceptable that that much money is being spent. I do not think it is good value for money and I do not think it is necessary. I might come back to it.

Chairman: We will come back to it because the children's hospital will not be going away. To think that well over €1 million has been spent on communications and public relations by the hospital board-----

Deputy Catherine Connolly: The story of a new hospital is a story that is sufficient in itself. I do not know why we would need to sell it.

Chairman: That is a point that will raise its head again. We will note and publish it and make the information available.

No. 2332 B is from Ms Aoife Ní Fhearghail, deputy director of Irish Aid at the Department of Foreign Affairs and Trade, dated 24 July, providing an updated version of a note supplied in No. 2026 B regarding the election observation roster. The previous information note was provided on 1 March. The update includes further details of the findings of the High Court on the matter. Related to this is No. 2362 C, dated 17 August, from an individual who has previously corresponded with the committee regarding the Department's previous information note. He believed the previous information note provided by the Department was defamatory. The committee decided on 18 April to advise the correspondent to raise the matter with the Department directly and that if the Department wished to change or withdraw the note to the committee, then the committee would duly consider that request. As the Department has requested an update of its note, I propose that we remove the previously published note from the website and replace it with the updated note from the Department. We will note both items and we will advise the correspondent accordingly. We will replace the note on the committee's website with the new one. Is that agreed? Agreed.

No. 2333 B is from Mr. William Beausang, head of higher and further education and training policy at the Department of Education and Skills, dated 24 July. Enclosed is a press release issued by the Minister of State, Deputy Mary Mitchell O'Connor, inviting views on detailed legislative proposals and a consultation report on reform of regulation of higher education. We have considered legal powers available to the Higher Education Authority, HEA, and the proposed legislation includes reconstituting the HEA as the Higher Education Commission with statutory responsibility for the regulation and oversight of the performance of higher education institutions. We will note and publish this. The Department has written to us because we have been involved in this area. If we want to make a submission to that consultation process that the Minister of State is engaging in, I suggest we resend a copy of our periodic report with our earlier recommendations to be taken into consideration. I do not propose to go any further. We

have said what we have to say and will ask the Department to take it into consideration as a submission to the consultation process.

The next item is a big one. No. 2334 B is from Mr. Ray Mitchell from the HSE, dated 26 July, providing information on more than 20 matters raised at our meeting on 27 June, including notes on various items. We will have a quick look through this fairly substantial correspondence. Health is so important that I would not consider it proper for us to note and publish it without discussing it. Did Deputy Munster want to comment on this correspondence?

Deputy Imelda Munster: The list of 78 primary care centres caught my eye. That list includes 14 health centres that are public private partnerships, PPPs.

Chairman: What page is the Deputy on?

Deputy Imelda Munster: It is the chart that was furnished.

Chairman: It is here in appendix 6.

Deputy Imelda Munster: Of the list of 78 primary care centres, 14 are PPPs. It caught my eye for the simple reason that I understood that PPPs were used when there was a risk associated with a building or the running of a particular project. I do not understand what risk is involved in building a health centre, unless we are saying that people will stop getting sick, will not need public health nurses anymore, that schoolchildren will not need to attend the dental clinic in the primary care centre, or that elderly people will not need to have their bloods checked. Could we write to the HSE to ask it to outline what risks it identified such that it used PPPs to build health centres? According to some research I did, the 14 PPPs involved cost in the region of €115 million, but I do not know if that included the cost of the sites. Can we write and ask that question? I would also like to find out the duration of the contracts and an estimation of their final cost. In particular, I would like the HSE to explain why it felt there was a risk involved.

Mr. Seamus McCarthy: The Deputy might be interested to know that I am preparing a chapter for publication in the next couple of weeks that deals with primary care centres and the overall development of same in Ireland.

Chairman: The rationale-----

Mr. Seamus McCarthy: The rationale is really a policy area but there is a question around how one designates the method of delivery used in each location. That is a question that does fall to be addressed by this committee. I suggest that the committee bears with my office for a fortnight and then considers whether to write further to the HSE or to examine it first on the chapter.

Chairman: We need to write to the HSE. Deputy Munster has asked a good question. We know that the Government invited the world and its mother to apply for PPPs in a list of locations throughout the country. That was a policy decision but we can ask the HSE to set out the criteria that were used. I would love to see the whole-life cost of a PPP. If it is a 20-year contract, how much is it going to cost over the 20 years? That is more important than what is paid upfront or what was paid in the first three years. The Deputy will be aware that PPPs have caused enormous difficulty for this committee because there is a deliberate policy of not adequately reviewing them. Departments often wait for several years when it is too late to have any meaningful contribution. Also, because PPPs involve private companies, this committee does not have access them, even though there is substantial State funding involved. This committee

has decided, and reaffirmed on a couple of occasions, that it will never note a Department's accounts for any year if there is a substantial amount of a PPP in the Vote because we cannot get behind what is in the PPP. I know that members will not sign off on any Department's accounts when we are prevented from examining how taxpayers' money is being used. It raises a big issue and there is clearly a lack of public accountability here. The Deputy's questions are correct. We will do that in parallel with the Comptroller and Auditor General. If he covers it, well and good but if our correspondence raises a nuance that his report does not cover-----

Mr. Seamus McCarthy: Absolutely-----

Chairman: It will complement it. Clearly it is going to be on our work programme.

Deputy Imelda Munster: The contractual cost is important, but I am particularly keen to get to the root of what the HSE saw as the risk. What was the risk identified by the HSE in building health centres and how was that measured in the context of the 14 PPPs?

Mr. Seamus McCarthy: My recollection is that, going back to 2012, a decision was made to progress a certain number of capital projects, not just primary care centres, using the PPP model because of the financial position of the State at the time. That included courthouses and schools, so there is possibly a cross-cutting issue there. Time has moved on and perhaps the lease model is now more available to the HSE.

Chairman: Deputy Cullinane is next, followed by Deputy Connolly.

Deputy David Cullinane: The point I wanted to make has been covered.

Chairman: Deputy Connolly on the PPP issue. There are many other items in this correspondence.

Deputy Catherine Connolly: It is very important that we deal with this and I am glad that the Comptroller and Auditor General is preparing a report on it. I will not repeat the issues that have been raised but will add my support to what has been said. In addition, as a result of the PPP model, which I consider to be utterly faulty and adopted for the wrong reasons, the health service suffered. We did not roll out the health centres and that is the most important point. In Galway as well as nationally, there was a call for expressions of interest but not many companies came forward. Those that did come forward backed out, so Galway did not get designated primary care centres. In one sense, I am happy because I do not think they should be PPPs. However, there is no primary care. The one centre that did go ahead went ahead by way of a private model with an enormous rent. The other area did not get a centre at all. There were consequences all round in terms of money, value for money and for our health service. The rolling out of primary care centres in many cases did not happen.

Deputy David Cullinane: Is the Comptroller and Auditor General looking at the sustainability of the model?

Mr. Seamus McCarthy: No. In fact, what I was especially interested in was the very point that Deputy Connolly has made around progression with the programme of roll-out. We prepared a report in 2010 that looked at the progress made from 2001, when the programme of primary care centres began, to 2010. I wanted to do an update on that. We touch in the chapter on the issue of the method of delivery. I hope that it will be a starting point for the committee as it begins to look at primary care centres. Obviously, there are the cross-cutting or tangential issues of the method of delivery, and perhaps there are wider implications for the public sector

vis-à-vis PPPs or the lease model.

Deputy David Cullinane: Very good.

Chairman: We will return to the correspondence and move as quickly as we can through the remaining points, although some will require further discussion. The first point relates to a question on the number of people looking for step-down services at a particular date, which is replied to in No.1. No. 2 refers to the budget for home care services, including the percentage increase in money terms and the amount of the increase that is dedicated to meeting commitments in respect of remuneration, that is, salary costs. Details are provided on the home support budget for 2018 and 2019 for each of the regions. I know that all members will be surprised to see that the budget increased because we know that services have not increased. There is quite a bit in that on the Estimates. There is also a note on St. Conlon's nursing home in Nenagh.

There is also a note on the breakdown of the 1,030 staff recruited by the HSE this year. The note explains that the HSE does not include whole-time equivalents, WTEs, or pre-registration nursing and midwifery interns. The correspondence gives a figure for the total health service WTE of 118,888. I was quite clear on the day of our meeting that I wanted to know the total number of WTE staff involved in providing health services. Many of the services are now being provided by agencies, as we all know, particularly home help services. Essentially, agency staff are now doing work that used to be done by the HSE's own staff. There is a clear move towards providing more services through agency staff and fewer through the HSE's own staff. The HSE is not recruiting as many staff as before. In terms of the total HSE budget, whether one refers to voluntary organisations, those that describe themselves as charities, those providing home help services, as well as agency doctors and nurses in hospital, I want to know the total WTE numbers engaged in delivering the health service in Ireland. I include here all staff who are on the direct HSE payroll as well as those working in any of the HSE-funded organisations, including section 38 organisations and the agencies from which services are contracted. I suspect that there are another 20,000 WTEs on top of the figure given. If that is the case, we need to know. We need to know how many people are involved in delivering the health service, but that information is not provided here. We have been given a figure for the HSE's own staff. We will seek that additional information.

A question was raised-----

Deputy Catherine Murphy: I have a question on that. That may well be a difficult figure to find because it cannot be measured against the WTE, especially if an agency is an intermittent service provider. How would one go about calculating that?

Chairman: It is very simple. Agencies are contracted to provide a specified number of hours of service. The HSE wants four hours today, 30 hours this week and so on. The hours can be added up and converted to the WTE. The HSE should know what it is paying for, although I accept that it may not be as easy as it might seem. However, we should know how many staff are involved in delivering the health service. I am not saying whether the figure is good or bad, just that we need the information.

The next item is a breakdown of all loans to section 38 organisations over the past five years, which was raised by Deputy Kelly. The HSE says that it does not provide loans but does provide cash advances. I will let the Deputy take up the subtly of that response.

Deputy Alan Kelly: I will not take up too much time because this is going to be a long day

but this is garbage. The HSE has for decades been providing advanced loans to supplement the organisations because they are not being funded appropriately. This is a play on language.

Chairman: It is.

Deputy Alan Kelly: These organisations simply would not be able to operate without these loans. They provide vital services for many people in vulnerable situations. This is a play on language. Everyone in the HSE working in this area knows what is going on. All of the section 38 organisations relying on these loans, and there are many, know they could not operate without them. This is not correct and cannot continue. I would like if this committee could delve further into this issue. We cannot have a situation where all of these organisations - of which there is a huge number - are living month to month because of loans being advanced by the HSE because of the funding crisis in the area. As a State, we have outsourced our responsibility to all of these vulnerable groups and people reliant on these section 38 organisations. I suggest that we might put this area into our programme to seek to include more detail than we did previously. When one lifts the bonnet on this, there is a major issue to be dealt with in this area.

Chairman: Representatives from the HSE did appear before the committee regarding its annual accounts. Much information is still flowing from that engagement and we will have to have another meeting with that organisation regarding its financial position.

Deputy Alan Kelly: I say this with some knowledge. We had the section 38 organisations before the health committee, so much of this information came from a different committee.

Chairman: I would like the public to listen to this type of public service language. The question asked of the HSE was whether it provides loans. The reply stated the HSE does not provide loans to section 38 organisations. In some circumstances cash disbursements are accelerated beyond the agreed monthly profiles to ensure continuity of service. The HSE, therefore does not give loans but it does advance cash. This is wonderful language. The people who are spending their time inventing this language would be better off spending all of their time delivering a health service. Regarding the information we received, and we will ask for further information, in 2016 the HSE gave cash acceleration advances to nine organisations at a cost of €16.9 million. In 2017, cash was provided to 25 organisations and the total was €31.3 million euros

Deputy Catherine Connolly: Where is the Chairman getting these figures?

Chairman: I am reading from page 5. In 2018, the HSE gave cash to 27 organisations and the total provided was €73.6 million.

Deputy Alan Kelly: It is possible to see the trajectory.

Chairman: It is going way up. These are not loans, they are just cash accelerations. It is fantastic. It is within our remit to write and seek details of the 27 agencies funded last year, the 25 funded the previous year and the nine the year before that, including how much money each organisation received in cash acceleration. Is that agreed? Agreed.

Deputy Catherine Murphy: What budget would that come from?

Chairman: It is the budget for the section 38 organisations.

Deputy Catherine Murphy: No, I understand where the money is going to. Where does it come from within the HSE?

Chairman: We do not have representatives from the HSE here today but we did have them here just before the summer recess. About €4 billion is paid out, according to the HSE's financial statements.

Mr. Seamus McCarthy: That is for section 38 and section 39 agency grant funding.

Chairman: That includes some of the bigger voluntary hospitals. Let us be clear that is the biggest amount.

Deputy Catherine Murphy: I understand that and in the normal course of events they would be part of the health service. If that money is sitting in a bank account, the HSE must draw it down as revenue in a particular way. Is it costing the HSE money to draw down those funds? Why not re-profile? We might ask that question of the HSE as well. If there is a history of one section 38 organisation having to constantly seek these type of funds then there is a need to do something more permanent. Why would this be repeated each year and where would the HSE get the money? If the HSE has these funds, why would it not reprofile them?

I also have concerns because of the terms governing charities. One of the conditions is that such an organisation is not permitted to make a loss and the Charities Regulator would look closely at that. Similar to underproviding for the ratio regarding provision for nurses, which may put their professional qualifications at risk, what the HSE is doing may well put some of these organisations at risk as well. If the HSE is doing that and still relying on the services provided by these organisations then there is a double issue regarding how precarious they are.

Chairman: I forgot to put a bit into the question. We also want to know how many of these cash disbursement acceleration payments were outstanding at the end of each of the years concerned. Let us suppose that an organisation is going to get €120 million to deliver a service over a year. Let us say it is €10 million a year. It is also known that there is a problem and we want to know what happens towards the end of the year. There is a necessity to be cash neutral during the course of the year and everything has to be balanced by the end of the year. I do not know how that works but such organisations are required to be cash-neutral at the end of the year. We will ask for confirmation of that. The Deputy is correct in stating that some of the organisations might require re-profiling. If cash advances have increased from €17 million in 2016 to €73 million in 2018 an issue is building up somewhere in the system. Now is a good time to highlight it. We will ask the HSE for further details because it seems to be an emerging problem.

The next topic concerns primary care centres being operated under a service level agreement with private companies to include any centres being leased from private consortia and a range of private companies involved. I refer to the PPP that Deputy Munster mentioned earlier. We asked for information on that. There was also a query regarding the total value of claims received by the HSE in 2008. There is a large chart on page 16 and the information from that will feed into our report on the State Claims Agency.

The next matter was the cross-Border initiative, including the number and value of claims paid out in 2018. That figure was €12.3 million, which represented 6,728 claims. I estimate that is an average of €1,828 per claim. We know that many cataract operations take place in Belfast, as well as hip, knee and similar types of operations. There has, however, been a serious slowdown in reimbursement. Some people were able to borrow €5,000 to go and get the operation and some had to go to the credit union. I am told by my constituents that credit unions are not now giving out those types of loans because of the delay in the HSE doing the recoupment. That is making it more difficult for people who would have relied on the credit union to get a

loan. We will ask for a note to be provided on the payment record and how quickly payment is being made. We all know from constituency level that there is a growing problem.

The next topic concerns expenditure on legal services by the HSE. We queried this as part of its financial statement. It was €17.5 million in 2008. Some €9 million was spent on solicitors working for the HSE, €3.37 million on barristers, €3 million was reimbursed for third party legal costs and the cost of the guardian *ad litem* services, in respect of associated legal services, was €161,000. That figure of €17.5 million spent on legal services is a large one. A new arrangement for the provision of legal services is being examined.

This all follows from the HSE's financial statement. We next asked for a breakdown of consultancy costs incurred by the HSE. We also need further details on this issue. I am on the bottom of page 8. Regarding the national children's hospital, the HSE - not the National Paediatric Hospital Board - incurred consultancy costs of €11.2 million regarding the Children's Hospital Group in 2018. We want the figures for each of the previous years and the current spending to date. We are asking for further information. A breakdown is given of the €11 million. Some €3.6 million was spent on an ICT digital hospital project, while clinical and operational support was €3.5 million. Design, operation, commission, transitioning and medical equipment cost €1.8 million. Corporate services workforce change management was €1.6 million and project management and other costs were €400,000. There is €11 million in consultancy services in respect of the Children's Hospital Group that has not come into anybody's figure for the cost of reconfiguring the children's hospital. The costs are popping up all over the place. The other consultancy costs can be seen down the line. We will note and publish this. Some people will want to read this documentation in detail, and members are free to raise any point arising.

The next item in the correspondence was the insurance bill for the HSE, including a breakdown of categories of cover. The HSE spent €6 million on its own insurance. We told the HSE we thought it was covered by the State Claims Agency. The HSE said it has other costs outside the State Claims Agency. Obviously, it has some of its buildings insured. The premium was €3.4 million. It spent €6 million on insurance. This is all laid out in the different categories of equipment and assets it has. Then we asked about private contributions to nursing homes.

Deputy Catherine Murphy: I have a concern about the State Claims Agency. There is a piece of correspondence further down that lists all the Departments and agencies for which there is State Claims Agency cover. What is that cover? What does it cover? The State Claims Agency has a general indemnity but that must be a limited indemnity. For example, the Department of Employment Affairs and Social Protection will not be indemnified if it takes a case against the Data Protection Commissioner because, I presume, that would be separate as one would be initiating a claim. What does the State Claims Agency cover in terms of legal costs?

Chairman: It is interesting that, apart from everything the HSE is paying to the State Claims Agency, there are items not included that are covered by the State Claims Agency. We will ask the agency to give us a breakdown in respect of the principal organisations and what is covered and not covered. This all emerged at our earlier meeting. There are aspects that are dealt with directly by the various organisations. Maybe they feel that with some of the smaller items, such as somebody having a trip on a carpet in a hospital, they do not want to clutter up the-----

Mr. Seamus McCarthy: From recollection, I think the key risks it is covering are clinical indemnity and public liability, so claims being taken on those grounds would involve the State Claims Agency. Here the HSE is listing the other types of risks.

Chairman: Yes: fire insurance, breakdown of equipment or damage to equipment.

Mr. Seamus McCarthy: I think that would generally be commercial.

Chairman: Yes, so it might not come under the State Claims Agency. Let us say-----

Mr. Seamus McCarthy: Members may recall the flooding in Letterkenny a number of years ago. There was a claim taken by the HSE itself for reimbursement under buildings damage insurance.

Chairman: Just to help everybody, we will ask the HSE to send us a note clarifying precisely what is not included in State Claims Agency cover because we will want to incorporate it into our periodic report.

Deputy Catherine Murphy: On that point, that may well be money very wisely invested.

Chairman: Yes.

Deputy Catherine Murphy: It is important to say that as well.

Chairman: The next item in the correspondence was private contributions paid to nursing homes. The total contributions levied for collection in 2018 was €61 million. This is connected with the fair deal scheme, under which people have to make a contribution. I think we understand that. We raised the replacement of direct home help by agency staff here. The HSE puts the number of healthcare support assistants at 6,000. We have all seen at a local level that there was curtailment in some of the HSE's own staff weekend work over the summer period. I encountered this in a number of counties. They were being replaced by State agency staff. We also had the situation during the summer, which I found frightening, whereby when the HSE's own healthcare support staff went on annual leave during the summer, families were left with zero cover during that period, whereas if the service had been provided by agency staff, who have 52-week contracts, while the agency worker went on his or her two weeks' holidays he or she would have been replaced by an alternative agency worker. Therefore, in lots of homes in Ireland there were perhaps two different people providing the service: the HSE healthcare support providing the service at a certain time of the day and the agency staff perhaps doing something else at another time of the week. When it came to the holiday period, the HSE's own staff were not replaced. The families were told, "Go fend for yourselves." I have letters to confirm that. That is not the HSE's wording but it is the reality. However, the agency staff were covered because they had 52-week contracts. That is where that question came from, and people can read the correspondence. My worry is that now that the HSE has done this - to my knowledge, for the first time this summer - it will do it again at Christmas and at Easter. It has got its foot in the door this time in not providing holiday cover for its own staff, which I thought was dreadful. I have made my point.

Deputy David Cullinane: Can the Chairman not write to the HSE then and find out about that? There is no point in saying it is terrible if we do not follow it up. Perhaps it is the case that it is simply not putting in place contingencies for-----

Chairman: Its own staff.

Deputy David Cullinane: -----staff cover. Obviously, we have no problem with staff going on holidays. That is not the question.

Chairman: That is not the issue at all.

Deputy David Cullinane: It is management that needs to make sure that it has a contingency plan.

Chairman: Let it provide cover through agency staff if it has-----

Deputy David Cullinane: Or whatever. Can we just point out the problem, say it has happened over the summer and that we do not want to see it happen at Christmastime, and ask whether it will guarantee that it will put in place contingencies, or outline to us what contingencies it will put in place, to make sure that people are not left without services?

Chairman: We will ask about its arrangements. I thank the Deputy. I raised the matter verbally with the HSE representatives the other day. That is why this reply is here. However, as the summer evolved - it was early July when we met them - it found more and more cases. We need a breakdown by each of the nine regions around the country. It might have just happened in my region; maybe it did not happen anywhere else. I do not know, but we would like that information broken down by region as well.

Deputy Catherine Connolly: This is a policy matter for the Government and the health committee. Like the Chairman, we all have a particular interest in it because it is not working on the ground. I would love the health committee and our committee to look at home help. It has become more and more privatised. I am not sure where we are getting value for money in this regard because we do not know. It just went down that road, with fewer and fewer direct employees in home help. That is one problem, and maybe there is an aspect there for us to discuss. The second aspect is that in my area there is a limit on home help based on-----

Chairman: Budget.

Deputy Catherine Connolly: No. Well, based on budget, but justified by what is called an international standardised way of assessing somebody for home help, which consists of two hours filling out a form on a computer. Magically, 99% qualify for only ten hours' home help, regardless of whether one has Parkinson's, another progressive disease or senile dementia at an early stage - say, in one's 60s. I could not sit here and not make this comment. I know this comes under the remit of the Committee on Health but it has to be said. We tinker around, and the Chairman is doing a great job and is right in asking about this and teasing it out, but there is a bigger problem with the pretence around home help. If the maximum number of hours for somebody with senile dementia is ten, that person is being put to bed in their home. I will not go into the details but I am raising this in a general way. The service is not being used appropriately. It would take the strain off the hospitals - we all know that. Most people do not even want to go near a hospital. If they got proper home help, it would be cheaper for us.

Deputy Alan Kelly: I could not agree more. I have been harping on about this for years. There are two critical issues. First, an employment order is needed to bring up the level of wages because there are not enough employees in the area and people will not work in it.

Chairman: For the agency workers?

Deputy Alan Kelly: For all of them.

Chairman: The HSE's own staff would be covered by its own-----

Deputy Alan Kelly: I know, but an order is needed for all the agency workers, all the other workers. Second, we need to just cop ourselves on. The more people we can get home help to

the more money will be saved in the health service, so it should be demand-led. That is what we discussed in the health committee but, alas, the Department listens sometimes and does not at other times.

Deputy Catherine Murphy: In terms of using money wisely such that one is not saving it or stopping it from being spent but actually spending it in a much more expansive way, exactly the same thing happens with the home care packages. In my area the budget for them was exhausted in February. One cannot then complain if people are taking up beds in acute hospitals. The budget is obviously not adequate, but it is being spent. The argument seems to be that as the bed would be filled, there is no saving. That tells us something about the thinking and the approach to the budget.

Chairman: Will we take this issue?

Deputy David Cullinane: There are a lot of issues in the area of home helps and home care. It is a vast area, one that really should be dealt with by the Joint Committee on Health. We can come back to it and ask questions when representatives of the HSE are before us, but it is a very substantial issue. There are issues surrounding creeping privatisation and achieving value for money. If the service is not demand-led, it is governed by criteria, but, as Deputy Catherine Murphy said, they are cumbersome.

Chairman: From a financial point of view, we could ask for a breakdown of the cost in each of the CHO regions of the home care support services provided by healthcare support staff and the cost where they are provided by agencies. We will see if there is a disparity in the figures. Is the ratio 50:50 in one area and 90:10 in another? We will get details of the numbers of hours and costs as between the home help services provided by HSE staff which we know number 6,000 and the services provided by agencies. It is in everyone's interests to have this information.

Deputy Catherine Connolly: We are looking for the numbers of hours and the costs involved.

Chairman: Yes. The people concerned know what they are paying their own staff, whether by hour, week or year. The easiest way to manage the pay of home helps pay would be by hour, but we can work out what the figure of 1,000 hours comes to in weeks. The Department of Health is the biggest spending Department. The Department of Employment Affairs and Social Protection also has a big budget, but this issue involves the expenditure a lot of money.

We asked for an update on cash collection from insurers and details of key delays. It is very interesting. We also asked about private patient charges in hospitals. This covers Laya Healthcare, VHI and Irish Life. If a private patient goes to an emergency department, the private health insurer reimburses the hospital. Now they are only paying from the date a form is signed, which could be a couple of days later. In 2016 the private health insurance companies paid €334 million, but in 2017 this figure dropped to €305 million. It dropped again in 2018 to €278 million. Perhaps the hospitals do not have their paperwork in order. They are stating a publicity campaign is being run by private health insurance companies to encourage people not to give details of their private health insurance policies because it is irrelevant in the emergency department whether somebody has private health insurance. The private health insurers are trying to reduce what they have to pay out.

The next item concerns an age analysis of the outstanding amounts owed by the HSE to

patients. The issue of public private partnerships comes up again.

Deputy Cullinane asked for a note on the building works planned for the morgue at Waterford University Hospital. He will be able to see it in the correspondence received.

We asked for a breakdown of the number of women who had availed of the grant to assist them in their interaction with Professor Scally. That information is also available. We asked for the figure for the annual cost of CervicalCheck. The figure is available.

We asked for a breakdown of the figure for primary care reimbursement services. It is available.

There is a note on the investigation into the hospice at Harold's Cross. It states that the matter is with the Office of the Director of Public Prosecutions which is addressing some further queries with An Garda Síochána. No further information is available. We have been receiving correspondence directly on the issue and that is the position, as it stands. We will forward any response we receive.

Deputy David Cullinane: A new wing at University Hospital Waterford, the Dunmore wing, was completed in July and has been kitted out. It consists of five floors, with the bottom two due to be used to provide a new palliative care services unit, the first such unit in the south east. It is to be operated by the CHO. The top three floors will have 72 acute beds which will be managed by the hospital. A joint application for revenue funding has been made to staff the beds and the palliative care unit, but they have not yet received one cent or hired the staff necessary to open the services. Those involved have been given a tour of the facility and say it is first class, but it cannot be opened. Now we are being told that it is being opened on a phased basis, which means that it is not really being opened at all. There is a value for money issue and an issue about the process. If capital funding is made available, revenue funding should be allocated in parallel such that when something is built, it is opened. It is crazy that it has been built and the equipment provided but not opened. Can we write and ask why there is a delay in opening it?

Chairman: We can.

Deputy David Cullinane: When I raised it in the Dáil, with Deputy Mary Butler, the Minister for Health agreed to meet a delegation of Deputies, which might help to answer some of the questions. If it is happening in this case, it is probably happening elsewhere. We are not joining capital funding with the revenue funding necessary and not getting value for money. Can we ask at what stage the project is and why revenue funding has not been made available?

Chairman: During the course of the summer we received all of the correspondence received up to the end of July. We received batch 1 in the first week of August. We will have to defer consideration of the items we received in the past couple of weeks until next week. We will clear the correspondence received in the first half of the summer. Only a couple of items remains.

No. 2235 is correspondence received from Mr. Ciarán Breen, a director of the State Claims Agency, on National Treasury Management Agency headed paper. We had asked for a note on mass actions. It will feed into our periodic report on claims against the State. We had received a note on settlements reached by the State Claims Agency in the past five years and an information note on periodic payments. We have received a note on the mechanism used in the evaluation of cases by the State Claims Agency, some of which take years to develop. There is also

a list of agencies covered. We are writing back to ask them to explain the areas they cover and the aspects of their work not covered by the agency.

Deputy Catherine Murphy: It is a very useful list. What happens when a case is taken by the State? Even though it is not under the heading of indemnity, does the State Claims Agency become involved on both sides?

Chairman: It will not be involved in that way. I take it the Deputy is referring to the case involving the Data Protection Commissioner. The State Claims Agency will only be involved in claims made against the State.

Mr. Seamus McCarthy: My understanding is that it covers cases involving clinical indemnity and public liability. If a State body takes an action, the Chief State Solicitor will act for it and the cost will be included-----

Chairman: In the Department's Vote.

Mr. Seamus McCarthy: Or in that of the Chief State Solicitor.

Deputy Catherine Murphy: We will see it in the Department's Vote.

Chairman: Yes.

Mr. Seamus McCarthy: We may or may not. If the Chief State Solicitor is acting for a State body, the costs are not charged to the Department taking the case.

Chairman: They are included in the Vote of the Chief State Solicitor's office. We have had its representatives before us. The State Claims Agency is only involved in cases involving clinical indemnity and public liability. All other things, fires, buildings, flooding, etc-----

Mr. Seamus McCarthy: Legal actions. An application to the court would also be involved.

Deputy Catherine Murphy: Sometimes one wonders who gives the advice to take a case. The State has to defend itself if there is a case that it has to defend itself in and it has to evaluate that. Obviously, moving to a different model where there is mandatory reporting, it would be different. However, there may well be Departments that are gung-ho about taking cases. If such Departments are not the ones picking up the tab from their budget, does that drive their thinking a little?

Chairman: Even in the cases where the SCA does the work, they have to reimburse the agency, as the HSE does every year. The State in taking the Apple case to Europe, for example, will not be covered by the agency. That will come out of the Vote of the Department of Finance. Is the Deputy with me? It is not a public liability case. For example, where the Department of Employment Affairs and Social Protection or Revenue prosecute those caught with the wrong diesel or social welfare fraud and take legal cases, they are not covered by the SCA. They pay that directly. We need to clarify up-front what the agency covers in respect of these Departments because we all assumed it covered everything once a Department was involved and that is not so. We will get that clarification.

Deputy Catherine Murphy: A considerable number of cases that go through the courts are-----

Chairman: Taken directly by the Department.

Deputy Catherine Murphy: They are. I refer to the potential to generate some savings but also to see if there is a profile around particular things that could be done differently.

Chairman: Coincidentally, as a result of the State Claims Agency's earlier visits, I asked the Department of Justice and Equality - I can share the PQs - all the agencies under the aegis of various Departments that had powers to take prosecutions, such as the EPA and the fisheries boards. I asked for the number of prosecutions taken by each of the agencies. The agencies all got back to me in letter form and I have a large file of cases the different State agencies have taken. Some of them are for a lot less than one would have expected. I will see about forwarding that file to the committee. It is useful information that I extracted before the summer, Department by Department. It was a slow process and I have a file built up on it.

Deputy Alan Farrell: Something we need to address collectively in the House is that when a parliamentary question is answered by an outside agency, it does not go on the record. That is not acceptable.

Chairman: That is an important point for another forum. I am sitting on information that nobody else has access to only because I asked the questions. The reply to parliamentary questions, PQs, should be put on the record.

Deputy Alan Farrell: Absolutely.

Chairman: That is another day's work but we would probably agree with that.

Next is correspondence No. 2336 from Mr. Brendan Gleeson, Department of Agriculture, Food and the Marine. We asked him to give the committee a list of the property sites managed by the Department around the country and the number of Labour Court settlements involving former employees of Bord na gCon. That is on page 8. Members will note, for the meeting later, that there have been no Labour Court settlements during the period September 2017 to July 2019 but a number of issues were referred to the Workplace Relations Commission for adjudication. This is about Bord na gCon. One claim for unfair dismissal was settled in August 2018. Under the Unfair Dismissals Acts, 1977 to 2005, and Organisation of Working Time Act 1997, a case was settled in 2019. A claim for unfair dismissals minimum notice was settled in May 2019. We will ask Bord na gCon about those. It is coincidental we have the information of the Department of Agriculture, Food and the Marine, if members want to raise that with Bord na gCon this afternoon.

We had several recommendations from our interim report, which Mr. Gleeson deals with, but we have the Minister's report already. We will come back to that. We also sought information on the breakdown of Department staff on a county-by-county basis and the number of premises it has in the various counties because the Department has quite a big footprint around the country. We note and publish that.

Next is No. 2337 from the EPA office, dated 15 July, providing further information requested by the committee in respect of water testing for bathing water and testing for illicit and/or legal drugs. Members can read that. We will note that.

No. 2338 from Mr. Derek Finnegan, parliamentary affairs, Department of Health, provides information requested by the committee on the appointment of members to the National Paediatric Hospital Development Board. We will note and publish that.

I am near the last item, for now. No. 2339 from Mr. Fergal Lynch, Secretary General,

Department of Children and Youth Affairs, provides information requested by the committee relating to subvention payments and over claims for the early years schemes for 2018 and 2019. It states that there has been an increase in the compliance activity as well as strengthening of scheme rules. We note and publish that.

We also received No. 2377 from the Department providing figures for the years 2017 and 2018. We will note and publish that.

The last item we will take is from Mr. Paul O'Toole of the HEA providing information requested by the committee relating to employment contracts for tutors and part-time lecturers.

I propose to stop there on the correspondence at this point. That was the batch we received up to the August weekend. When we come back next week, we will have to deal with the correspondence received in recent weeks. I want to have a few minutes on the work programme and the accounts received and have a sos before we start into Bord na gCon at 11 a.m. I will move on. The rest of the correspondence will be held over until the next occasion. I am aware some Members were interested in the correspondence but that is as far as we have got. Hopefully, we will get to the rest of it on the next occasion.

No. 4 on the agenda is statements and accounts received. I will go through these as quickly as I can. Understandably, there are 30 or 40 items. We complain they do not send them in to us on time and when they lodge them, we should at least acknowledge it. They are the National Pension Reserve Fund Commission, clear audit opinion; the Ireland Apple escrow fund account on which we had a detailed discussion with the Department of Finance before the summer break, clear audit; the Irish Blood Transfusion Service, clear audit opinion; the Road Safety Authority, clear audit opinion; the Food Safety Authority, clear audit opinion, but the issue of the standard for the health bodies about superannuation entitlements is referred to by the Comptroller and Auditor General; the Private Security Authority, clear audit opinion; the Travellers Protection Fund investment account, which has €1 million in it, clear audit opinion; Teilifis na Gaeilge, clear audit opinion; and the National Oil Reserves Agency, clear audit opinion.

I will write to the National Oil Reserves Agency on an issue that is now relevant. I had a look at the agency's accounts this morning. The agency makes it clear that the State is required to have 90 days of oil supplies available to it under EU rules and if the agency does not have the reserves held in the State, it must have them in a bilateral contract with another country that is a member of the EU. I checked the figures in the agency's annual report this morning. I am aware that two thirds of our 90-day requirement - 60 days - is held in the State and one third is held outside of State, mainly in the UK, as we asked this question previously. The agreement we have with the UK holding some of our oil reserves is contingent on the country we have the agreement with being a member of the EU. I will write to the agency for clarification on where that stand in the event of the UK not being in the EU. It is not good enough to state that we have a bilateral agreement because, from my brief reading of the agency's annual report this morning, that bilateral agreement is contingent on the country concerned being in the EU. We want that clarified.

Deputy Bobby Aylward: Do we have the capacity here in Ireland?

Chairman: Yes. Whiddy Island is probably our main terminal. We seem to have only 60 days' supply in the State. One is allowed have it in other countries.

Deputy Bobby Aylward: Do we have the capacity to hold 90 days?

Chairman: I do not know. We will ask the agency why it has not it all here. That is the first question we will ask. I thank the Deputy. Can we send that note to the agency? I will state we want a reply for next week. They will know the answer to that off by heart. It will be on the top of their head. It has to be top of their risk agenda as we speak and they could give us a reply by lunchtime. We will wait until early in the week but we want it before next week because it is urgent.

Deputy Alan Farrell: I have no difficulty with what the Chairman proposes but I am fairly sure that is already on the record. I recall that discussion about the oil reserves taking place last year.

Chairman: We discussed it but I would ask for an update.

Deputy Alan Farrell: Yes.

Chairman: The list continues: the Personal Injuries Assessment Board, clear audit opinion; Dublin City University, clear audit opinion, with the standard note from the Comptroller and Auditor General regarding recognition of the pension funds; the finance accounts for the State, clear audit opinion; the Irish Auditing and Accounting Supervisory Authority, clear audit opinion. The Comptroller and Auditor General will comment on Science Foundation Ireland only now submitting its accounts for 2015, 2016, 2017 and 2018. Cén fáth? Why have we four years of accounts coming at us?

Mr. Seamus McCarthy: I think they overlooked it.

Chairman: The Comptroller and Auditor General has audited them.

Mr. Seamus McCarthy: I have audited them. According to the “date certified” column, the 2015 accounts were done by 27 May 2016, the 2016 accounts were done by 31 May 2017 and so on.

Chairman: It might have been an administrative oversight.

Mr. Seamus McCarthy: Some oversight has obviously occurred. Perhaps the committee could write to them and ask why this occurred. It should not have.

Chairman: We will just ask. I am delighted to hear they were all audited on time appropriately-----

Mr. Seamus McCarthy: Yes, they were.

Chairman: -----but they were never laid before the Oireachtas for the past four years. We will just ask for a brief note as to why.

Next is Tusla, the Child and Family Agency, clear audit opinion, except there is a note in respect of non-compliant procurement of €5.4 million. We have not got to the bottom of that.

Deputy David Cullinane: Just as we did with the timely presentation of their accounts, when we made life a bit difficult for them, I am recommending that from here on, every time our attention is drawn to non-compliance in procurement, for example in the case of the €5.4 million, we write back to the Department or agency and ask for a breakdown of the sum, how many contracts there were, why they were non-compliant, and a report. That is just to make sure that they know we are watching this. There is no point in us and the Comptroller and Auditor Gen-

eral just noting it meeting after meeting. We have said time and again that there seems to be no sanction other than that they have to watch that they abide by proper competition rules and so on. In any event, non-compliance in its totality year on year is a colossal amount when we take in all the Departments. I recommend that every time it comes up, we write back requesting a detailed report broken down by the number of contracts and the reason each one was non-compliant. The €5.4 million in this case may be one contract or it may be multiple contracts.

Mr. Seamus McCarthy: In general, we try to get them, and they co-operate and include a declaration in their statement on internal financial control where there has been non-compliance. There is a level of detail there. If the committee is not satisfied that the level of detail is sufficient and it wants more, it is its prerogative to ask.

Deputy David Cullinane: I think we should let them write to us specifically. It is us basically acting as some sort of brake and saying we want them to justify why they are not complying.

Chairman: It is to put pressure on them to get it right in future. They would have referred to their compliance statement, as the Comptroller and Auditor General said, but we want more detail. Asking for more detail will make them more alert. I know from the HSE's non-compliance that it is only based on a sample. Was that the totality in the case we are discussing now? Do many of bodies do this on a sample basis?

Mr. Seamus McCarthy: Increasingly, bodies are beginning to address the totality of their spending and to look at whether they are compliant. That is something we have pushed and we welcome it. Sometimes it is a blend. They may go through a process and identify a certain level of procurement that is non-compliant. We might look then at what they claim is compliant and find on a sample basis that there are cases that we consider to be non-compliant. In general, they will accept the point and add it to their list but there is that element of the adequacy of their own surveying.

Chairman: We will ask that. The same will apply to Teagasc's financial statement with attention drawn to €1.2 million non-compliant procurement. We will write the same letter. Moving on to Solas, it is a clear audit opinion, and to Enterprise Ireland, clear audit opinion. However, as part of the disposal of its interests in a company in 2018, Enterprise Ireland recovered an amount loaned to the company in 1986 but formally waived its entitlement to €7.7 million of accumulated interest. I want the detail noted. I looked at their accounts this morning. I think they recovered €626,000 in the original loan. We want detail. I think they have restructured the company but I still do not know if they have sold all their shares. We want to know what their investment still is in the company and how that figure of €7.7 million was calculated. I know they never included it in their accounts. It was great to get all that money interest free for approximately 30 years; we just want more information.

Next on the list is the National Transport Authority, clear audit opinion; the National Haemophilia Council, clear audit opinion; Marine Casualty Investigation Board, clear audit opinion; the Higher Education Authority, clear audit opinion; the Medical Council, clear audit opinion; the National Cancer Registry Board, clear audit opinion with the same qualification in respect of superannuation in the health sector, the Economic and Social Research Institute, clear audit opinion; and Waterford Institute of Technology, 2017 accounts, clear audit opinion. There is a reference to its accumulated deficit. The Office of the Data Protection Commissioner-----

Deputy David Cullinane: Coming back to Waterford Institute of Technology, could the

Comptroller and Auditor General elaborate? This has been an ongoing issue for a number of years.

Mr. Seamus McCarthy: The deficit has been building and I have drawn attention to it. I have drawn attention to a similar situation in other institutes of technology. One of them has been recently in the news about receiving additional funding. I wanted to flag that there is a significant deficit position here.

Deputy David Cullinane: Am I correct that institutes of technology should not be in deficit in the first place?

Mr. Seamus McCarthy: That is correct. That is a requirement.

Deputy David Cullinane: How long is Waterford Institute of Technology now in deficit?

Mr. Seamus McCarthy: For five or six years, certainly.

Deputy David Cullinane: Can we get a note on when the deficit first started and the changes year on year? Cost containment measures have been put in place, which have had an impact on services. I am concerned if, even with them, it is still going up. Something is not right.

Chairman: We will write to Waterford Institute of Technology to request the historical breakdown at the end of each financial year from when the revenue deficit commenced and by how much it increased each year up to the current position. Next is the Office of the Data Protection Commissioner, clear audit opinion, and the Data Protection Commission, clear audit opinion. One was the cessation of accounts for the Data Protection Commissioner, which is now called the Data Protection Commission. They are on our work programme for next week.

I am moving on to our work programme for next week, which will only take a few moments, and then we will take a short break. I want to mention one issue that was brought to my attention yesterday. We are often hard on public bodies but we want to give a bit of credit to one body that was before us last year. We put them through the mill in respect of delays in the passport office. I received a text yesterday about the office. A person who is well known to me in Dublin applied for a passport online on Tuesday at 12.07 p.m. and received the passport in the post yesterday morning, Wednesday, at 8.30 a.m. That is a turnaround of less than 24 hours, a remarkable achievement. I asked if it was just a freak because we are over the summer hump and he said his daughter applied online in June and had the passport within 48 hours. I want to give a bit of credit to the passport office because it has been the butt of a lot of criticism.

Deputy Alan Kelly: We will send the Chairman all of our passport applications from now on.

Chairman: I do not do any of them. I tell them it is a short drive from Portlaoise and they may take themselves up to Dublin.

Deputy Catherine Murphy: Their online replacement service is excellent. I have used it myself.

Chairman: Let us publicise it. Online is the way to do it.

Deputy Alan Farrell: The Irish passport service is going to put Deputies Michael and Danny Healy-Rae out of business with the volume of work it is doing.

Chairman: And the guys in Donegal. That is the little bit of good news. We are moving on to the work programme. Bord na gCon is coming in in ten or 15 minutes. There is no division time in the Dáil so we will take it as we go. We will not be here too late in the afternoon because we do not have the break for voting. The following week, we have arranged for the Office of the Data Protection Commissioner to come in.

Mr. Seamus McCarthy: It is the Data Protection Commission.

Chairman: Their new name for their financial statements for the second half of last year was that. The accounts of the Office of the Data Protection Commissioner have ceased. It does not exist. The Data Protection Commission now exists.

Mr. Seamus McCarthy: Exactly. There is only one member of the commission but there is provision for further members.

Chairman: Okay. The commission is here next week. We will also have a representative from the Department of Justice and Equality. Will that be the Accounting Officer? We are not sure. For the record, we had this prearranged before the summer. The public services card issue has emerged since and it will definitely be a point of discussion. People will wonder why we are doing it. Because the Data Protection Commission in Ireland has responsibility for EU-wide data protection in respect of Facebook, Google, Twitter and a lot these companies, I felt there was a very strong onus on our office. I want to ensure that it is adequately resourced, given the number of challenges it could face at European level. If there are challenges in other countries, I want to know because it is the lead data protection commission. I want this matter fleshed out in case there is a risk to Ireland. The other issue has emerged in the meantime. They will both be discussed next week.

Deputy David Cullinane: The Data Protection Commission, DPC, was due to appear before the committee routinely anyway. The public services card issue has since emerged, with a report on it published the day before yesterday. The issue has been in the public domain in recent months. Will the Chairman clarify what we can deal with at next week's meeting with the DPC? A section in the report refers to a chapter in a special report that the Comptroller and Auditor General published in 2015. The previous Committee of Public Accounts dealt with this matter. The chapter considered a number of matters, including whether there were proper business cases underpinning the model and the number of cards to be issued. The procurement contract was based on a target of 3 million cards, which has not been reached. What was most extraordinary from the report was the interaction between the Department and the commission. The pushback from the Department was extraordinary. I have never seen anything like it. The DPC is an independent statutory body and the thought struck me that, if that is how the Department treats it, how does the Department treat everyone else? Issues regarding how the Department treated journalists who made freedom of information requests also surfaced. There is a large amount to look at in terms of the process and value for money elements of the public services card. Our questions are more for the Department than for the DPC. Is it just the DPC that will be appearing before us?

Chairman: Both will be here. Ms Dixon will be present.

Deputy David Cullinane: When the Comptroller and Auditor General prepares a special report, he must provide a draft of it - perhaps he does not have to, actually - to the agency or Department under review. There was an extraordinary, almost unprecedented, pushback from the Department against even engaging. It sent 400 scanned pages with no numbers as its response.

This is incredible stuff. The Department will appear before us next week and there will be an expectation that we will deal with this issue. Can we raise the issue of the report? What can we ask? Will these matters be clarified before Ms Dixon attends next week?

Chairman: They will. The secretariat is working on a note. We will get it to members.

Deputy David Cullinane: We need to speak to the Department, albeit not on the same day, as we cannot pitch one against the other. That would not be fair. We should ask the Department to appear before us, though.

Chairman: We will tease this out now. My understanding is that Ms Dixon is not the Accounting Officer but that someone in the Department is. Who is the Accounting Officer?

Deputy Bobby Aylward: My understanding is that this matter has gone the legal route.

Chairman: Not yet.

Deputy Bobby Aylward: But it will.

Deputy Alan Farrell: The DPC has not issued an enforcement notice. This matter cannot go the legal route without that having been sent.

Chairman: Who is the Accounting Officer?

Mr. Seamus McCarthy: Ms Dixon will be answering questions in respect of the financial statements, but I am unsure as to whether the dispute between her office and the Department of Employment Affairs and Social Protection is an issue for the committee.

Chairman: The Department of Justice and Equality is the DPC's parent Department, not the Department of Employment Affairs and Social Protection. Am I not correct?

Mr. Seamus McCarthy: That is correct.

Chairman: The Department of Justice and Equality will be before us tomorrow, not the Department of Employment Affairs and Social Protection.

Mr. Seamus McCarthy: No, next week.

Chairman: The Department of Employment Affairs and Social Protection will not be before us on this matter.

Deputy David Cullinane: I understand that. As the Comptroller and Auditor General has stated, the dispute, if one wants to call it that, is between the Department of Employment Affairs and Social Protection and the DPC. Mr. McCarthy is right concerning the specifics of this case, but issues around the powers, functions and responsibility of the DPC and how it interacts with Departments will arise. Those matters are within our purview. I am not talking about the Department of Justice and Equality or even the DPC. Rather, there are questions around value for money and process dating back to the Comptroller and Auditor General's 2015 chapter, which our committee has not picked up on since. A report now cites that chapter and states that there are still problems and that a contractor may have been given money for cards that were never produced. We need to pick up on these issues as well as the interaction between the Department of Employment Affairs and Social Protection and the DPC. Perhaps we can deal with the purview, roles and responsibilities of the DPC, but it is the Department with which we need to have a proper discussion.

Chairman: The Department of Employment Affairs and Social Protection.

Deputy David Cullinane: Yes.

Chairman: That is another day's work.

Deputy David Cullinane: That is what I am asking about. Can we schedule that in for as soon as possible so that we might deal with those issues specifically?

Chairman: We have already contacted the Department of Employment Affairs and Social Protection about appearing before us as early as possible after the Comptroller and Auditor General issues his annual report. It is a large Department, but obviously the issue in question will arise. The budget is in the middle of October, which will be the Department's busiest couple of weeks of the year in terms of social protection issues. It will appear before us as soon as is practicable after the budget. We have been in contact and now have a date for that meeting, namely, 7 November. That is just seven weeks away.

Deputy Catherine Murphy: If we are to deal with the public services card issue at that meeting, the issue of not having a business case is critical, not just in respect of that spend but other large spends as well. It is a process issue. The Department of Employment Affairs and Social Protection is not the only Department involved. It rolled the card out, but my understanding is that the Department of Public Expenditure and Reform is the main Department as the sponsoring Department. Why did it not look for a business case? Let us use this issue as an example, as there could be other incremental, longer-term initiatives affected. If a Department invests in IT, for example, it is often the case that, although an argument is made for a modest investment, it ultimately grows. That incremental approach could be costly, and this case is a very good example of that.

Chairman: We touched on the public services card in our last or second last periodic report, mainly concerning the number of cards being issued and the increase in costs. We did not get into broad policy issues. The Department of Justice and Equality and the DPC will be before us next week. We will send out a note. We have written to the Department of Public Expenditure and Reform already. Actually, no. We are suggesting that we write to it to establish a full list of all public bodies that are considering using, or have made the decision to use, the public services card to date and whether the use of the card may be impacted by the DPC's report. We will do that straight away. I believe that the Minister for Public Expenditure and Reform might be appearing before the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach to discuss this topic today. Actually, that committee will be scheduling a meeting with him about the state of his knowledge of the issue. A couple of committees will be dealing with this matter. We will deal with the DPC and the Department of Justice and Equality next week. We will not have the Department of Employment Affairs and Social Protection before us until six weeks after that. We understand why. In the meantime, we will write to the Department of Public Expenditure and Reform and send a briefing note to members. If necessary, we can have another discussion before we start our next meeting. We will move on, as it is approaching 11 a.m.

On 3 October of the following week, we will meet An Bord Pleanála. On 10 October, we will meet the National Transport Authority. We have a gap to fill on 17 October because of the availability of witnesses. We had a few in mind.

Deputy Catherine Connolly: I mentioned Caranua, which I understood was to appear

before us when the accounts were complete.

Chairman: We will put it on the list.

Deputy Catherine Connolly: Where are we with the accounts?

Mr. Seamus McCarthy: I do not know off the top of my head.

Chairman: We will have a note for next week and check out Caranua.

Deputy Catherine Connolly: I am anxious that we follow up on the matter. We agreed.

Chairman: I will finish reading.

Deputy Catherine Murphy: Did we not have the Department of Agriculture, Food and the Marine before us recently?

Chairman: When will it be before us?

Deputy Catherine Murphy: On 4 October.

Chairman: No, on 24 October.

Deputy Catherine Murphy: I believed that it had appeared before us earlier this year. Maybe I was wrong.

Chairman: We met it in the first half of the year.

Deputy Catherine Murphy: Why would we meet it again?

Mr. Seamus McCarthy: There will be a chapter regarding an area of agriculture in the annual report. It relates to forestry.

Deputy Catherine Murphy: Okay.

Chairman: It may be-----

Deputy Alan Kelly: We could take a rain check and tackle the outstanding issues later.

Chairman: We will keep the meeting there for the moment. We have been in contact with the Department about being available, subject to change.

Deputy Peter Burke: A matter relating to Sport Ireland has been brought to my attention. Do we have jurisdiction over that body?

Mr. Seamus McCarthy: The financial statements come to the committee.

Deputy Peter Burke: Concerns have been raised by athletes and those who have the capacity to represent Ireland in boxing at the Olympics about the support they get from Sport Ireland. Mr. Andrew Duncan, who is heavily involved in boxing has brought to my attention his concerns about the cost of administration and the absorption of increased costs in that area, rather than the funding going to our athletes.

As this matter was brought to my attention, I request that it be included in the work programme.

Chairman: We have not had a report. I think we will invite them to come before us as early as practicable.

Deputy Peter Burke: I appreciate that Chairman.

Deputy Catherine Murphy: They are coming before the Committee on Transport, Tourism and Sport in the next few weeks.

Chairman: We will make sure that we will not deal with them in the same week.

Deputy Alan Kelly: Is the Irish National Accreditation Board, INAB, audited by the Comptroller and Auditor General?

Mr. Seamus McCarthy: I do not think so.

Chairman: I suspect it is an industry body.

Mr. Seamus McCarthy: Is it accredited to the National Standards Authority of Ireland, NSAI,

Deputy Alan Kelly: They come under NSAI but they are a separate entity. INAB reports to the Department of Business, Enterprise and Innovation.

Mr. Seamus McCarthy: NSAI is within our remit. I will check it out and will come back to the Deputy today.

Deputy Alan Kelly: INAB has come to our attention, because of issues in Dr. Gabriel Scally's report.

Chairman: The accreditation issue. As I have already mentioned the Department of Employment Affairs and Social Protection will come before us after the Budget Statement as they will need a bit of time around the budget. They will appear on 7 November 2019.

That is the provisional work programme. When the Comptroller and Auditor General issues his annual report at the end of the month, we will see the chapters he has highlighted and that will help us prioritise which areas we want to discuss. We needed to have a few meetings set up for the intervening time.

I propose that we suspend the sitting for 15 minutes and that members resume their seats at 11.20 a.m.

Sitting suspended at 11.05 a.m. and resumed at 11. 20 a.m.

Bord na gCon Financial Statement 2017

Mr. Gerard Dollard (*Chief Executive Officer, Bord na gCon*) and **Dr. Kevin Smyth** (*Assistant Secretary, Department of Agriculture, Food and the Marine*) called and examined.

Chairman: This morning we are meeting Bord na gCon about its financial statement for 2017. We are joined by the following from Bord na gCon: Mr. Gerard Dollard, chief executive officer; Mr. Philip Peake, deputy chief executive; Mr. John Tuohey, interim chief financial officer; and Mr. Joe Lewins, director of tote. From the Department of Agriculture, Food and the

Marine we have: Dr. Kevin Smyth, assistant secretary; and Ms Rebecca Chapman, principal officer.

Dr. Kevin Smyth: She is not here as she is sick.

Chairman: Ms Chapman is not here. I remind members and witnesses, and everybody in the Public Gallery to turn off their mobile phones. That means putting them onto airplane mode. Putting them on silent will still interfere with the recording system.

I wish to advise the witnesses that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to this committee. If they are directed by the committee to cease giving evidence in relation to a particular matter and they continue to so do, they are entitled thereafter only to a qualified privilege in respect of their evidence. Witnesses are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise nor make charges against any person, persons or entity, by name or in such a way as to make him, her or it identifiable.

Members are reminded of the provisions of Standing Order 186 that the committee shall refrain from inquiring into the merits of a policy or policies of the Government or a Minister of the Government or the merits of the objectives of such policies. While we expect witnesses to answer questions asked by the committee clearly and with candour, witnesses can and should expect to be treated fairly and with respect and consideration at all times, in accordance with the witness protocol. I ask Mr. McCarthy, Comptroller and Auditor General, to make his opening statement.

Mr. Seamus McCarthy: Thank you, Chairman. As members are aware, Bord na gCon, which was established under the Greyhound Industry Act 1958, has responsibility for the control, regulation and development of the greyhound industry in Ireland. It operates racing activities through its subsidiary company network and licences greyhound racing at other privately owned tracks. It also operates catering and beverage services at its tracks. I have included a graphic in the opening comments to illustrate the group structure as at the end of 2017.

The financial statements of Bord na gCon are prepared on a group basis, with separate financial statements for each of the subsidiaries. In 2017, the board recognised a surplus of €417,000 from the group's overall activities. The comparable figure for 2016 was a surplus of €2.35 million. This was before recognition of a €4 million exceptional gain in 2016 arising from a restructuring of Bord na gCon's pension scheme.

Turnover from racing activities for 2017 was €22.7 million, down almost 20% from the €28.3 million recorded in 2016. The decrease reflected significant falls in track attendance receipts, in catering sales, and in tote betting. Racing expenses also fell year on year by around 13%. The net result was a loss on racing activities of €545,000. This was before payment of prizes and incentives totalling just over €8 million, about the same level as in 2016.

Non-racing income was up by around €1 million to €17.8 million in 2017. This included funding paid from the horse and greyhound fund of €16 million, which was up €1.2 million year on year. Other funding comprised contributions to prize money of €1.75 million from dog owners and sponsors, and around €81,000 generated from media and other income.

The financial statements for 2017 show the board was carrying borrowings of almost €22 million at the end of the year, with related bank charges over the assets of a number of the

subsidiary companies. As members are aware, the board entered into an agreement with the Department of Education and Skills during 2017 to sell its facilities at Harold's Cross at a contracted sale price of €23 million. The sale concluded in May 2018 and a substantial part of the sale proceeds were used to repay the board's bank loans. I issued a clear audit opinion on the 2017 financial statements.

Bord na gCon's financial statements for 2018 were certified by me on 4 September 2019. Audit certification of those financial statements took longer than planned because of the need to ensure that the results of the board's annual asset impairment review were accounted for appropriately. Since the 2018 financial statements have not yet been presented to the Houses of the Oireachtas, it would not be appropriate for me to comment further in that regard.

Chairman: I thank the Comptroller and Auditor General and will remark on the last matter. Technically, we are dealing with the 2017 accounts, which are quite a bit out of date at this stage and given the major transactions happened in 2018. The Comptroller and Auditor General has confirmed that the accounts have been audited and certified. They have recently been presented to the Minister's office but they require approval by Government before they can be published and laid. The witnesses have an advantage on us. They have their audited accounts for 2018 but we have not seen them. However, I do want to acknowledge that significant information about 2018 has been supplied and made available to us, either by the Department or Bord na gCon - we have received it anyway - to make sure that our discussion here today is more up to date than just purely historical. I want to acknowledge the extra information that we have received in advance of this meeting, which we appreciate.

I invite Mr. Dollard to make his opening statement.

Mr. Gerard Dollard: I am thankful to have the opportunity to appear before the Chairman and other members on behalf of Bord na gCon, the Irish Greyhound Board. I am the chief executive of the board. I am accompanied by Mr. Philip Peake, deputy chief executive and director for events and hospitality services and HR; Mr. John Tuohey, interim chief financial officer; and Mr. Joe Lewins, director of tote, wagering and IT.

As set out in the invitation to attend, the accounts for examination before the committee are the financial statements for Bord na gCon for 2017. However, for completeness of information, since the invitation was issued to attend the committee, the audit of the 2018 financial statements has been completed and they will be published shortly, following the placing of the accounts before the Houses of the Oireachtas. I will make a brief reference to the 2018 accounts before I conclude. The year 2017 was a challenging one for the greyhound industry due to a 22-week disruption at our main flagship stadium, Shelbourne Park, during which 123 race meetings were lost. The operating profit before interest, depreciation and taxation, EBITDA, for the year was €1.67 million, as compared to €3.2 million for 2016.

The disruption to racing impacted on performance across a number of areas, including the tote, food and beverages and attendance income. Overall attendances for all stadiums reduced by 122,000 in the year. A full racing schedule at Shelbourne Park recommenced on 27 June 2017, with recovery for the remainder of the year at a fragmented level. Total food and beverage sales at stadiums operated by our events and hospitality services division were €5.6 million in 2017. This generated a gross profit of €3.7 million. Tote turnover for the year was €15.9 million, with €2.08 million being received in international co-mingling income. The sale of media rights for race meetings generated €800,000 in the year. Total prize money for the year, notwithstanding the reduction in the number of race meetings, was €8 million. The board

implemented a 25% increase in prize money race grants, with effect from 1 October 2017.

Progress was also made in reducing the deficit on the defined benefit pension scheme, with a total €1.5 million deduction or reduction in liability being achieved in the year. The sale of Harold's Cross stadium which was concluded in May 2018 has enabled the board to discharge its long-term debt and provide funding for necessary investment in stadiums and infrastructure. Surplus funds of €5.8 million have been earmarked for a range of areas in the Harold's Cross business plan for sale proceeds. Works undertaken to date include track improvements and drainage works at Shelbourne Park; the rolling out of replacement hare drive and timing systems to all tracks; a new central racing management system; the upgrading of CCTV infrastructure at stadiums; fire safety improvement works at selected tracks; the upgrading of veterinary facilities at a number of stadiums; and a grants scheme for private tracks for welfare and health and safety improvements.

A report on the financial and economic significance of the greyhound industry by Jim Power Economics was completed in November 2017. This report which was an update on a similar report prepared in 2011 estimated that 12,371 people derived economic benefit from the industry and that the overall industry had a national economic impact, estimated at €302 million. The report also highlights the considerable economic activity and employment in rural Ireland, while at the same time the industry enjoys a strong urban support base.

Much work was undertaken in the latter part of 2017 on the development of a strategic plan for the period 2018 to 2022. The plan sets out a number of key pillars, including ensuring the highest standards of integrity and regulation in the sport and maintaining animal welfare at the centre of the industry. The matters of regulation and animal welfare have been under discussion by the Oireachtas Joint Committee on Agriculture, Food and the Marine and further discussion with that committee is anticipated in the coming weeks.

One of the objectives of the strategic plan for Bord na gCon is to undertake an assessment of the overall industry footprint. Indecon Economic Consultants has been appointed to undertake this work and its report is expected in the final quarter of 2019. The greyhound industry and Bord na gCon continue to operate within a very challenging environment. Our focus will be on continuing to implement our strategic plan towards achieving a rejuvenated greyhound industry and a sport that will continue to be celebrated as a unique part of Irish culture and heritage.

The Greyhound Racing Act 2019 was signed into law on 29 May last and provides Bord na gCon and the greyhound industry with an opportunity to look to the future on the foundations of a strengthened and robust modern legislative framework. We look forward to the commencement of the legislation in due course.

I mentioned that the financial statements for 2018 had been finalised. I draw attention to a re-valuation process and impairment analysis which form part of the 2018 financial statements. This has resulted in a reduction in the figure for fixed assets from €51.5 million to €29.4 million. This process was undertaken in accordance with Bord na gCon's accounting policies and has no impact on cash flow or the operational side of the business.

Again, I am thankful to have the opportunity to come before the committee. We will endeavour to respond to all questions asked. However, if there is additional information required arising from the meeting, we will be pleased to provide it as promptly as we can.

Chairman: I thank Mr. Dollard. The lead speaker is Deputy Farrell who has 20 minutes.

The second speaker shall be Deputy Cassells who will have 15 minutes. The other speakers will have ten minutes each. They have indicated their wish to contribute in the following sequence: Deputy Kelly, Deputy Cullinane, Deputy Connolly, Deputy Catherine Murphy, Deputy Munster and Deputy Burke.

Deputy Alan Farrell: I welcome the members of Bord na gCon and thank them for appearing. I also thank them for waiting when we deferred their appearance until approximately 11 a.m. Owing to the recess, we had a lot of correspondence to deal with.

As I only have 20 minutes, I would appreciate brief responses. I will try to ask brief questions in so far as I can. I will start with the corporate structure. I understand there are nine separate corporate entities within the group.

Mr. Gerard Dollard: There are more. There are ten or 11 when all of our limited companies are taken into account.

Deputy Alan Farrell: I thank Mr. Dollard. Does the board hold valid and current tax clearance certificates for all of those organisations?

Mr. Gerard Dollard: Yes.

Deputy Alan Farrell: I note that in the accounts filed, animal welfare costs account for €364,000, or approximately 2.3% of the board's expenditure. Given the information in possession of the committee and general public on animal welfare, does Mr. Dollard accept that a figure of 2.3% of overall revenue is deficient, given the board's statutory responsibility with regard to animal welfare regulatory controls, doping assessments, etc? Will Mr. Dollard outline the current plans, for 2019 and later, to increase that percentage to ensure compliance with the law?

Mr. Gerard Dollard: Animal welfare is a priority action for the board. It is one of the key pillars of our strategic plan. The figure to which the Deputy referred, €364,000, is described in the accounts as contributions to greyhound welfare and the Irish Retired Greyhound Trust, IRGT. It does not in any way capture our expenditure on greyhound welfare. In addition to that figure, we spend €280,000 on veterinary services at our tracks. We spend a further €70,000 in supporting veterinary services at private stadiums.

The Deputy mentioned doping. The regulatory framework and the laboratory are not included in that figure.

Deputy Alan Farrell: What is the total figure?

Mr. Gerard Dollard: Overall, between regulation and welfare, we spent just over €2 million. One can argue about taking the laboratory or certain elements of regulation out of that figure, but when one looks at it in total, one notes that we are spending at least €1.5 million on greyhound welfare.

Deputy Alan Farrell: Are there inspectors going around in addition to the chief veterinarian?

Mr. Gerard Dollard: Last year we carried out 491 welfare inspections.

Deputy Alan Farrell: Were they announced or unannounced?

Mr. Gerard Dollard: Many of them would have been on foot of complaints. Most of them

would have been unannounced. This year we have trained our control stewards who are taking on inspection roles from early September. Therefore, there is a team of people active in the area of grehound welfare.

Deputy Alan Farrell: Mr. Dollard mentioned inspections on foot of complaints. How many complaints were received year on year from 2016?

Mr. Gerard Dollard: As an example, I will refer to the confidential telephone line we set up early in July. In the first few months we received 68 complaints, of which 30 were welfare related, while some would have been duplicate complaints. Twenty-one welfare cases arise and they are being worked through. Some of the other issues come to us indirectly from our own investigations and assessments.

Deputy Alan Farrell: How many fines have been issued or proceedings taken on foot of the 68 complaints received and the 21 welfare cases?

Mr. Gerard Dollard: Generally, in relation to proceedings, it comes down to who has statutory responsibility. In many cases, it falls to the Department of Agriculture, Food and the Marine because it has responsibility for seizing animal remedies and such issues. We are working with the Department with regard to authorising our officers. Two have been authorised and we would like to see more being authorised. The total proceedings last year amounted to four prosecutions, but that does not take into account prosecutions-----

Deputy Alan Farrell: I am sorry, I did not catch that.

Mr. Gerard Dollard: Last year proceedings amounted to four prosecutions, but that does not take into account proceedings taken by the Department to which we were a party, or by An Garda Síochána, which also takes proceedings in the area of welfare.

Deputy Alan Farrell: Will Mr. Dollard provide the committee with figures for 2017 and 2016? He can come back with that information if he wishes.

Mr. Gerard Dollard: I will come back to the Deputy with that. The Deputy is seeking information on prosecutions, is that correct?

Deputy Alan Farrell: Yes. If Mr. Dollard could provide that during this session it would be appreciated. One would assume Bord na gCon routinely inspects kennels and breeders. How many inspections could a breeder or kennel expect in any given year?

Mr. Gerard Dollard: Of the 491 inspections carried out last year, approximately 420 related to kennels. I cannot tell the Deputy whether there were multiple inspections of the same kennel or whether each inspection involved an individual kennel, but I can certainly get that information.

Deputy Alan Farrell: That is fair enough.

Mr. Gerard Dollard: I do not have the head of regulation or the veterinary director with me because many of these welfare issues and regulations were being dealt with through the Joint Committee on Agriculture, Food and the Marine. I can come back with the information but I apologise for their absence.

Deputy Alan Farrell: That is okay. This issue relates to the expenditure of public moneys so they should be here, but I accept Mr. Dollard's rationale for why they are not. What is the

optimal number of greyhounds to breed annually? I have read various charges that in excess of 1,000% more than are required are bred. Given the number of pups or animals that are put down each year because they are not quick enough, I suspect that the figure of 1,000% is a little bit high. Perhaps Mr. Dollard will give us a figure. What is the optimal number?

Mr. Gerard Dollard: That figure of 1,000% comes from a report which made the media earlier this year. Anyone reading the report correctly would see that it says that, if we were breeding greyhounds for racing only, we would be breeding 1,000% too many. Greyhounds are, however, also being bred for export to the UK, to which we export 6,500 greyhounds a year; for coursing and for other purposes. The figure of 1,000% is therefore misleading. With regard to greyhound racing, our dog pools fluctuate. The current dog pool for greyhound racing comprises approximately 3,600 animals, which are used to fulfil our schedules.

Deputy Alan Farrell: As someone who knows very little about greyhound racing, how many pups need to be bred to get a successful racing dog? What is the success rate?

Mr. Gerard Dollard: To be honest, I do not believe there is one.

Deputy Alan Farrell: Is it pot luck?

Mr. Gerard Dollard: We operate a grading scale for racing dogs which ranges from AA0 to A10. Our grading scale caters for the super-dog, the middle-range dog, and the slower dog.

Deputy Alan Farrell: I believe the report put the number of animals that are put down annually at just under 6,000. We are producing 13,000, are exporting 6,000 and we are putting down 6,000. Approximately 1,000 dogs can be considered to have been bred successfully. Is that an accurate assessment?

Mr. Gerard Dollard: I do not think that is an accurate assessment. The figure of 6,000 dogs comes from the report to which we have referred. This report assumes that if 6,000 dogs are unaccounted for, those 6,000 dogs have been put down. We disagree with that report.

Deputy Alan Farrell: Will Mr. Dollard enlighten me? I am reading a report that says that 6,000 dogs are being put down and Mr. Dollard has just told the committee that 6,000 are being exported. The remaining figure is, therefore, 1,000. Will Mr. Dollard enlighten me?

Mr. Gerard Dollard: The key issue in all of this is the lack of a traceability system. All of the information on which we are operating comprises estimates and guesstimates. Until we have a traceability system we will not have empirical evidence or data to show exactly what is happening. The assessment carried out, and different assessments that have been carried out by various parties in respect of dogs that are unaccounted for, are based on an unsound database.

Deputy Alan Farrell: As chief executive of Bord na gCon, what is Mr. Dollard's assessment?

Mr. Gerard Dollard: I do not have an assessment. Until I have an accurate database, I will not put my hand up and say what, on the basis of valid data, the figure is. Without that, I would just be picking figures.

Deputy Alan Farrell: Does Mr. Dollard accept the figure of 13,000 greyhound puppies being born?

Mr. Gerard Dollard: That is valid. One has to register with the Irish stud book or the Irish

Coursing Club, so we have that figure. We do not know the number of greyhounds exported or the number that die because the notification processes are poor. We also do not know how many greyhounds are retired. In the absence of reliable data, many such greyhounds are featuring in the figure for unaccounted dogs.

Deputy Alan Farrell: How quickly does Mr. Dollard expect to have an accurate system for recording those various categories?

Mr. Gerard Dollard: The board has been pushing for such a system for a number of years. It is now included in the Greyhound Racing Act 2019. We have had discussions with the Irish Coursing Club and the Greyhound Board of Great Britain. We have also taken some advice from Greyhound Racing Victoria. We expect the project of establishing a traceability system for racing greyhounds to go out to tender by the end of October. We foresee that system as being online and what one would expect from a modern system, that is, that it will feature up-to-date, real-time data.

Deputy Alan Farrell: Will that be funded internally?

Mr. Gerard Dollard: Yes.

Deputy Alan Farrell: As Bord na gCon was before the Joint Committee on Agriculture, Food and the Marine before the recess, it will have addressed the issues highlighted in the RTÉ “Prime Time” programme. One of the key questions from the perspective of the Committee of Public Accounts is value for money. One key criterion for any State agency or semi-State body is its viability. From my reading of Bord na gCon’s financial accounts, Mr. Dollard would accept that the viability of this industry is in question. Perhaps he would accept the perception. I am sure he would also accept that attendances and turnover are dwindling. This was, of course, not helped by the closure of Shelbourne Park. If that trend were to continue, there would be questions to be asked about the number of stadia in the State, as Mr. Dollard himself has alluded to. Mr. Dollard has indicated that he does not want to comment on a report that was commissioned and which is due to be published this month. I do not believe it is available as of yet. It seeks to establish a strategy to deal with the issue of viability or the perception that the industry is not viable. Does Mr. Dollard accept there will be an issue with viability if the operations of Bord na gCon are not radically restructured? Does he believe the funding of upwards of €16 million given to Bord na gCon annually will need to increase in order to sustain the industry? Does he expect the board to be able to level the playing field financially in the coming years?

Mr. Gerard Dollard: It is fair to say that the financial sustainability of the current structure and model is challenged. There is no doubt about that. The accounts of recent years make that case plainly. That is the whole purpose of the Indecon economic assessment. That was set out in our strategic plan. We have asked Indecon to look at the industry’s footprint, the population catchments of stadia, the dog pools, the conditions, and the standard. Indecon has engaged a team of architects to work on that. We have also asked it to engage in consultation with the industry and it has done a significant amount in that regard. From the perspective of financial sustainability, the existing model is problematic. I expect that Indecon will have some recommendations in that regard. I cannot tell the Deputy what those recommendations will be, but that is what Indecon has been tasked with doing.

Deputy Alan Farrell: Has Mr. Dollard spoken to Indecon as part of preparing the report? Has it interviewed or questioned him?

Mr. Gerard Dollard: We have received updates on the status of the report. We know that it has carried out the extensive consultation process we asked it to. It has architects visiting all of the stadia. We have not got any reports from it at this point. While the report probably will not be finalised in September, I expect that we will see it in October. It has done some international analysis too but I have not received any report at this point.

Deputy Alan Farrell: To clarify, Bord na gCon owns eight stadia and is a 51% shareholder in one. Is that correct?

Mr. Gerard Dollard: Bord na gCon controls and manages nine stadia. We are a 51% shareholder in Mullingar. We have no legal interest in Newbridge. We own or lease the others.

Deputy Alan Farrell: Aside from Shelbourne Park in Dublin, are there any stadia around the country that are holding their own? Are there specific locations holding their own?

Mr. Gerard Dollard: Looking at our own stadia, Shelbourne Park and Cork wash their face. All other stadia lose money. That situation is improving in stadia such as Mullingar, Tralee and others where Sports Information Services, SIS, meetings are contributing to making them more viable. The bottom line is that Shelbourne Park and Cork are the two stadia that are profitable.

Deputy Alan Farrell: With regard to the public relations side of the exposé on television, has Bord na gCon recorded a reduction in attendances?

Mr. Gerard Dollard: The first six months of this year were very positive with regard to performance. Shelbourne alone had an increase in attendance of more than 7,000. We were well ahead of our budgets. We saw a significant reduction in attendance in July and August. We withdrew our marketing campaign for a short period in that time. We have recommenced marketing since September with a focus on our Christmas programme. We expect to make some headway in restoring the ground lost in July and August, when attendances were down by approximately 20%.

Deputy Alan Farrell: I am aware of at least three sponsors who withdrew from their sponsorship of Mr. Dollard's organisation. Has Bord na gCon replaced them?

Mr. Gerard Dollard: Three sponsors have withdrawn and they have publicly stated that the level of funding lost was relatively small. We have had new sponsors. A good example would be an initiative in Cork, where there was a crowdfunding arrangement that raised €85,000 to, in effect, sponsor the Laurels competition, which is the main competition in Cork. There have been pluses and minuses.

Deputy Alan Farrell: Some €85,000 from crowdfunding is significant. Has Bord na gCon replaced 100% of the funding which it lost through the withdrawal of those sponsors?

Mr. Gerard Dollard: The withdrawal of the three sponsors which I think the Deputy is referring to comes to less than €10,000.

Deputy Alan Farrell: So the answer is "Yes" and it is sevenfold from the crowdfunding alone, although I do not know the figures for the other sponsors.

Looking at staffing, in the accounts that we are assessing, the staffing level went down by 17 but the salary level went up. Could Mr. Dollard explain that? Were people made redundant?

Mr. Gerard Dollard: Our payroll costs went down in 2017 and again in 2018. Page 42 of the accounts from 2016 states that short-term employee benefits were €9.1 million, €8.4 million in 2017 and €8.392 in 2018.

Deputy Alan Farrell: I am sorry; my mistake. I have used the board salaries and expenses figure instead of total staff. Mr. Dollard mentioned that the profit of Shelbourne Park was reduced by approximately 50% due to its closure for 22 weeks, from €3.2 million to €1.6 million. He also highlighted the fact that attendances are down, although there was a very good start to the year. What is Mr. Dollard's assessment, now that Shelbourne Park has reopened albeit with dwindling numbers in attendance? When we are sitting here again in 18 months' time to look at the 2019 accounts, I want to know that we will not be talking about a catastrophic financial year with further requests for State funding being made to the Department of Agriculture, Food and the Marine. That goes to my earlier question about viability and my unanswered question about whether Bord na gCon will require further funding from the Exchequer.

Mr. Gerard Dollard: After the closure of Shelbourne Park, as I said in my opening statement, recovery was fragmented. It was slow during 2018. It has picked up significantly in the first six months of 2019. I am not sure what the future holds but from a business development point of view, we will push and promote as hard as we can to get those numbers back up. I am sure Shelbourne Park will be packed on Saturday night for the Derby final. There is an interest in greyhound racing as a night-time activity or a going-out experience. Our funding from the State in 2019 was €16.8 million. We are all conscious of the wider budgetary implications and the likelihood that there will not be an increase in that funding. We do not know if there will be a decrease in that funding but, certainly, the demands that will be placed on the Irish Greyhound Board in its change and reform agenda and rolling out traceability will come down to budget choices. Like any budget choices, it will have to be made based on the resources available. We have an ambitious plan.

Deputy Alan Farrell: In light of the exposé on television, Mr. Dollard mentioned a figure of €1.6 million or €1.5 million for animal welfare costs. Is he proposing to increase that?

Mr. Gerard Dollard: Absolutely.

Deputy Alan Farrell: By how much?

Mr. Gerard Dollard: In our budget for 2019, the figure the Deputy referred to earlier of €364,000 will be at more than €600,000. I can go through a range of initiatives for the benefit of the committee if it so wishes. The welfare and rehoming side of the operation will see significant cost increases.

Deputy Alan Farrell: I ask Mr. Dollard if in the coming days he could provide the committee, through the secretariat, with detail of the number of inspections carried out year by year since 2012. How many staff have been allocated to the inspection of facilities? What is the approximate amount spent by Mr. Dollard's organisation per annum on such animal welfare inspections? I would appreciate that very much.

There was a significant and quite extraordinary reduction in Bord na gCon's fixed assets from €51.5 million to €29.4 million in the accounts. Will Mr. Dollard please explain that?

Mr. Gerard Dollard: This is quite a technical accounting issue. As the Comptroller and Auditor General said in his opening comments, we are obliged to do an annual impairment analysis. The Deputy referred earlier to a number of our subsidiary companies. We are cur-

rently rationalising our subsidiary company structure, eliminating subsidiaries and bringing them all in under one company. To do that, we were required to get updated valuations of individual stadia. For the impairment analysis, we had to compare the carrying value of the asset with the higher of the market value or the value in use. In short, where the market value had dropped significantly, that is what went into the accounts. Where the market value increased, as in Shelbourne Park and in Cork, where there was an increase of €7.7 million, we were not allowed to take that into the accounts. What is presented is the least favourable scenario but under our accounting policies and standards, that is the process we had to go through. As I said earlier, it does not affect cashflow or operations but those are the values of the assets that have to be stated even though they understate Shelbourne Park and Cork.

Deputy Alan Farrell: Will Mr. McCarthy comment on that to provide further clarity to the committee because it is quite technical in nature?

Mr. Seamus McCarthy: It is technical and I do not disagree with anything that has already been said but I do not want to get into the 2018 financial statements and the accounting issues that arise.

Deputy Alan Farrell: I understand. I thank Mr. McCarthy. May I ask a question?

Chairman: A final question.

Deputy Alan Farrell: I appreciate the Chair's forbearance. Has Bord na gCon retained the services of a PR firm in the past or at present?

Mr. Gerard Dollard: At present we have a PR firm on board on a short-term basis, given the issues that arose during the year. The members will note from our 2018 accounts, and I think it is in the summary note, that our spend on consultants has reduced very significantly.

Deputy Alan Farrell: I have not seen the 2018 accounts.

Mr. Gerard Dollard: We circulated a briefing note to the committee and I think it was included in that.

Chairman: The briefing notes were sent to members.

Deputy Alan Farrell: I know we did get them.

Mr. Gerard Dollard: We recruited our own communications officer who handles internal and external PR and for that reason we did not need to engage a PR consultant in 2018. There is a need currently on a short-term basis for PR support.

Deputy Alan Farrell: I thank Mr. Dollard.

Chairman: Deputy Shane Cassells has 15 minutes.

Deputy Shane Cassells: I welcome Mr. Dollard and his team. As Mr. Dollard stated we are here to discuss the financial accounts and the financial position of Bord na gCon, in particular the viability of the financial future of Bord na gCon.

In the board members' report, the section on principal commercial activity sets out the main funding for Bord na gCon and how it is sourced from five different categories: admission fees; bar and restaurant sales; the tote; levy on the bookies; and Exchequer funding. I find it strange that €16.8 million from the Exchequer is mentioned last, given that it dwarfs most of the other

sources of funding. Bord na gCon gets Exchequer funding of €16.8 million, which breaks down to €323,000 per week, or €46,000 a day. The funding has increased by €2 million since 2016, or an additional €39,000 a week. I know that the funding of the dogs sticks in the craw of many people, given the poor unfortunates in my constituency who have been told there is no money for home help for their loved ones, or who have been told by the Minister of State, Deputy Finian McGrath that there is no money for the respite centre in Athboy. This set of accounts for the Irish Greyhound Board records an increase of €2 million for greyhounds and the funding from the State is only referenced last in the annual report.

Let us look at the income and expenditure because it is quite evident that without the Exchequer funding of €16.8 million, greyhound racing operations would not be viable. To answer Deputy Farrell's question, they would be goosed. It begs the larger question of such massive State subvention in the first place.

I will now concentrate on the income of IGB. I was a sports journalist for 15 years. For most sporting organisations, the people coming through the turnstiles are the segment that generate the largest part of the income and they are a good barometer of public sentiment for the organisation. Let us look at the attendance figures, the ordinary Irish people coming through the 17 tracks in various parts of the country. In 2016, some 636,914 people came through the turnstiles; in 2017, and I acknowledge there were difficulties that year, the figure dropped to 514,500 people; and last year, 2018, it dropped to 506,000, even though the number of race meetings actually held increased from the number held in 2017. The number of people coming through the turnstiles has dropped by 130,000 in the past three years. That is a substantial drop in attendance.

Mr. Dollard is the new chief executive and he is trying to reform the organisation. I am sure he will admit that the drop in attendance is quite substantial. Average attendance at the track would be 319 people per meeting in 2018. There would be more people at a cricket match in Malahide and the Irish Cricket Union does not get the colour of €16.8 million. Contrast those 319 people with the 321 people in my constituency waiting on home help in County Meath. It is galling. The industry has some neck to be in receipt of €16.8 million in State support with such low public support. If the industry continues to haemorrhage public support, which is evident from the drop of 130,000 people attending the tracks in three years, does there need to be a reappraisal?

I have three questions. First, does there need to be a reappraisal of the level of Government support, because quite simply the Exchequer cannot be expected to prop up a failing industry if income is falling on one side? Second, has Bord na gCon approached the Department of Agriculture, Food and the Marine with a request for increased State support, either by way of correspondence, formal or informal meetings with the Minister of State, Deputy Andrew Doyle? Given the trends in income that we have seen will there be requests for further support as well? Third, Mr. Dollard alluded to the fact that Shelbourne Park was performing strongly in the first half of the year before the RTÉ expose but how have the other tracks performed in that same six months period? In terms of the 20% drop on average, across attendance numbers, was the spike higher in some tracks than others?

Mr. Gerard Dollard: I thank the Deputy for his questions. Chairman, I will take the issues in the order in which they were raised.

First, it is not just greyhound racing, it is a greyhound industry. I have mentioned the Jim Power economic report, The Economic and Financial Significance of the Irish Greyhound In-

dustry November 2017. It is a significant industry and adds significant value to the economy. Some 12,371 people derive economic benefit. There is a constituency out there for whom this is their job and their life, it is what they depend on. On the other side, income comes to the State through the betting levy, the tax and PRSI of those people who are involved in the industry. There are two sides to the argument.

The Deputy asked whether the Government should reappraise its support. I think that is a policy question for Government. The greyhound racing industry is a legitimate industry and people are entitled to be part of it. They are entitled to enjoy it. On the question of whether there has been a request for increasing State support, Bord na gCon has made no request for increasing State support although as I referred to earlier, we are on a significant change and reform agenda and investment will be required. I would think that any reduction in the current support would cause difficulty in terms of the overall programme for care and welfare in particular.

On the question of whether further support will be required down the line, that brings us back to the Indecon study. The Indecon study will I hope offer a blueprint as to what is a financially sustainable industry footprint into the future. When that report is available, all parties, including the board and Government, will have to consider its recommendations.

On the question of the attendance at other stadia, let us look at the 2018 data. The Bord na gCon stadia showed an increase in attendance, but the major loss in attendance was in the private stadia. I mentioned Shelbourne Park, which had a significant increase in attendance; Curraheen Park had a small increase; Mullingar Greyhound Stadium showed an increase; and, Youghal Greyhound Stadium had a minor increase.

Deputy Shane Cassells: I never questioned the legitimacy of the industry. I am fully aware of how the horse and greyhound racing fund is operated but not every tax raised in this country, be it motor taxation, goes directly back into the sector from which it was pulled.

Will Mr. Dollard take me through the viability of the individual tracks, because the last time Bord na gCon appeared before the committee, the major talking point was the sale of Harold's Cross stadium, which amazingly was sold to the Department of Education and Skills for €23 million, the exact amount of the debt of Bord na gCon? Given that such a sale is not something that can happen every year, the business model is crucial so that such a position is not revisited. We have just discussed the issue of the drop in attendance figures. Notwithstanding the small increase in attendance at the start of this year, there has been a drop in attendance of 130,000 people in three years, which cannot be overlooked.

The accounts show there have been substantial losses at nine tracks. Leaving Shelbourne Park aside, there are substantial losses. Let us forget about the private tracks. First, are the tracks in Bord na gCon's ownership still viable? Second, I refer to the other tracks that it supports financially. In fairness, Mr. Dollard told *The Irish Times* and other media organisations in July that the question of whether 17 tracks in Ireland were too many for the sport had to be looked at. First, are the ones in Bord na gCon's ownership still viable? Second, is the support for the other tracks still a viable proposition? Third, when Mr. Dollard was before the committee last year or whenever it was, there was a debt in excess of €20 million that had been cleared through the sale of Harold's Cross stadium. If we get to a point where that decline in both attendances and commercial revenues continues, how soon before accumulated debt will be a gaping reality for Bord na gCon once again?

Mr. Gerard Dollard: On the business model, the model is changing. I fully accept the drop in attendances but, as an example, we run two early-morning meetings now as part of our new business model. We will never have an attendance of the public at those meetings; it is quite unlikely. They are of financial value to the organisation and to the industry but they are not reflected in attendances. There are some changes in the business model and attendances are not the sole benchmark of the business measurement.

On whether all the tracks we have are viable, if we take the tracks from the point of view of the track performance, the tote and Events & Hospitality Services, EHS, only Cork and Shelbourne Park are viable. All the others are lossmakers. If we add in the income we get from Sports Information Services, SIS, Cork, Shelbourne Park, Tralee and Yougal are viable and Mullingar is making its way into viability. If one takes prize money, which we pay, then no track is viable. That is the short summary.

Deputy Shane Cassells: I go back to the opening point about taking all Bord na gCon's sources of income and the commercial revenue streams, which for many sporting organisations are starting to supersede attendances in one respect. I refer to Mr. Dollard's position in trying to make the sport a viable proposition again and to put it on a sound financial footing, as well as to the loss of commercial revenue streams following the exposé. Mr. Dollard said that for the three companies in question, namely, Barry's Tea, FBD Insurance and Connolly's RED MILLS, the figure was only €10,000. Is that correct?

Mr. Gerard Dollard: I was not including RED MILLS. RED MILLS has indicated in a public statement that it is not sponsoring greyhound racing but it is putting its money into the care and welfare fund.

Deputy Shane Cassells: Barry's Tea and FBD Insurance combined was a loss of €10,000.

Mr. Gerard Dollard: The three that have been in the media are Barry's Tea, FBD Insurance and Treacy's, in Wexford.

Deputy Shane Cassells: In terms of boosting commercial revenues, €10,000 is not a lot of money. There are junior GAA teams with shirt sponsorship of that magnitude. It is a difficult period for Bord na gCon to attract commercial sponsorship and Mr. Dollard has admitted he is having difficult conversations with sponsors. Where is the future in terms of attracting major sponsor titles to Bord na gCon at this time?

Mr. Gerard Dollard: Obviously, it is a challenge. Sponsors will need to be convinced that the care and welfare issues are being addressed. Since August, we have agreed with our sponsors that 50% of all sponsorship will go directly into the care and welfare fund. Sponsors have been very happy in respect of that. We can positively engage with sponsors and convince them that the industry is serious about care and welfare.

On commercial revenue streams, we can go through this in more detail. While our on-track tote performance might be declining, there is significant improvement in our international tote performance and in the sale of media rights to Sports Information Services, SIS.

Deputy Shane Cassells: That is huge but going back to how the public take the sport to its heart, Mr. Dollard mentioned that Bord na gCon's public relations outfit will be starting work in terms of the Christmas market, which is already well under way. How has that been hit in the context of, say, major companies that would book venues like Shelbourne Park for Christmas events and being associated with the industry again? How is that shaping up?

Mr. Gerard Dollard: It is a bit early to say. We launched our Christmas programme in the first week of September, which was the earliest we have launched it. The next month to six weeks will give an indication of the response to that programme. It is a little early to say what the impact might be.

Deputy Shane Cassells: I will conclude on this question. On the performance of the nine tracks, Mr. Dollard said if they are looked at in the whole, the viability is highly questionable. If Mr. Dollard is looking at the projections for one, two, three, four or five years down the line and if the losses that are being incurred are not arrested, what kind of financial position will Bord na gCon be in five years from now? Given the decline in attendances, in commercial revenue streams and the financial non-viability of a large portion of the tracks, where will the accumulated deficit be? Bord na gCon has taken the money from the sale of Harold's Cross to clear the debt. It has used some of it to improve the stadia across the country but if the losses are not arrested, how quickly will the accumulated deficit come back on the books?

Mr. Gerard Dollard: Trying to look into the future, I expect Indecon will give recommendations as to the immediate future and what might need to be done. While we can measure many things on financial viability, we should not forget the social, cultural and heritage aspects of greyhound racing-----

Deputy Shane Cassells: I certainly would not-----

Mr. Gerard Dollard: There is a value attached to-----

Deputy Shane Cassells: -----do that for any sporting organisation but, unfortunately, what we are discussing here today is the subvention of €16.8 million from the Exchequer. That is a viable question to be asked in terms of whether Bord na gCon equates €16.8 million as the requisite sum for the sporting and cultural survival of the greyhound industry. It is a fair question to ask. There cannot be a continuing bailout when in the past two years, we have had to prop up Bord na gCon with an extra €2 million to make sure it survives. There is a major onus on Mr. Dollard as CEO and on the board to make sure the industry starts to wash its face beyond what is happening at the moment.

Mr. Gerard Dollard: That is a very valid question. Indecon will give an assessment of the stadia footprint. We have been managing our costs. I mentioned a reduction in payroll earlier. We will continue to manage our costs. We have to have a continuous eye on viability and must cut our cloth to suit our measure.

Chairman: The next speaker is Deputy Kelly. They are ten-minute slots.

Deputy Alan Kelly: We are at a critical juncture for the industry. As somebody who supports greyhound owners, trainers and those who act in a responsible way, I believe we are at a crossroads for the industry and the future of the industry is at stake. For those who participate in it and those who do everything appropriately and properly and look after the welfare of dogs, I would like this industry to be sustainable.

I have eight questions, which I will line up so the witnesses can prepare to answer them. My first questions are to the Department. My second question relates to the Preferred Results report. My third question relates to organisational issues. My fourth question relates to the sale of Harold's Cross and the consequences of that. My fifth question relates to catering. My sixth will be in respect of turnover versus running cost. My seventh question relates to Indecon and my eighth is on financial matters, and particularly gate receipts.

My first question is to the Department. Does the Department have full confidence in the running of this organisation? The officials might want to take a note of the questions as I would like them to be specific when replying. Second, how often does the Department meet with the board and the chief executive of Bord na gCon? Did they meet this week to prepare for this meeting? Third, when did anybody in the Department, current or past, get a copy of the Preferred Results report? Those are the first three questions.

Dr. Kevin Smyth: To start with the second part of the question, we met the full board of Bord na gCon on Monday of this week. The Minister of State, Deputy Andrew Doyle, was there, as was I. The Secretary General attended for a short period. We discussed a wide range of issues with the board, including Preferred Results, budgetary matters and greyhound welfare.

Deputy Alan Kelly: Was the forthcoming meeting with the Committee of Public Accounts discussed?

Dr. Kevin Smyth: Yes, it was mentioned. In terms of governance, liaison meetings take place twice yearly with Bord na gCon. There have been regular meetings with it recently at board level. There have been five meetings since 20 May. The Minister of State attended two of the meetings, as did the Secretary General. I attended four of them.

Deputy Alan Kelly: What about confidence?

Dr. Kevin Smyth: With regard to the manner in which I have dealt with the board in the past two years, in terms of the reform agenda, as the Deputy correctly pointed out, it is at a critical juncture. Indecon is a vital part of what is going to happen in the future. We have confidence in the board in terms of greyhound welfare being a priority.

Deputy Alan Kelly: When did Dr. Smyth find out about the Preferred Results report?

Dr. Kevin Smyth: It would have been at the end of May.

Deputy Alan Kelly: On 24 May.

Dr. Kevin Smyth: That is correct. It was sent to the Department, but I did not see it until 5 June as I was away on leave.

Deputy Alan Kelly: No problem. Nobody in the Department, past or present, had ever heard of this report.

Dr. Kevin Smyth: That is correct.

Deputy Alan Kelly: Was Dr. Smyth surprised that people did not know about it?

Dr. Kevin Smyth: Bord na gCon had commissioned a number of reports and did not accept this one. It rejected it in late December 2017.

Deputy Alan Kelly: It cost the taxpayer €130,000. Does Dr. Smyth not think that, regardless of whether it was accepted or rejected, it should at least have been communicated to the Department?

Dr. Kevin Smyth: It would have been useful if it had been communicated to the Department, but I respect the right of the board to reject the report.

Deputy Alan Kelly: I do not want to put words in Dr. Smyth's mouth, but he believes it

should have been communicated to the Department.

Dr. Kevin Smyth: Given what was in it, as I said, it would have been useful if the Department had been aware of the report.

Deputy Alan Kelly: Does Dr. Smyth want to qualify the term “useful”?

Dr. Kevin Smyth: The problem is there have been a number of reports in recent years, three of which have pointed to the direction for Bord na gCon. There was an original Indecon report, the Morris report on doping and the Oireachtas report which dealt with the future of Bord na gCon. All of the reports pointed in a particular direction.

Deputy Alan Kelly: Were they all sent to the Department?

Dr. Kevin Smyth: They were.

Deputy Alan Kelly: This one was not.

Dr. Kevin Smyth: It was not. The direction of travel pointed to in all of the reports was the need for a full and comprehensive traceability system. That was the main point.

Deputy Alan Kelly: I understand there were 14 or 15 meetings held between the Department and the board of Bord na gCon between the time it received the report and Dr. Smyth found out about it and that it never once mentioned it. Dr. Smyth has said it should have told him about it. Given the relationship between any Department and any State body which reports to that Department, that is deeply worrying. That is not a question but a statement. It is absolutely shocking. If the fact that the Department was not told about the report does not set off alarm bells in it, there are larger issues within it. Would the Department consider carrying out an audit of receipts to the Irish Greyhound Board from all stadiums and the process by which it is done?

Dr. Kevin Smyth: On what basis does the Deputy want to know?

Deputy Alan Kelly: I am asking Dr. Smyth if he has ever considered it.

Dr. Kevin Smyth: I would need to know the basis on which we would-----

Deputy Alan Kelly: I am asking if Dr. Smyth has ever considered it. I am not asking for a basis-----

Dr. Kevin Smyth: No.

Deputy Alan Kelly: I will move on to Mr. Dollard. There have been many organisational changes, as stated in the annual report. The CEO is the same, but the CFO has changed due to natural turnover. The director of tote and IT is also the same. I understand Mr. Peake has had two promotions and is now deputy chief executive, on which I offer him my congratulations. Is the director of racing governance and compliance still in place?

Mr. Gerard Dollard: The position is still there. Obviously, I cannot go into employee issues.

Deputy Alan Kelly: I am not asking Mr. Dollard to do so. I am asking whether the same person is still working there day to day.

Mr. Gerard Dollard: No, the person is not in the organisation for the moment.

Deputy Alan Kelly: For how long?

Mr. Gerard Dollard: We operate a variety of leave arrangements. The person in question is officially on leave.

Deputy Alan Kelly: I do not want to know the details, but for how long has the person been on leave?

Mr. Gerard Dollard: Since February 2017.

Deputy Alan Kelly: The person who was in the position of director of racing governance and compliance has been on leave for two and a half years.

Mr. Gerard Dollard: The role is not currently occupied.

Deputy Alan Kelly: That is all I wanted to know.

Mr. Gerard Dollard: The function is being fulfilled.

Deputy Alan Kelly: Other roles include those of veterinary directors. Is the director of sales and marketing still in place?

Mr. Gerard Dollard: No, we do not currently have such a director.

Deputy Alan Kelly: The post is vacant.

Mr. Gerard Dollard: I have taken responsibility for sales and marketing.

Deputy Alan Kelly: One post has changed and two are vacant. I refer to the Preferred Results report which was dismissed by the board. Will Mr. Dollard supply the committee as soon as possible with the 30 pages of the report which have not yet been provided? Some 30 pages of the report are missing and have not been made available.

I refer to the commissioning of the report. Was any member of the executive team or the board on any other board with anybody who was an owner of Preferred Results Limited when the contract was commissioned, agreed to or signed off on? If Mr. Dollard is not aware of anything, that is fine. He has great faith in Preferred Results Limited because he gave it a ringing endorsement. I have no issue with the company, yet the report was dismissed out of hand.

Mr. Gerard Dollard: The 30 pages of the report to which Deputy Kelly referred concern the organisational analysis which Preferred Results was commissioned to carry out. They contain a lot of personal information such as the names of employees, their roles and potential changes to roles. It has not been discussed with employees or staff interests. For that reason, we would see it as a confidential report and do not propose to circulate it, as it stands.

On the commissioning of the report-----

Deputy Alan Kelly: The report could be supplied with sensitive information redacted. I presume the 30 pages of the report to which I have referred have been supplied to the Department and that the information does not need to be redacted for it. Have the 30 pages been provided for the Department?

Mr. Gerard Dollard: The full report has been provided for the Department. The redacted

information approach would probably work, but the report would be heavily redacted because it contains a lot of personal information.

On the commissioning of the report, I am not aware of links to any other party. It was commissioned before my time. It went through a full tender process on the e-tenders platform and was assessed in accordance with all of tenders brought before the board.

Deputy Alan Kelly: Okay.

Mr. Gerard Dollard: On the question about Preferred Results and my faith in the company, I fully stand over the letter I mentioned. I have no issue with Preferred Results, but its report was based on less than solid evidence because the evidence base did not exist.

Deputy Alan Kelly: On Mr. Dollard's comments to my esteemed colleague, I think we have all been watching a bit too much proceedings in the UK Parliament. The sale of Harold's Cross stadium in the future-----

Deputy Shane Cassells: I am in the ha'penny place compared to the Deputy.

Deputy Alan Kelly: The Deputy asked a number of questions. I did not intend to raise this issue, but Mr. Dollard said he was not planning an increase in the Irish greyhound racing fund.

Mr. Gerard Dollard: I do not think I said I was planning an increase.

Deputy Alan Kelly: Mr. Dollard was not asking for one.

Mr. Gerard Dollard: We have not asked for one.

Deputy Alan Kelly: Okay, fair enough. I accept that is accurate.

Mr. Gerard Dollard: Our strategic plan is built on an increase in the horse and greyhound fund over the coming years.

Deputy Alan Kelly: I would like to ask the chief executive about that exact point. I knew that. In 2020, it is €18 million. In 2021, it is €19 million. In 2022, it is €20 million. I am putting it out there - I do not even want the chief executive of the organisation to respond - that the Irish Greyhound Board is not asking for a budgetary increase, but as part of its strategic plan it is planning to get such an increase. That is a conflict.

Mr. Gerard Dollard: I am-----

Deputy Alan Kelly: Sorry, I will ask the questions.

Mr. Gerard Dollard: I would welcome an opportunity to answer them.

Deputy Alan Kelly: I have not yet asked a question, so there is no point. For me, it is very strange that the board is not asking for an increase, but it is budgeting for one as part of its strategic plan. There is no question there. I just want to leave that there.

Mr. Gerard Dollard: I ask the Chair to allow me to respond.

Deputy Alan Kelly: No, sorry-----

Chairman: I will give Mr. Dollard a chance to respond in due course.

Deputy Alan Kelly: He will have an opportunity to come back. I have not actually asked a question. I would like to refer to the sale of Harold's Cross racetrack. There were attendances of 1.3 million at the racetrack in 2006. It had revenues of €50 million in that year. The sale of the racetrack was meant to be the saviour of the industry. I will not take up much more time. Mr. Pat Creed said at the time that the sale of the racetrack was "a game-changer". We were told it would create "a sustainable future". In fairness, the chairman, Mr. Meaney, said similar things. He said there were "no plans" to sell off any tracks as a consequence, etc. Now we know about Longford and Lifford, etc. We have had poor marketing and high stadium running costs. We are haemorrhaging money. On that basis, how can the Irish Greyhound Board put forward a sustainable future for this industry? The sale of Harold's Cross racetrack was meant to recalibrate this industry under the stewardship of the Irish Greyhound Board. According to all of our analysis here, that is not happening. I ask Mr. Dollard not to come back to me with references to the Indecon report. We were told that the Indecon report is going to be a blueprint for the future. The Indecon report, as commissioned, is not a blueprint for the future. By the way, I would like to know how much it has cost. The Indecon report relates to the future of stadiums. If the report recommends the closure of stadiums, that will be an indictment of the board, given that the sale of Harold's Cross racetrack was supposed to be the saviour of the industry. Where is the sustainability of this industry under Mr. Dollard's stewardship since the sale of Harold's Cross racetrack, based on what was predicted, on the figures that have been put forward and on where we are now?

Mr. Gerard Dollard: I would like to respond to a number of points. As I said earlier, we have not requested an increase in the horse and greyhound fund. We are all conscious of the national budgetary parameters for 2020. That does not in any way change our strategic plan and the foundations on which it was built. Obviously, we have to operate on the basis of the funding that is available. We certainly would not rule out an increase in future years if economic circumstances at national level are benign.

The Deputy referred to the private racetracks at Lifford and Longford. The relevant authorities at both racetracks decided to cease operations. This was neither requested nor required by the Irish Greyhound Board. I understand it is intended that operations will resume in Longford early next week. They will continue to be fully supported by the Irish Greyhound Board.

Deputy Kelly also mentioned the sustainable future of the industry. The previous Deputy referred to an interview I gave to *The Irish Times*. I think there has to be a rationalised industry. I expect that the footprint will have to change. We await what Indecon will have to say in that regard. Our commercial model is changing with the advent of early-morning meetings and the growth of international Tote wagering. Our commercial model will have to change as well.

Deputy Alan Kelly: Okay. The rationalisation-----

Mr. Gerard Dollard: I am sorry, but there was a final question to which I would like to respond. The Indecon report went through a tender process. The tenderer's sum is €142,500 plus VAT.

Deputy Alan Kelly: I thank Mr. Dollard for that. He has used the word "rationalisation". It seems that the Indecon report has a predetermined outcome. That is the first thing. I repeat that the commissioning of this report, in terms of references to state aid, is not a blueprint for the future. The blueprint for the future is the responsibility of Mr. Dollard and the board. I find it incredible that not one member of the board was available or willing to come to this meeting.

I will move on to the next set of questions on the matter of turnover versus running costs. Most of the actual running costs of the organisation relate to hiring people and all of that. It was 15.6% in 2005, but it was 44.75% in 2017. I reckon it probably reached 50% by 2018. How in the name of God is that sustainable?

Mr. Gerard Dollard: I will respond to the Deputy's comments. He is correct when he says that Indecon has been asked to look at the industry footprint. This means it is focused on stadiums.

Deputy Alan Kelly: I have read the terms of reference.

Mr. Gerard Dollard: Yes.

Deputy Alan Kelly: Let us not try to make it something it is not.

Mr. Gerard Dollard: I am not suggesting it is. Hopefully Indecon will come back with recommendations on what the footprint should be. The Deputy referred to board members. I received an invitation to attend a meeting of the Committee of Public Accounts. As the statutory Accounting Officer, I was happy to accept that invitation. I am not aware that the board members have received any invitation. I know that the chairman has attended other committee meetings. I have no doubt that he would be happy to attend if the committee required him to attend.

Chairman: The chairperson was not specifically invited.

Deputy Alan Kelly: In general, a board member always turns up.

Chairman: Sometimes.

Deputy Alan Kelly: A lot of the time.

Chairman: Yes.

Deputy Alan Kelly: Anyway, it does not matter.

Chairman: Fine. We will come back to that.

Deputy Alan Kelly: I am sure they did not want to be asked.

Mr. Gerard Dollard: I do not have the figures for the running costs in front of me.

Deputy Alan Kelly: I have them. I will give them to Mr. Dollard.

Mr. Gerard Dollard: It is clear that an organisation which is continuing to maintain 16 stadiums as a set of infrastructure at a time of decreasing attendances and income will see a higher percentage of its running costs accounted for by-----

Deputy Alan Kelly: A figure like 44.75% is not sustainable.

Mr. Gerard Dollard: That is why I think a rationalisation is required.

Deputy Alan Kelly: Mr. Dollard keeps using the word "rationalisation". It will strike anyone who is watching these proceedings - trust me when I say that many people are watching - that there is a predetermined outcome to all of this.

I will move on to my last couple of questions. Perhaps Mr. Peake will respond to a question I have about catering. I do not want to mispronounce his name. In 2015, it was decided to take over the catering activity, which was making a profit when it was outsourced. It was brought inhouse. Mr. Peake might tell me the name of the subsidiary, which has been making considerable-----

Mr. Philip Peake: Abargrove Limited.

Deputy Alan Kelly: Okay. It lost €478,000 in 2017 and €332,000 in 2016. The way it is going is obvious. What is going on here? What is going on as regards the scale of losses? If Mr. Peake had his time again, would he have made that decision?

Mr. Gerard Dollard: As the Accounting Officer-----

Deputy Alan Kelly: With all due respect, I have asked Mr. Peake.

Mr. Gerard Dollard: -----maybe I could respond first.

Deputy Alan Kelly: I have asked Mr. Peake. Mr. Dollard can come in after him.

Chairman: Other members of the committee are indicating.

Deputy Alan Kelly: I have one more question after this one.

Mr. Philip Peake: I thank the Deputy for the question. The figures quoted by the Deputy relate to Abargrove Limited, which is responsible for two parts of the operation - the track operations in Newbridge and the food and beverage operations. During the period in question, a loss of €81,000 was made in respect of the track operations in Newbridge. It can be seen from the subsidiary accounts that the catering operations lost €397,000. It is worth noting that profit from catering operations for 2017 was €413,000. An intercompany transaction in the form of concession fees of €810,000 was also paid. The actual profit from catering operations for the 2017 period was €413,000. Subsequently, that figure increased to €545,000 in 2018.

Deputy Alan Kelly: Mr. Peake is basically saying that when the other transfer is taken out, it is making a substantial profit.

Mr. Philip Peake: Correct.

Deputy Alan Kelly: How does that compare with the performance of the catering operation under the old model?

Mr. Philip Peake: The operation as it was-----

Deputy Alan Kelly: If Mr. Peake were to correlate the old model with the new model, with the transfer taken into account, how would the figures look?

Mr. Philip Peake: It is very hard to compare them.

Deputy Alan Kelly: I ask Mr. Peake to conduct an analysis of the figures for the years from 2013 to 2018, based on the correlation we have just spoken about, and to send it to the committee. I would find it very interesting.

Mr. Philip Peake: No problem.

Mr. Gerard Dollard: Could I make a comment on that? As Mr. Peake has outlined, the

intercompany transfers distort the accounts in many ways. The food operation of Abargrove Limited is delivering profits. I would say it is one of the elements of our business that consistently gets high ratings for the standard it provides.

Deputy Alan Kelly: The Irish Greyhound Board might want to make that more transparent.

My final question relates to gate receipts. Perhaps Mr. Lewis or Mr. Dollard would like to answer this. There are no full electronic readings of the gate receipts at the stadiums.

Mr. Gerard Dollard: No-----

Deputy Alan Kelly: That is just an observation. It is not a question. At each racetrack, the figures are entered manually at the point of sale. I presume it goes on up the system to be collated.

Mr. Gerard Dollard: Yes.

Deputy Alan Kelly: Is that 100% secure?

Mr. Gerard Dollard: No.

Deputy Alan Kelly: It is not 100% secure.

Mr. Gerard Dollard: No.

Deputy Alan Kelly: Are there issues?

Mr. Gerard Dollard: Yes. I am happy to answer that question if the Deputy wants to put the full question.

Deputy Alan Kelly: This is important, yes.

Mr. Gerard Dollard: I suppose, like a lot of systems in the Irish Greyhound Board, because of the lack of finance and funding there has been very little investment. We do have attendance data coming from a number of different sources be it the restaurant, be it admissions, be it the trainers and the owners. There is a lot of manual intervention and that obviously gives rise to human error at times.

Deputy Alan Kelly: Is it always human error?

Mr. Gerard Dollard: We would like to significantly improve our systems. We did have the finance department look at the whole attendance regime. We have a standard operating procedure. Our internal auditors, Mazars, also had a look at attendance and there is a report here in connection with that.

Deputy Alan Kelly: I have visited many of the venues. Is the chief executive officer stating here that the situation needs to improve? Is he saying that the process at the point of sale - how all of that information is collated, put in through the system and put up - is open to error because a lot of it is manual?

Mr. Gerard Dollard: What I am saying is that our systems are far from perfect. Having said that, I have no reason-----

Deputy Alan Kelly: How can one stand over the statistics as regards who enters the tracks if Mr. Dollard is saying this here today?

Mr. Gerard Dollard: What I am saying is that our systems are far from perfect. One may have misclassification of groups. A tour group may be counted as a benefit night or something like that. There is nothing, given all the analysis that we have done, to suggest that the attendance figures are significantly inaccurate or being misrepresented.

Deputy Alan Kelly: Were there issues in Kerry or anything like that?

Mr. Gerard Dollard: That was a separate issue. It was an issue in relation to recording attendances. It was, let us just say, an income issue that was spotted by our management and was dealt with. It has also been reported to the Garda.

Deputy Alan Kelly: What does “an income issue” mean?

Mr. Gerard Dollard: What it means is that attendances were not reflective of what was there. It was identified by management and it has been dealt with.

Deputy Alan Kelly: Did that not set off alarm bells that the board’s systems are open to-----

Mr. Gerard Dollard: On foot of that the finance department, as I mentioned, did a full audit of all of the attendance processes. Our internal auditors who are externally sourced also did a report.

Deputy Alan Kelly: In terms of the past couple of years, what if we write to Bord na gCon and ask for certain tracks? Anybody who ever enters a track obviously gets his or her racebook. Is that right?

Mr. Gerard Dollard: Yes.

Deputy Alan Kelly: Surely the board knows the number of racebooks printed versus the amount of people who enter each track and the figures must match. I accept they would be out by one or two here and there. If we were to give Mr. Dollard a little exercise by picking a few racetracks over a period, would he provide us with the information on the amount of booklets being produced versus the amount of patrons entering?

Based on the information that we have discussed here today, I must repeat the following question: would Dr. Smyth consider an audit of this whole process within the IGB, based on the evidence that he has heard with his own ears today?

Chairman: Mr. Dollard, I must clarify one remark, which will only take a moment. It concerns Abargrove, which is involved. He mentioned something a few minutes ago, when he used the phrase “distorts the accounts”. To what was he referring? I do not like, at a Committee of Public Accounts meeting, somebody saying the accounts have been distorted and to leave that comment hanging. Consequently, he should please clarify.

Mr. Gerard Dollard: Maybe “distortion” is the wrong word.

Chairman: Okay.

Mr. Gerard Dollard: The company shows a loss but it is because of intercompany transfers. The activity does actually show a profit.

Chairman: Okay. Are the consolidated accounts distorted?

Mr. Gerard Dollard: No. There is a listing at the end of the annual report, which shows all

of the individual companies and profits and losses.

Mr. Seamus McCarthy: The intercompany transactions would be limited.

Chairman: So they cancel each other out.

Mr. Seamus McCarthy: Yes. It is not distorted.

Chairman: The only reason I raised it is that when I hear the phrase “accounts being distorted” at a meeting of the Committee of Public Accounts I cannot leave the matter hanging.

Mr. Seamus McCarthy: No. It is fine.

Chairman: Thank you. I call Deputy Cullinane.

Deputy David Cullinane: I welcome Mr. Dollard and his team. Would it be correct for me to say that Mr. Dollard and his team are the executive of Bord na gCon?

Mr. Gerard Dollard: Part of the executive. One has the head of regulation and the veterinary director as well.

Deputy David Cullinane: Yes, as part of the executive.

Mr. Gerard Dollard: Yes.

Deputy David Cullinane: We also have a board, a chair and board members-----

Mr. Gerard Dollard: Yes.

Deputy David Cullinane: -----who were not specifically invited. Is Mr. Dollard here as the Accounting Officer?

Mr. Gerard Dollard: That is correct.

Deputy David Cullinane: And his team. We have had a number of attendances by the organisation over the course of the last two years. Most of the attendances have been shambolic but today’s meeting is a refreshing change. Mr. Dollard has brought a level of competency that I did not see in previous attendances, which is a good start. However, the organisation, some of which is funded by taxpayers, faces fundamental problems. We have a responsibility to make sure that we ask the tough questions on where the industry is and how taxpayers’ money funds the industry.

How long has Mr. Dollard been chief executive officer?

Mr. Gerard Dollard: Since 11 September 2017.

Deputy David Cullinane: Mr. Peake is the deputy chief executive and director of events and hospitality. How long has he been in his position?

Mr. Philip Peake: I have been with the Irish Greyhound Board since January 2008.

Deputy David Cullinane: How long has Mr. Peake been in his current position?

Mr. Philip Peake: As director of events and hospitality services, since January 2015.

Deputy David Cullinane: Mr. Tuohey is the interim chief financial officer.

Mr. John Tuohey: That is right, yes. I joined the organisation in June of this year.

Deputy David Cullinane: Mr. Lewins is the director of tote. How long has he been in his post?

Mr. Joe Lewins: Since November 2013.

Deputy David Cullinane: So the organisation has changed a lot at both executive and board levels. What struck me while watching the proceedings at the Committee of Public Accounts, other sectoral committee and, indeed, the “RTÉ Investigates” programme, is that there is an awful lot of division within the industry. Some of that manifested itself in very strange ways here, where we had previous members of the board in the audience. The hearings showed that there were very clear divisions within the industry and, to me, that was part of the problem. We have to examine the figures. When the Comptroller and Auditor General gave his opening statement, turnover was down across almost all of the income streams. Is it correct that track attendance is down?

Mr. Gerard Dollard: Yes.

Deputy David Cullinane: From the accounts, track receipts are down.

Mr. Gerard Dollard: Yes.

Deputy David Cullinane: Has revenue earned from advertising as a source of income decreased?

Mr. Seamus McCarthy: I did not specifically refer to whether that-----

Deputy David Cullinane: Maybe Mr. Dollard may have. I know there have been difficulties with sponsorship as well following the “RTÉ Investigates” programme.

Mr. Gerard Dollard: Yes.

Deputy David Cullinane: Is sponsorship and advertising down?

Mr. Gerard Dollard: Sponsorship would be down, yes.

Deputy David Cullinane: Has the amount of tote receipts come down?

Mr. Gerard Dollard: No. Taking it in the round, there is a significant improvement on tote-related operations.

Deputy David Cullinane: In overall terms, is it fair to say that it is an industry, in revenue terms at least, that is in decline? And if that is the case, why?

Mr. Gerard Dollard: Shall I respond?

Deputy David Cullinane: Yes.

Mr. Gerard Dollard: On the comment on division within the industry, certainly we would like to see a united industry. We certainly would like to see a single representative organisation for the whole industry because the challenges require that. We did offer remediation to resolve some of those issues but all parties did not subscribe to it.

On the revenue streams, there is no doubt but there are challenges. While the on-track tote

revenue is reducing, the income from the sale of media rights and the international market is improving. We need to look at the model we have and see what we can afford. I hate going back to Indecon consistently but it will require a look at our footprint and seeing what footprint is appropriate.

Deputy David Cullinane: I accept that but I asked about the opening statement, where mention was made of a disruption to racing that might have had an impact. Is it not the case there is a deeper issue for the industry in terms of where the industry is and how people use it and interact with it?

Mr. Gerard Dollard: Yes.

Deputy David Cullinane: Is it fair to state there are very significant challenges in this regard?

Mr. Gerard Dollard: The trend has been downwards. Our demographic is ageing and we need to look at new markets. We have appointed a sponsorship and syndication executive. We are pushing to our business development team. We need to find new areas and get people involved in the industry itself.

Deputy David Cullinane: Previous Deputies have raised questions regarding the Preferred Results report. Please remind me who commissioned the report and for what purpose.

Mr. Gerard Dollard: It was commissioned by the Irish Greyhound Board. It was intended as an organisational review report. The specification asked to look at the process flow in business and the fitness for purpose analysis. The idea was to look at the organisation and, a bit like the Deputy's earlier point, at what is the most appropriate organisation model for the future.

Deputy David Cullinane: What competency would that organisation have in doing reports of that scale?

Mr. Gerard Dollard: It went out on the eTenders platform. There was a significant level of interest initially but only two people submitted tenders. As part of the tender process, tenderers would have had to show their experience and competence. Through the evaluation process, they were recommended as being the preferred tenderer, so I take it that they did meet the requirements.

Deputy David Cullinane: Does Mr. Dollard agree with the contents and the conclusion of the report?

Mr. Gerard Dollard: A lot of the analysis, as I said earlier, particularly on the dog pool, has an unsound base because the figures are just not there. Some of the other conclusions are based on the fact that we would have control over exports, through which we would introduce export levies, which we do not have. There are a number of issues in the report over which we do not have control but the board's view-----

Deputy David Cullinane: Mr. Dollard said that the board does not have control over the numbers of greyhounds because of the lack of any traceability.

Mr. Gerard Dollard: We do not have adequate records relating to what is happening.

Deputy David Cullinane: Has Mr. Dollard made recommendations that adequate records and better traceability be introduced?

Mr. Gerard Dollard: Yes, absolutely, and that was a fundamental request to the board.

Deputy David Cullinane: Is there a role for the Department of Agriculture, Food and the Marine here? Who has a role in traceability? Under whose purview would that be? I know that would require a policy change but who, specifically, would have to make that change?

Mr. Gerard Dollard: The policy change was made in the Greyhound Racing Act of 2019, which provides for racing traceability. Our obligation and responsibility will be to have a traceability system for the racing greyhound, and that is what we are working towards.

Deputy David Cullinane: The responsibility lies with Bord na gCon.

Mr. Gerard Dollard: Yes, for the racing greyhound.

Deputy David Cullinane: In terms of records, whose responsibility is that?

Mr. Gerard Dollard: It will be ours under the aforementioned Act.

Deputy David Cullinane: Is that a change emanating from that Act?

Mr. Gerard Dollard: Yes, exactly.

Deputy David Cullinane: When can we expect to see that?

Mr. Gerard Dollard: The Act has been enacted and I expect that the Minister will make the relevant commencement orders in the next month or two.

Deputy David Cullinane: Is Bord na gCon working on that anyway?

Mr. Gerard Dollard: Yes, we are working on it in parallel.

Deputy David Cullinane: The board did not necessarily need an Act to have good record keeping. Good records are important for the industry anyway. One could disagree with any report. The board could say that it did not agree with the preferred results report or any report, but if there is no system of record keeping, then one way or the other one can always dispute a figure. It is not healthy that there is no proper record keeping. Why was that not in place before now?

Mr. Gerard Dollard: I fully accept the point the Deputy is making, but to put it in place, a statutory basis is needed. A regulation and the enforcement mechanisms are needed to make sure people actually comply with traceability requirements.

Deputy David Cullinane: Bord na gCon has that now.

Mr. Gerard Dollard: At the moment, the Irish Coursing Club, ICC, looks after the Irish stud book, but the level of compliance in terms of notifications is not what is required.

Deputy David Cullinane: At least there is work in progress. One of the things-----

Chairman: Mr. Dollard mentioned the ICC. Will he explain, for the benefit of our audience, the role of the ICC *vis-à-vis* the role Bord na gCon.

Mr. Gerard Dollard: Under the 1958 Act, the ICC is the keeper of the Irish stud book. It maintains the records of greyhounds whelped, matings, stud dogs and so forth. Bord na gCon only becomes aware of a greyhound when it is presented for racing as part of greyhound racing.

We want to introduce a system so that when someone decides that he or she wants a dog to be a racing greyhound, we can track that greyhound from that point until the end of its life.

Deputy David Cullinane: Is it fair to say that the preferred results report also found the Irish greyhound industry was not focused on the sport of greyhound racing but on breeding? That was one of the findings and a thread that ran through the report.

Mr. Gerard Dollard: This is a policy issue. The preferred results report said that we should be very focused on greyhound racing as a product and not on the breeding industry. However, many within the industry would see breeding as an integral part of the overall industry. There are some policy decisions that need to be made in terms of where the key focus should lie.

Deputy David Cullinane: Is it the case that the industry itself is producing ten times more greyhounds than are required to sustain the sport of racing?

Mr. Gerard Dollard: No, and again that comes back to the lack of credible data. Various figures have been thrown out for unaccounted for greyhounds, but until we have a traceability system, we do not know whether some of those animals are retired on a farm or are actually deceased.

Deputy David Cullinane: I watched the “Prime Time Investigates” programme which looked at many issues related to breeding. We provide taxpayers’ money to support greyhound racing as a sport, but what I am hearing from Mr. Dollard is that we cannot really agree on the accuracy of numbers because of a lack of traceability and adequate records. Our job is to hold Mr. Dollard to account for the money given to the greyhound industry by the taxpayer. How much does the industry get from the taxpayer each year?

Mr. Gerard Dollard: It was €16.8 million this year.

Deputy David Cullinane: It was €16.8 million.

Mr. Gerard Dollard: Through the ICC and the stud book there are accurate details of breeding figures. The issue is what happens over the lifetime of the greyhound. That is where the process falls down.

Deputy David Cullinane: We are spending more than €16 million per year on the industry. One of the things that emerged in the “Prime Time Investigates” programme was the possibility that the State was subsidising below-cost selling of greyhounds outside of the country.

Mr. Gerard Dollard: Yes, and that has come out of the preferred results report.

Deputy David Cullinane: I know it has come out but does Mr. Dollard disagree with any of the facts put into the public domain through the “Prime Time Investigates” programme? The programme reported that there was a higher concentration on breeding than on the sport of greyhound racing. It pointed out that taxpayers’ money is being used to subsidise this industry and suggested that there is the potential for that money to be used to subsidise below-cost selling of greyhounds. There were also issues around animal welfare and so on. People were looking at this and asking where is the accountability. When I try to get answers to questions I am told that we do not really have proper accountability because the proper systems are not in place. Would Mr. Dollard agree with “Prime Time Investigates”? The answer is either “Yes” or “No” because this is not something that is subjective. We were either subsidising below-cost selling of greyhounds overseas or we were not. Would Mr. Dollard agree with the analysis of

the RTÉ programme?

Mr. Gerard Dollard: I have two comments to make. First, we would disagree with a lot of aspects of the programme-----

Deputy David Cullinane: Specifically with what?

Mr. Gerard Dollard: We have lodged a complaint with the Broadcasting Authority of Ireland, so I would prefer not to go into detail on the issues with which we disagree. On the exports, the point the report makes is that it costs more to rear a greyhound than the price it will get on the open market, but the price on the open market changes. It goes up and down. Some greyhounds could sell for €30,000 or €40,000 while others might only sell for €1,000 or less. There is a point in what is being said but-----

Deputy David Cullinane: Let us park the disagreement the board has with the programme itself. Mr. Dollard has said that the board has made a complaint, and that is fine. As CEO, what assurances can he now give to the public that the changes needed to ensure that the industry operates on a more sustainable basis, that animal welfare issues are addressed, and that there will be much more concentration on the sport itself and not on breeding will be made? Can he assure the public that the board cannot just restore the reputation of the industry but also deal with the challenges that I referred to at the beginning in terms of operating on a more sustainable footing? What assurances can he give to the public that those changes are happening?

I accept that there is an increased level of competency on the board and I do see some changes which are for the better. I am not an expert in this area but I have gone to racing tracks. There is one in Waterford, which is in my constituency. A lot of people I know are working or are active in the sport and I value that because they value it. However, when it comes to taxpayers' money, we have to make sure that we are getting bang for our buck and that the changes that are necessary are being brought about. I ask Mr. Dollard to respond quickly if he can. What would he say to the public who watched the aforementioned television programme or who have been following the proceedings of this committee? Some of our previous meetings with Bord na gCon were very shambolic and when we left this room we could not say that the industry was in safe hands and that the right decisions were being made. How can Mr. Dollard persuade me that the necessary changes are happening?

Mr. Gerard Dollard: Bord na gCon has been on a very significant change and reform programme for a number of years. A lot of that reform was not reflected in the "Prime Time Investigates" programme. To give confidence and assurance to the public, the Greyhound Racing Act of 2019 is a game changer. It is an update of the 1958 Act and gives us the tools and regulatory powers to do what we need to do. We have announced a significant number of initiatives in the area of care and welfare, including the setting up of a care fund, a more significant focus on rehoming, and increasing the rehoming numbers. We are committed to traceability and again that process is going in parallel to the commencement of the legislation. I would also reference Indecon, which is about the viability of the industry. There are a number of key points there that are significant strategic changes for the Irish Greyhound Board and the industry itself.

Deputy Catherine Connolly: I would not be consistent if I did not comment on the absence of gender representation. It was overwhelming yesterday on the justice committee and it is overwhelming again today. It is no reflection on the witnesses but it is important to highlight it because it seems we are going backwards. Can I clarify something? I thank the witnesses for the information and I think they got clear accounts as well with no issue. Well done on that.

I refer to the directors of Bord na gCon. In the reports - it is my confusion - there is a board of directors as well as references to members, directors and the executive. Could Mr. Dollard clarify that?

Mr. Gerard Dollard: There is a board of directors and there is a maximum of seven board members currently. That will change under 2019 Act to nine board members. At the moment we have six board members in place out of seven.

Deputy Catherine Connolly: They are called board members, not directors.

Mr. Gerard Dollard: Board members.

Deputy Catherine Connolly: I am not being pedantic. It is coming from the accounts. I am looking at "Bord na gCon board and executive biographies". We talk about board members and directors. That is what is leading to my confusion. What have we got?

Mr. Gerard Dollard: I would say we have board members because Bord na gCon is not a limited company.

Deputy Catherine Connolly: It is a semi-State body.

Mr. Gerard Dollard: Yes.

Deputy Catherine Connolly: On that semi-State body, we have a maximum of seven board members and at the moment we have six. Mr. Dollard probably explained in my absence why one person is not there.

Mr. Gerard Dollard: The board has been going through some change. We have had three new members appointed in 2019.

Deputy Catherine Connolly: Who are they?

Mr. Gerard Dollard: Wayne McCarthy was appointed on 26 March and he comes under the industry knowledge category. Aileen Lennon was appointed on 20 May, also under the industry knowledge category. Gary Brown was appointed on 26 March under the marketing skillset category. We are awaiting through the Department and the Public Appointments Service an appointment of somebody with financial expertise.

Deputy Catherine Connolly: Who is the welfare person?

Mr. Gerard Dollard: Colm Gaynor, who is a very qualified veterinary practitioner along with other capabilities.

Deputy Catherine Connolly: That was a recent appointment, was it?

Mr. Gerard Dollard: No, he has been on the board since May 2014. He was appointed directly by the Minister.

Deputy Catherine Connolly: Did I see when I was reading this that Bord na gCon appointed a new veterinary expert in 2017, or am I confused?

Mr. Gerard Dollard: We appointed a veterinary director as a staff member.

Deputy Catherine Connolly: Very good. Why is there one vacant?

Mr. Gerard Dollard: It is just the churn on the board. We are waiting for a vacancy to be filled for somebody with financial expertise.

Deputy Catherine Connolly: How long is the vacancy there?

Mr. Gerard Dollard: The vacancy probably has been there three months at this point, I would say.

Deputy Catherine Connolly: When is it expected to fill it?

Mr. Gerard Dollard: It is out of my hands.

Deputy Catherine Connolly: Whose hands is it in?

Mr. Gerard Dollard: It is the Public Appointments Service that looks after that, and the Department.

Deputy Catherine Connolly: Okay. That is that confusion cleared up. For the 2017 reports of the members and directors or executive, that has changed slightly, has it not?

Mr. Gerard Dollard: That is significantly changed, yes.

Deputy Catherine Connolly: Significant change for the better, with more expertise. Is that the significant change?

Mr. Gerard Dollard: There is significant change.

Deputy Catherine Connolly: Okay. Comments were made about “shambolic”. We do not usually use such words and I do not but I have to say that to date, that was the presentation to us. In over three years they were among the worst. They were here on two occasions. It was like Roman times, really, the way we had the room packed and they were laughing and joking and did not believe anything that was being said at a top table. We had comments about who owns the greyhounds any “my wife owns the greyhounds” and it had to be clarified that the wife did not own the greyhounds. That was the level that came before us. That is where I am coming from now when I look at this as a non-expert. Is Mr. Peake executive or director?

Mr. Philip Peake: Executive.

Mr. Gerard Dollard: Everybody here is on the executive. There is no-----

Deputy Catherine Connolly: Mr. Peake is down as a director at some stage I think, is he? No, he is down as head of events and hospitality services. Everyone here today is “executive”. On the last occasion we had members of the board as well.

Mr. Gerard Dollard: Exactly. People are referred to as a director of tote and so on.

Deputy Catherine Connolly: I understand the difference but I just wanted to clarify. Are the minutes of those board meetings published?

Mr. Gerard Dollard: The board minutes are not actually published but under freedom of information at times people request them.

Deputy Catherine Connolly: That is okay. They are not published.

Mr. Gerard Dollard: They are not published.

Deputy Catherine Connolly: Somebody would have to seek them under freedom of information. Mr. Dollard then serves the board, is that right? He would be at every meeting.

Mr. Gerard Dollard: That is correct.

Deputy Catherine Connolly: Lovely. Has it ever come up in the interests of openness and accountability that the board meetings would be published?

Mr. Gerard Dollard: Through the Chair, Bord na gCon is a commercial semi-State body and I think obviously given the fact that we do have a commercial remit, some elements of the board meetings would not be appropriate for publication. When we receive requests under freedom of information, we have no difficulty in providing the minutes but they will be redacted in respect of commercial issues.

Deputy Catherine Connolly: I hear what Mr. Dollard is telling me. I will think about that. On the RTÉ programme, I only watched it last night because I could not bear to watch it. It goes back to June, does it not?

Mr. Gerard Dollard: Yes.

Deputy Catherine Connolly: Following that programme, what happened? Did the board meet? Was the RTÉ programme down on an agenda? Was it discussed? What was Mr. Dollard's own reaction to it?

Mr. Gerard Dollard: The board met by special meeting within two days of the programme, I think. At that meeting, they agreed a range of measures on a short-term basis in respect of additional supports for fostering.

Deputy Catherine Connolly: What does that mean?

Mr. Gerard Dollard: That additional money would be put into the foster care programme so if people were in a position to take greyhounds that needed a home, the IGB would provide financial support. They also agreed the confidential phone line which was set up immediately. They agreed the increase in rehoming support, particularly to incentivise Irish rehoming, and a range of other measures. Subsequently, at the agriculture committee, there was a further range of measures outlined about the care fund and the setting up of special arrangements.

Deputy Catherine Connolly: Has that item remained on the agenda of the board since? I refer to welfare.

Mr. Gerard Dollard: Absolutely.

Deputy Catherine Connolly: How frequently does the board meet?

Mr. Gerard Dollard: It meets once a month.

Deputy Catherine Connolly: It has been on the agenda every month.

Mr. Gerard Dollard: Absolutely. Even as late as last Thursday, the board agreed some further measures in respect of the welfare area.

Deputy Catherine Connolly: That is very good. Let me go back. As a result of the programme, there was a meeting within two days and a range of measures were taken. Was there already a fostering programme in place?

Mr. Gerard Dollard: There was.

Deputy Catherine Connolly: The board put-----

Mr. Gerard Dollard: We expanded it.

Deputy Catherine Connolly: Okay. What else was done?

Mr. Gerard Dollard: As I said, the confidential phone line was set up and there was additional funding towards the rehoming initiative, particularly rehoming of Irish greyhounds.

Deputy Catherine Connolly: The rehoming initiative has always been there but more money was put into it. Were there any new initiatives?

Mr. Gerard Dollard: The proposal to establish greyhound care centres, which is currently out on eTenders. The tenders will come in on 27 September. We have put in place the injuries at tracks recovery scheme. If a greyhound is injured while racing, there is now funding to support the owner in looking after that greyhound rather than possibly on economic grounds making a decision to euthanise the greyhound.

Deputy Catherine Connolly: They are new initiatives.

Mr. Gerard Dollard: Yes.

Deputy Catherine Connolly: I will come back to the question of why we needed an RTÉ programme to lead to these initiatives. First I want to establish what they were. What are the care centres that are gone out to tender?

Mr. Gerard Dollard: The idea is that as racing greyhounds come to the end of their racing life, we would like that they would all have what is referred to as a forever home. To prepare them for their forever home, these care centres would be a halfway house where the greyhound would be socialised with other animals.

Deputy Catherine Connolly: For the first time, there is going to be a forever home rather than the homes they were getting up to now.

Mr. Gerard Dollard: In fairness, the Irish Retired Greyhound Trust, an entity established by the board, was involved in 1,021 rehoming last year, which is the highest ever achieved. We expect that figure to increase significantly in 2019.

Deputy Catherine Connolly: When was that entity set up?

Mr. Gerard Dollard: Well over ten years ago.

Deputy Catherine Connolly: Okay. The board is going to tender for this care centre. What money has been allocated for that?

Mr. Gerard Dollard: We have set up a care fund. Since August, 50% of all sponsorship goes into that care fund.

Deputy Catherine Connolly: That is 50% of all sponsorship.

Mr. Gerard Dollard: Also, 10% of admissions from 1 September goes into that care fund.

Deputy Catherine Connolly: I would prefer not to try to guess. I did not see it spelled out

anywhere, but perhaps I missed it. However, I do not think it is.

Mr. Gerard Dollard: It was in the documentation provided for the committee.

Deputy Catherine Connolly: I have that documentation.

Mr. Gerard Dollard: In the media we put out various-----

Deputy Catherine Connolly: Perhaps it might be sent to us in a note through the Chairman. I ask Mr. Dollard to go back. Some 50% of sponsorship revenue will now go to care centres.

Mr. Gerard Dollard: Yes. A care fund has been set up and the money will be used solely for the care and welfare of racing greyhounds. The funding will include 50% of all sponsorship revenue, 10% of admission fees from 1 September, 10% of restaurant package revenue from 1 September and 5% of tote profits from 1 November.

Deputy Catherine Connolly: What does Mr. Dollard envisage will be the total amount in the fund?

Mr. Gerard Dollard: Again, there is a chicken and egg element, but if we were to base the figure on attendance figures for 2019, there could be up to €1 million in the fund in a 12-month period. As I accept that attendances are falling, we may not meet that target, but based on budgeted figures-----

Deputy Catherine Connolly: It is moving.

Mr. Gerard Dollard: Exactly.

Deputy Catherine Connolly: On what is it based and is the fund sufficient? Does the IGB need double or treble the amount, or does it need less? On what is the fund based to provide for proper greyhound welfare?

Mr. Gerard Dollard: The first point I will make is that primary responsibility for ensuring proper greyhound welfare ultimately rests with the owner of a greyhound.

Deputy Catherine Connolly: I am talking about the IGB's responsibility. As it is setting up a care fund, I am asking Mr. Dollard the question specifically. The Chairman will stop me very soon. I do not have time for this, nor does Mr. Dollard. He, the executive and the board are setting up a fund. Clearly, he thinks it is necessary. What is necessary? On what is the funding based?

Mr. Gerard Dollard: It is based on a very significant increase in allocations for the care and welfare of greyhounds.

Deputy Catherine Connolly: That does not answer my question as to whether it will satisfy the IGB. Will it be enabled to carry out whatever duties it thinks it has in respect of greyhound welfare, as opposed to the owners?

Mr. Gerard Dollard: The fund will have to be reviewed annually at budget time, given the number of racing greyhounds, the level of demand, costs and requirements.

Deputy Catherine Connolly: I understand I cannot receive all of the answers today. Of course, the fund has to be reviewed annually at budget time, but, more importantly, it will have

to be reviewed according to whether the welfare of dogs has been protected. That is what I am trying to ask Mr. Dollard. What are the criteria in that regard? Perhaps he might come back to me on that matter. If the budget is bad, does it mean that we will just let dogs suffer? Does Mr. Dollard understand what I am saying?

Mr. Gerard Dollard: That is where I come back to the point that primary responsibility to ensure the welfare of greyhounds rests with the owner. Our role is to put in place supports, facilities and arrangements to support owners in discharging that responsibility.

Deputy Catherine Connolly: Mr. Dollard gave a figure of about €2 million, as opposed to the figure of €360,000, which he said was divided in two parts.

Mr. Gerard Dollard: I think it is described as consisting of contributions in respect of greyhound welfare and to the Irish Retired Greyhound Trust.

Deputy Catherine Connolly: Will Mr. Dollard split the figure for me?

Mr. Gerard Dollard: There is a salaries element. Approximately €100,000 goes to the Irish Retired Greyhound Trust. I would say there is €90,000-odd for various welfare initiatives.

Deputy Catherine Connolly: Again, I would like to see a breakdown in writing. Mr. Dollard has given a figure which seems to be very tiny. It is €363,000, but whatever it is, he says it is not the total figure.

Mr. Gerard Dollard: Exactly.

Deputy Catherine Connolly: If one includes-----

Mr. Gerard Dollard: It does not in any way represent the spend on greyhound welfare.

Deputy Catherine Connolly: I have a concern when Mr. Dollard answers in that way. He did not refer to the analysis of IGB's business model made by Preferred Results Limited which was marked "commercially sensitive" that was commissioned by the board. He did not refer to it in his opening statement. IGB has difficulties with it. I think it has difficulties with the findings. That is what I picked up.

Mr. Gerard Dollard: From the Deputies' questions and my responses, I think we have outlined our position.

Deputy Catherine Connolly: I usually attend meetings of the committee religiously, but I ran out today because I had a question to ask in the Dáil. As a result, I missed some of the answers. What is noteworthy is that in his opening statement Mr. Dollard did not mention this analysis. Why was that?

Mr. Gerard Dollard: My opening statement was focused on the subject matter of the committee meeting - the financial accounts for 2017.

Deputy Catherine Connolly: This issue is clearly within our financial remit.

Mr. Gerard Dollard: I have no issue with that.

Deputy Catherine Connolly: Why then was the analysis not mentioned? It is a very serious document, a very serious report, with very serious conclusions, but it was not referred to in Mr. Dollard's opening statement. Was it discussed at board level?

Mr. Gerard Dollard: Again, it was referred to. It was presented to the board at its December 2017 meeting and discussed.

Deputy Catherine Connolly: What was done in September? It took until December. The board meets monthly, but it was not given the analysis until December 2017.

Mr. Gerard Dollard: The board received a briefing on it in September 2017.

Deputy Catherine Connolly: Did board members read it?

Mr. Gerard Dollard: I presume they did.

Deputy Catherine Connolly: The analysis states:

One of the most critical findings of the analysis is that the IGB is not actually a racing-centric organisation and that the primary focus of the organisation is actually on Breeding. That focus causes some 15,000 pups to be bred for racing each year, for a Dog Pool with approximately 3,600 dogs.

Is Mr. Dollard's answer that that is not accurate?

Mr. Gerard Dollard: I think the report is stating there are 15,000 dogs bred for a racing dog pool of 3,400, but it does not take account of the fact that another 6,500 dogs approximately have been exported to the United Kingdom, or the fact that probably another 2,000 are involved in coursing activity. It is not, therefore, a fair statement to make.

Deputy Catherine Connolly: Did the board go back to the company to state it was not happy with the report?

Mr. Gerard Dollard: Again, in fairness, Preferred Results Limited was operating with the best data available, which were pretty poor because of the lack of a traceability system.

Deputy Catherine Connolly: Operating with the best data available at the time, has the board accepted the report?

Mr. Gerard Dollard: No because largely the report consists of estimates and guesstimates because there is no strong evidence base available.

Deputy Catherine Connolly: I do not mean this personally, but that does not reassure me about there being a new approach for a semi-State body that receives €16.7 million. Its funding has increased every year, has it not?

Mr. Gerard Dollard: Not every year. It has gone up in 2019.

Deputy Catherine Connolly: Did it go up in 2018?

Mr. Gerard Dollard: No.

Deputy Catherine Connolly: As everything else goes down, public money goes up. I am all for public services and public bodies. I am no expert, but I have looked at the report and it outlines serious concerns. It tells the IGB that "Both from a welfare and from a financial perspective, the industry must now move to put racing at the centre of what it does". I might have my own views on whether that is appropriate, but I am simply reading what the report states. It states the industry "must ensure that breeding is undertaken to support the industry and not as

an alternative to it”. I ask Mr. Dollard to listen to what is stated in those lines. I have a serious difficulty with greyhound racing and I am looking at what the report is telling the IGB. Surely this issue warrants discussion at board level, rather than just a reaction that it is not based on the facts. Please tell me that the board discussed the report, analysed it and stated, “This is what we will do”.

Mr. Gerard Dollard: The board certainly did discuss the report and considered it carefully. Most of the issues raised in it formed part of the discussion on the Greyhound Racing Bill which went through the Oireachtas at the time. There were significant discussions on exports and unaccounted for dogs, hence the inclusion of the provision on traceability. A lot of the issues raised were the subject of discussion.

Deputy Catherine Connolly: It is not fair to do this, but I can pick anything out from the report. It reads, “Dog Pool Size is out of control”. It also states that, leaving emotion out of it, too many dogs are being bred. As a result, they end up being culled because too many are being bred, or they are exported. It is there in black and white. It reads, “Leaving aside emotions with respect to the culling of dogs [this is from a business point of view], from a ‘Lean’ perspective it is simply very wasteful to invest in so many pups and to get so little out of them in return”. I will be in trouble for repeating the language, “getting little out of pups”, but even on a financial level, it is there in black and white.

Mr. Gerard Dollard: Let me respond to use of the line, “Dog Pool Size is out of control”. When the report was presented to the board in September 2017, we were actually having difficulties in filling racecards at stadia. In some places the report is based on 2009 and 2015 data. What was set out in the report did not reflect the actual experience on the ground and in the industry at the time when there was an acute shortage of racing dogs.

Deputy Catherine Connolly: When the witnesses watched the RTÉ programme, other than making a complaint to the Broadcast Authority of Ireland, as they were perfectly entitled to do, what was their reaction to what they had seen in the context of animal welfare and what the industry had allowed to happen? What were their feelings about it?

Mr. Gerard Dollard: We have stated publicly our position on it. We welcome any breach of welfare regulations being brought to attention. Some of what was shown on the programme was absolutely horrendous and totally unacceptable. We will deal with any breach we can deal with. Some of the breaches identified fall outside the remit of the Irish Greyhound Board, but some of what was shown was appalling.

Deputy Catherine Connolly: Appalling. I thank Mr. Dollard for his very straight and honest answer. As was the case for many other issues, including some relating to Tusla and the health board, it was the “RTÉ Investigates” programme that pushed change. It is difficult to understand that.

On welfare, does Bord na gCon make contributions to animal welfare organisations that work independently of it? If so, I ask that the committee be given a list of them. Are members of those organisations on the board of the trust?

Mr. Gerard Dollard: On the latter issue, the Committee on Agriculture, Food and the Marine asked us for such a list and we sent it to that committee. We will forward it to the Committee of Public Accounts.

Deputy Catherine Connolly: It was sent to the agriculture committee.

Mr. Gerard Dollard: It was. We will send it to this committee.

Deputy Catherine Connolly: Are any members of those organisations on the board of the trust? Is there a welfare trust?

Mr. Gerard Dollard: Yes, the Irish Retired Greyhound Trust.

Deputy Catherine Connolly: Who is on the board of the trust?

Mr. Gerard Dollard: There are eight trustees, including representatives of the Irish Greyhound Board, greyhound owners and breeders.

Deputy Catherine Connolly: Is there a representative of the animal welfare organisations on that trust?

Mr. Gerard Dollard: The Irish Greyhound Board is part of the International Greyhound Welfare Forum, which will meet on 2 October. All the welfare organisations are represented on that forum.

Deputy Catherine Connolly: I wish to be provided with a list of the members of that board. Mr. Dollard's answer was that no animal welfare organisations are represented on the trust.

Mr. Gerard Dollard: No animal welfare organisation is formally represented on it.

Deputy Catherine Connolly: Could such a representative be added to the trust?

Mr. Gerard Dollard: As part of the setting up of the care fund, we will restructure the trust because we see it as having responsibility for overseeing the care fund.

Chairman: Where is the trust based?

Mr. Gerard Dollard: It is an entity of the Irish Greyhound Board and holds its meetings at the headquarters of the IGB.

Chairman: Where are the dogs that it is keeping in trust located?

Mr. Gerard Dollard: It operates through the foster care and other schemes. If a person wishes to rehome a dog, he or she can contact the trust and the trust will work to-----

Chairman: The dogs are dispersed.

Mr. Gerard Dollard: Yes.

Deputy Catherine Murphy: The board's financial statements for 2018 are detailed on the last page of the statement provided. I will not ask the Comptroller and Auditor General to comment on them. Mr. Dollard stated that there was a reduction in the figure for fixed assets from €51.5 million to €29.4 million. From what did that result?

Mr. Gerard Dollard: We went through this earlier. It is a highly technical accounting area. In short, we are rationalising our subsidiary companies. As part of that process, we had to get valuations on individual stadia. As part of our accounting policies, we operate a depreciated cost model, rather than a market value model. When one works it through in terms of our accounts, we had to take in the market value of stadia where there was a reduction and, where there was an increase in market value, such as in the case of Shelbourne Park and the stadium

in Cork - there was an increase of €7.7 million - our accounting policies did not allow us to take that into account.

Deputy Catherine Murphy: Did the Irish Greyhound Board change the model for-----

Mr. Gerard Dollard: No. Under our accounting policies, we had to stay with our accepted model and that is-----

Deputy Catherine Murphy: There was a change within the accepted model.

Mr. Gerard Dollard: The valuations of the properties went down and we had to take that into account in our impairment analysis. The Comptroller and Auditor General confirmed earlier that he does not disagree with the approach that was taken.

Mr. Seamus McCarthy: I stated that I did not disagree with what Mr. Dollard had said.

Deputy Catherine Murphy: That is not the same thing.

The stadia were also valued in the previous year. The Irish Greyhound Board then valued them under the same model and they were reduced under a depreciation model.

Mr. Gerard Dollard: Yes. We can go into the detail of the accounting. In the previous year, the stadia were valued on the basis of the entire stadia network being the cash-generating unit. We took them all as a basket of overall values. By going to the valuation of individual stadia-----

Chairman: Was there an assessment of overall value or overall cost?

Mr. Gerard Dollard: Overall cost.

Chairman: There is a difference between cost and value. Which was it?

Mr. Gerard Dollard: Cost. Going to an individual stadium basis changed how the valuations were done.

Deputy Catherine Murphy: The IGB had previously overstated the value.

Mr. Gerard Dollard: The book value overstated their market value or value in use.

Deputy Catherine Murphy: Would that have been the case for Harold's Cross, for example? Would it have been valued differently under this new model?

Mr. Gerard Dollard: From memory, the book value in our accounts for Harold's Cross was €6.3 million. Obviously, its market value was €23 million.

Deputy Catherine Murphy: Well, that is what the Department of Education and Skills paid for it. Did it go on the open market?

Mr. Gerard Dollard: No. As was previously explored by the committee, it was a deal between two State bodies and there is a circular governing how that process-----

Deputy Catherine Murphy: The Irish Greyhound Board valued it at €6.3 million under the-----

Mr. Gerard Dollard: Its book value was €6.3 million.

Deputy Catherine Murphy: Under the model now being used, would it have been worth less or more?

Mr. Gerard Dollard: I cannot say: it was not part of the impairment analysis in 2018 as it had been disposed of.

Deputy Catherine Murphy: How many of the stadia in the impaired analysis report were worth more than previously estimated?

Mr. Gerard Dollard: Two: Shelbourne Park and Curraheen Park.

Deputy Catherine Murphy: Where is Curraheen Park located?

Mr. Gerard Dollard: In Cork.

Deputy Catherine Murphy: Was there much of a difference in the valuations?

Mr. Gerard Dollard: Shelbourne Park was valued at €6.7 million more than the valuation in the accounts, while the stadium in Cork was valued at slightly less than €1 million more than it is in the accounts.

Deputy Catherine Murphy: That suggests that the IGB is carrying a lot of liabilities in terms of stadia around the country.

Mr. Gerard Dollard: I do not think it has any bearing in regard to liabilities.

Deputy Catherine Murphy: They will not be adding to the board's value. Are the other stadia making a loss? Mr. Dollard referred to a difficulty in terms of running costs, were the IGB not paying the prize fund. I will leave it at that because it is a different valuation and a different-----

Mr. Gerard Dollard: The impairment issue and the running costs are completely separate issues.

Chairman: This has come up twice. It is covered in the 2018 accounts, which have been audited but not published, so one can take it that when they are laid before the Oireachtas in the near future, the committee will seek a detailed note, stadium by stadium. We are a little premature because the 2018 accounts have not been published, but we will come to this issue when we receive them.

Mr. Seamus McCarthy: There is also an impairment note in each of the subsidiary financial statements. A briefing note would probably be useful for the committee.

Chairman: We will follow the protocol and wait until the accounts are laid before the Oireachtas, which will be done shortly.

Mr. Seamus McCarthy: The impacts are different for each of the stadia.

Chairman: I am sorry to interrupt the Deputy. Will the committee receive the accounts for the individual stadia?

Mr. Seamus McCarthy: It will.

Chairman: Will they all be submitted at the same time?

Mr. Seamus McCarthy: They should be.

Chairman: That will be done shortly.

Deputy Catherine Murphy: Does the IGB have a draft of the Indecon report due to be published in September?

Mr. Gerard Dollard: No.

Deputy Catherine Murphy: What is the likely date of its publication? It was due to be published in September but, obviously, there has been slippage.

Mr. Gerard Dollard: I hope it will be published by mid-October.

Deputy Catherine Murphy: Will the possible sale of other tracks be considered separately? Mr. Dollard stated that the IGB is analysing the footprint. What is the thinking of the IGB in that regard in terms of viability?

Mr. Gerard Dollard: The board has no proposals or plans to sell any track or stadium, but when the Indecon report is delivered it will be a matter for all parties to consider its recommendations. I am not privy to what those recommendations might be.

Deputy Catherine Murphy: Mr. Dollard mentioned the income of €16.8 million that the Irish Greyhound Board receives. The income in 2010 was €11.9 million. It reduced in 2011, 2012, 2013 and 2014, at which stage the income was €10.8 million. It then increased to €13.6 million in 2015, €14.8 million in 2016, €16 million in 2017, the same in 2018, and then a further increase in 2019.

Mr. Gerard Dollard: That is correct.

Deputy Catherine Murphy: The income has been increasing. The betting tax does not apply solely to horse racing and greyhound racing - people bet on rugby, Gaelic games, politics and many other matters. Only a small proportion of gambling is on greyhound racing. Mr. Dollard referred to its cultural value. I suggest that there is an equal if not greater cultural value in some of the other entities such as the GAA, rugby and soccer and any range of sports entities. Sports Ireland receives €60 million a year to distribute among all of the sporting organisations. There is money paid under sports capital grants as well. The subsidy to Bord na gCon is extraordinarily large in proportion to its total income which from both turnover from racing - if operating costs and tote etc. is left out - and other incomes from prize money, sponsors - which is reducing - media and other income, was €24.5 million in 2017, and €16 million in addition to that comes from the betting tax.

That kind of money would pay the total cost of free school books for every primary school child in the country. That is an extraordinary amount of money going to one entity when one looks at what is going to sports organisations in its totality. Does Bord na gCon think it can honestly make the point that it is of such a cultural importance in this context?

Mr. Gerard Dollard: I thank the Deputy and will make a number of comments.

I take the points made on the betting tax as to the increase from 1% to 2% in 2019. I am unsure what revenue accrues to greyhounds and to our tote operation and to the fact that what we have nine meetings now being carried on the SIS platform. Greyhound racing is now much more open to betting activity than it would have been heretofore. There is an income from that

but I cannot say what size it is.

On the wider issue, I am not making the argument on the basis of the cultural value of the industry but on the basis of the economic, social and cultural value of the industry. I referred to the Power report earlier of November 2017 on the economic and financial significance of the industry which report gave an economic impact estimate of €302 million. The receipts from PAYE and PRSI alone from people involved in the industry were estimated at €32 million. I take the point that is being made but there is another side to it as well.

Deputy Catherine Murphy: I believe a financial analysis could be done on all of the sporting organisations and it, in many cases, would be multiples of what Mr. Dollard has mentioned there. We will leave that point there.

Greyhounds are not treated as dogs but as livestock, which puts them out of the ambit of the ISPCA which confers an extra responsibility.

I was not aware that the Irish Coursing Club had control of the studbook. Which dogs do Bord na gCon have responsibility for rehoming? Is it those that have raced and registered with the board or is it all the greyhounds that are born? How is that adjudicated upon?

Mr. Gerard Dollard: As the Irish Greyhound Board - soon to be renamed Greyhound Racing Ireland - our remit and responsibility is for racing greyhounds.

Deputy Catherine Murphy: How many dogs would Mr. Dollard estimate that covers?

Mr. Gerard Dollard: As stated earlier, our dog pools are currently probably around €3,800, so there are 3800 racing greyhounds in the system currently.

Deputy Catherine Murphy: Does Mr Dollard dispute the figure in the report for the number of dogs are born?

Mr. Gerard Dollard: There is an issue with the number of dogs that are born but as one moves along the chain, the system does not track dogs that are retired. For example, one can have a dog that has retired on an owner's property and does not show up as a racing or coursing greyhound, or as having been exported or deceased.

Deputy Catherine Murphy: What would the racing life of a dog be?

Mr. Gerard Dollard: The average racing life would be three to four years but I am aware of dogs that can run as late as six years. We have introduced veteran and senior races to cater for that category.

Deputy Catherine Murphy: Essentially, there is a proportion of the number of dogs that are born each year that go into greyhound racing. There is a turnover. A large number of greyhounds are born if one does this estimate over three or four years, a small number of which race, approximately 3,500. There is no obligation for the board to have any welfare responsibility for the other greyhounds.

Mr. Gerard Dollard: On a statutory basis, there is no such responsibility.

Deputy Catherine Murphy: Will there be after traceability is introduced?

Mr. Gerard Dollard: Our traceability system will be focused on the racing greyhound, and that is what has been provided for under Greyhound Racing Act 2019.

Deputy Catherine Murphy: Would Mr. Dollard discourage or agree that there is an excessive breeding of dogs? They make very good pets but they are not the go-to dog for pets.

Mr. Gerard Dollard: If one looks at the breeding figures, the market manages breeding. Breeding has dropped by over 2,000 dogs in the past three years. If there is not an outlet for races or for some other purpose, the number of dogs being bred will reduce.

Deputy Catherine Murphy: The majority of greyhounds that are bred will not come under the contributions to greyhound welfare and the Irish Retired Greyhound Trust. Neither do they fall under the auspices of the ISPCA because they are not classified as dogs.

Mr. Gerard Dollard: I repeat that the primary responsibility falls on the owner of any animal.

Deputy Catherine Murphy: As we are the Committee of Public Accounts and animal welfare should not be within our remit. However, when one starts looking at the impact of animal welfare on this sport, it is about the viability or non-viability of the sport when a question of animal welfare arises, which is why the issue is arising at this committee.

On the payment of €115,996 made to the former CEO, who terminated the contract in that instance?

Mr. Gerard Dollard: Through the Chair, that was dealt with at a previous Committee of Public Accounts meeting. The board at the time made a decision to advertise the position, which they were entitled to do. On foot of that, discussions took place. By mutual agreement the contract was terminated.

Deputy Catherine Murphy: The subsequent interim CEO received what was described as fees as opposed to a salary. Why was that the case?

Mr. Gerard Dollard: This was an interim appointment so it would appear that this was done on the basis of employing a consultant rather than an employee, because it was not a long-term appointment.

Deputy Catherine Murphy: PAYE and PRSI was not involved as this was the appointee's own responsibility. That was the total fee involved.

Mr. Gerard Dollard: The appointment was probably subject to withholding tax, which I would need to check. He was paid as a consultant.

Deputy Catherine Murphy: Has the amount remained the same or has it increased?

Mr. Gerard Dollard: Which amount is the Deputy referring to?

Deputy Catherine Murphy: The salary of the CEO.

Mr. Gerard Dollard: The salary of the CEO has remained the same for seven to eight years and is set by the Department and not by the board.

Deputy Catherine Murphy: Mr Dollard mentioned earlier that the board was running morning meetings. The big income - which would be the same with horse-racing as well - comes from television and TV rights more than from gate receipts. It would not matter on what track these meetings are being run, the feed is for television consumption. Is that the case?

Mr. Gerard Dollard: It is for the betting market. In the accounts before the committee we were receiving €800,000 from SIS. We expect that in 2019 that that figure will be close to €2 million.

Deputy Catherine Murphy: The board then is targeting that area as an income.

Mr. Gerard Dollard: Absolutely. It is an important diversification of our income stream.

Deputy Catherine Murphy: On compliance and penalties under the Welfare of Greyhounds Act 2011, what are the fines that apply there and who applies the fines? Where is the regulation on that?

Mr. Gerard Dollard: We certainly apply the fines in relation to transfer of ownership. The fine is €250. Other fines, I would say, are set by the court. On the basis of whatever the offence might be, the court will decide what fine is appropriate.

Deputy Catherine Murphy: Would Mr. Dollard say the €250 fine is sufficient to be a deterrent in some cases? By the looks of it, there have been a small number of cases. Would those fines appear, for example, in Bord na gCon's financial statement?

Mr. Gerard Dollard: They are commented on in the general commentary. Obviously, we would like for fine levels to be higher. I would say the figure is set by regulation. I would need to check that but I would say it is a statutory figure.

Deputy Catherine Murphy: Would that encourage Bord na gCon to go after this? If there is significant investment in legal outlay and administrative time, is that prohibitive in terms of governance and regulation?

Mr. Gerard Dollard: The Deputy's point is valid. It is prohibitive in terms of the value of the fine.

Deputy Catherine Murphy: There were a very small number of fines. Will Mr. Dollard give the committee an idea of them? In 2017, there were three, totalling €1,250, issued for offences. There are four this year. Typically, what would be the number? They must be serious if Bord na gCon goes after them.

Mr. Gerard Dollard: A number of the fines - I would say the majority - relate to failure to notify transfer of ownership. The more serious cases would be dealt with by direct prosecution by ourselves, by the Garda or by the special investigations unit in the Department. The reason for the reduction in fines is that we operate under statute and unless we can prove that the change of ownership took place within 12 months of the time we prosecute, it is statute barred and we cannot proceed. As we build our traceability system, and even with our confidential phone line, the information available to us will vastly improve.

Deputy Catherine Murphy: Mr. Dollard told us about the number of people who made contact on that confidential phone line. Has Bord na gCon dedicated staff to deal with this particular aspect? What has changed in the level of work that goes into that? Is it the only way Bord na gCon finds out, for example, about where there are welfare issues?

Mr. Gerard Dollard: The confidential line is checked daily and anything that is reported on it is followed up immediately. That is just one element of our welfare enforcement. We have a team of control stewards, stipendiary stewards, a welfare officer, and a veterinary director. We also have a group involved in the special investigations unit of the Department and other par-

ties where there is an exchange of intelligence and information. A lot of activity takes place on foot of that.

Chairman: Members and witnesses have been here for two and a half hours. Four Members have indicated. I do not like going beyond three hours in any one sitting. It is not fair to anyone. We will take a short break.

Deputy Catherine Connolly: In fairness, the break is for the witnesses.

Chairman: I said that.

Mr. Gerard Dollard: We are happy to continue if the Chairman wishes to continue.

Chairman: On that basis, we will proceed. There is probably the guts of an hour left. Anyone who needs to slip out for a moment may do so. The next speaker is Deputy Munster. I welcome the Deputy as a new member. Members have indicated in the following sequence: Deputies Munster, Burke, O'Connell and Aylward.

Deputy Imelda Munster: Bord na gCon's accounts have shown a steady decline in the past seven or eight years. Its turnover has fallen and the State subvention is rising to fill the gap. There is a drop in attendance. Some sponsorship has been withdrawn from Bord na gCon. Greyhound racing is on the decline internationally. I believe there are only eight other countries where it is legal. It clearly would not be viable without the State subvention. Given the steady decline and all that I have said, would Mr. Dollard agree it would be difficult to justify it as a viable industry in receipt of so much State funding?

Mr. Gerard Dollard: We have discussed this in the various contributions. No doubt it is a challenged industry. By any assessment, it is a challenged industry. We have diversified some of our income streams. I mentioned some of them previously. Is it a viable industry? Clearly, it is with a Government subvention. It is not commercially viable. There is a policy decision relating to it being important to Ireland Inc., particularly its importance in rural areas and the economic, social, cultural and heritage significance of the industry itself. Clearly, viability is an issue. I would not dispute that point.

Deputy Imelda Munster: Given the exposé in the RTÉ "Prime Time Investigates" report, people would question an industry that allows such cruelty to animals. I am not suggesting Bord na gCon allowed it but whether Bord na gCon was aware it was taking place. If the board was not aware it was taking place, that raises even more questions. Certainly, people saw that Bord na gCon took no action to prevent it or stop it. Given all that, people would question whether such an industry should continue to receive State funding. Does Mr. Dollard accept that?

Mr. Gerard Dollard: Certainly we do not allow cruelty to animals. I note the Deputy clarified that. We would be clear that if there are welfare features, they should be brought to our attention. If they are in our remit, we will follow them up. If they are not, we will refer them on to the party that is responsible for them. We have taken a number of prosecutions relating to welfare - some fairly serious issues which do not get the media coverage. There is a lot of activity happening in that area. It is probably a societal issue in terms of general cruelty to animals, and I am not sure that everything should be placed at the door of the greyhound.

Deputy Imelda Munster: There was a comment by a vet on the RTÉ "Prime Time Investigates" programme that drugging dogs is rampant and sophisticated. According to the docu-

mentary, other drugs are given to dogs to cover up the drugs they are given to run faster. While this was not reflected in the data in Bord na gCon's annual report, would Mr. Dollard give an outline of the methodology that is used to test the dogs and how they are chosen? Is the test sophisticated enough to catch the drugs that are used to hide the other drugs? Maybe Mr. Dollard or the Department could answer that.

Mr. Gerard Dollard: I will take that one. We referenced the programme earlier. We would have issues with what was said on the programme. We would not agree with the veterinary comments. Last year, we did 5,288 tests. Twenty-four of those were negative. The board made a €400,000 investment in the equipment being use. It can trace parts per trillion so it can trace the most minute amounts of any substance.

There is a range of testing done. In race testing, before or after a race, the dogs are selected randomly. For the derby, which is taking place this weekend, all dogs would have been tested at the semi-final stage. They would also be tested at the final stage. They will be tested in the kennels this week before the derby. Much of our other testing is out-of-competition testing. Our testing is predominantly based on urine samples, but our veterinary director is considering introducing blood sampling as a further robust measure.

Deputy Imelda Munster: The testing is sophisticated enough to catch drugs.

Mr. Gerard Dollard: Absolutely. With improvements in equipment, we can find parts per trillion, which are minute amounts of substances.

Deputy Imelda Munster: In response to questions on the "Prime Time" programme, Mr. Dollard referenced a report and stated that Bord na gCon had rehomed 1,000 dogs but that there was no accounting for the other 5,000 or 6,000. He stated that that was because Bord na gCon did not have an accurate database. He also mentioned that legislation on traceability and so on was to be commenced and that animal welfare was a priority action for the board. However, there was clearly a practice down the years - we do not know to what extent - against which no action was taken. Did Bord na gCon press the Government or the Department to introduce the legislation? Why is the board's action only coming after the "Prime Time" exposé? I presume that the board knew what had been happening. To what extent was it aware? Surely it was concerned about being unable to account for the dogs and wanted the matter delved into. Why is action only happening now after the problem has been put into the public domain? That is an issue for most people, particularly in light of the large sums of public funding that Bord na gCon gets.

Mr. Gerard Dollard: A great deal has happened in the welfare area down the years, but that story has not got out there. Microchipping for racing greyhounds was introduced in 2016. New regulations were introduced regarding drug testing and adverse analytical findings, which have been published since 2015. I mentioned the investment in the laboratory. There was the Welfare of Greyhounds Act 2011. We have been involved in a large number of significant court cases. We have excluded people from the industry because of welfare issues. Much has been happening. In terms of rehoming, the numbers are increasing. Last year saw the highest number recorded to date.

Having said all of that, and given the scale of the issue, much more undoubtedly needs to be done. What the board announced in June and at a meeting of the Joint Committee on Agriculture, Food and the Marine, and what we are implementing, will see significant further strides being made in that regard. However, much has been happening in terms of welfare, which has

been a commitment of the board.

Deputy Imelda Munster: I accept that the board was probably not aware of the full extent of what was happening, but it certainly knew that there were issues of traceability, given how Mr. Dollard stated that the board could not account for the numbers because there was not an accurate database. In the interests of animal welfare, did the board not feel that there was an onus on it to highlight this matter and bring it into the public domain like the “Prime Time” programme did?

Mr. Gerard Dollard: All of these issues were highlighted in the discussions on the Greyhound Racing Act. Those discussions started in late 2014. Traceability formed part of those discussions, as did exports, which are outside our remit, and welfare. We had been pressing for legislative change, which we have had since last May.

Deputy Imelda Munster: Bord na gCon has never taken the step of flagging publicly the concerns and issues highlighted in the documentary.

Mr. Gerard Dollard: We have done it publicly, but perhaps it was not picked up by the media as an important issue. Obviously, we inform-----

Deputy Imelda Munster: I do not know whether any committee members were aware of that, so Mr. Dollard might forward to us information on where Bord na gCon had flagged the issues in the public domain.

Mr. Gerard Dollard: Yes.

Deputy Imelda Munster: What will the board do to curb overbreeding?

Mr. Gerard Dollard: That forms part of our strategic plan. We are doing two things. First, we are trying to get a focus on quality breeding. Through education and information, we are trying to get people who are interested in the greyhound industry to look at lines before they start breeding so that they can know whether there is a good prospect of a racing greyhound. Second, we have held advanced discussions with a third level institution about launching a certificate in greyhound studies, which would be a two-year programme. We hope that people would avail of it to professionalise the approach to the industry and give them the necessary tools to engage in quality breeding programmes.

Breeding is likely a national policy issue, in that it is not all about the greyhound. The question of breeding applies to all dogs and needs to be considered on that basis.

Deputy Imelda Munster: I will ask the departmental officials the same question about plans and measures to curb overbreeding. Has anything come to the fore?

Dr. Kevin Smyth: I thank the Deputy for her question. The most important element, which was also mentioned in the preferred results report, is that Bord na gCon itself says that its figures could be disputed because of the lack of a traceability system. This is at the core of everything. It has taken more than 4.5 years to get the new Act through and it was only signed by the President at the end of May, but we now have the powers and ability to put in place a good traceability system. Traceability is key to solving the question of how many greyhounds there are. The Act is well advanced in terms of a commencement order. As Bord na gCon told the committee previously, it is putting its traceability system out to tender at the end of October.

Deputy Imelda Munster: My final question is for Dr. Smyth. When I asked about Bord na

gCon flagging the concerns and details highlighted in the “Prime Time” programme, Mr. Dollard stated that it had put that information into the public domain. Was the Department aware of what methods the board had used to do so?

Dr. Kevin Smyth: The Department was always aware of what was Bord na gCon was doing in respect of welfare, for example, fostering, rehoming and the like. The difficulty is that welfare work has not resonated with the public. Following the RTÉ programme, there has undoubtedly been a much greater emphasis on welfare, which is welcome, but it would be unfair to say that little or nothing had been done. A great deal had been done. The message simply did not resonate or get across.

Deputy Imelda Munster: The sheer scale of what was shown in the programme was quite shocking. We have been told that it is difficult to provide figures, given the lack of traceability, but that could also mean that the number is even higher. Many people are concerned by how it took the programme to highlight the problem and that neither the Department nor the board had done enough to introduce measures to prevent it. That is the most worrying part for most people, which is why I asked whether the Department had been aware of the steps that the board stated it had taken and put into the public domain. It is also why I asked for that information to be furnished to us. Was the Department made aware? I am not referring to standard inspections, the four prosecutions and whatever. Rather, I am referring to what appears to be wide-scale animal welfare abuses.

Dr. Kevin Smyth: Without a traceability system, we do not know the extent of the number of missing dogs. I agree with the Deputy 100% about the shocking nature of the RTÉ programme. We now have the necessary tools to put in place a traceability system, which will be key to this issue.

It is not that nothing was being done in terms of welfare. The simple fact of the matter is that the focus has to be totally on welfare. That is the key to the actions of the board.

Deputy Imelda Munster: I am conscious time is not on our side so I will finish.

Deputy Peter Burke: I welcome Mr. Dollard and his team and acknowledge the improvements that have been made since members of the board were first with us in 2017 and the initial briefing we had with the Department at a meeting here. The professionalism shown has improved greatly, which has to be acknowledged on balance. In terms of the numbers, something I brought up previously is that we are trying to drive the industry forward in terms of sales and marketing, and increase numbers coming through the gates. Mr. Dollard is taking that role in sales and marketing, which is vacant. Are there any plans to get someone into that role?

Mr. Gerard Dollard: Currently there are no plans. We obviously have to be conscious of costs. I am very happy that the sales and marketing function is being well serviced and run. I have taken direct responsibility for it. I have a head of marketing who leads the marketing function. I now have a board member with a very specific marketing skillset. There is a lot of work being done in terms of a rebranding of the organisation because of our renaming to Greyhound Racing Ireland. On the sales side, there is obviously a direct link between encouraging attendance at stadia and the work that the director of events and hospitality services is doing in respect of encouraging people into our restaurants. We have taken on a business development team. We have a dedicated business development executive for Limerick, Cork, Waterford, Galway and Shelbourne. I might be missing one or two but they are out there chasing business and Mr. Peake is taking a lead role in that. While it would be nice to have a separate director of

marketing, I am satisfied that the function is being well pushed.

Deputy Peter Burke: I would think that is critical. There is somebody new on the board who has marketing experience. Mr. Dollard outlined the team he has. That is going to be critical in terms of attracting sponsorship and attracting new people into dog racing. It also has to be acknowledged that we have the primary legislation there now for which the witnesses were calling. That predated the enactment of that and the discussion we had in the Oireachtas predated the RTÉ programme. Credit should be given to the industry in terms of the work it is doing to promote animal welfare. We have to look at these things on balance. That is one thing that can be lost when we focus on one programme. There are great efforts being made by the industry.

On capital investment, I want to ask briefly about increasing capacity at Mullingar and the capital works that are due. Is there any detail on how that is progressing? Has it gone to tender yet?

Mr. Gerard Dollard: The capital works referred to are new escape stairs from the upper floor restaurant, on which we are currently restricted in capacity. I accept the process has taken a while. It seems to be difficult to get professional parties to deal with what they see as small jobs in the current economic climate. We have obtained planning permission and have received the disability access certificate. There has been a bit of back and forth with the fire chief in respect of the fire safety certificate and I think it is due by 25 September. We will then go out to tender for it and we will bring the tender recommendation back to the board for decision.

Deputy Peter Burke: Is that far away until it gets to the board in terms of timelines?

Mr. Gerard Dollard: Realistically, all things going well, if there was somebody on site early in the new year we would be doing well.

Deputy Peter Burke: Right. Longford is in private ownership and we all know the issues surrounding that. Has that the support of Bord na gCon to go back racing in terms of regulation and so on?

Mr. Gerard Dollard: We made no decision on Longford. The directors of the company for valid reasons made the decision themselves. If Longford resumes racing, as is anticipated, we will support it fully as we have up to this point.

Deputy Peter Burke: Have the witnesses received notice that it is going to resume?

Mr. Gerard Dollard: From contacts I have received and from social media posts, I think 23 September is the date they are suggesting to be open having done the fire safety works.

Deputy Peter Burke: I wish the industry well. It is a huge week for it with its derby on Saturday, the pinnacle of the racing calendar. I hope it is well supported.

Mr. Gerard Dollard: I thank the Deputy.

Deputy Kate O'Connell: I have not been here for the witnesses before so I am not able to do the compare and contrast that others have. This vast improvement is not immediately apparent to me but I take the previous comments at face value. With regard to the doping issue, there is a lot of testing on site, at kennels and all of that. In terms of international best practice, reference was made to a machine that is parts per trillion and it was €400,000 or something. Is that up to scratch with other countries? Is Bord na gCon able to test for erythropoietin, EPO, residues in terms of residual non-steroidals in the system of dogs? Is it testing for that as well

as uppers and downers, as would be the normal things given to dogs by people who are that way inclined? Is a comprehensive doping system in place or is it just in the moment blood residues? Are long-term, non-steroidal use and EPO use in dogs being looked at?

Mr. Gerard Dollard: I am not technically competent to answer some of the Deputy's questions. Our sampling is urine sampling; we do not do blood currently.

Deputy Kate O'Connell: Okay.

Mr. Gerard Dollard: I am satisfied we have the technical competence with a director of the lab and our veterinary director, and that we are testing what we need to test.

Deputy Kate O'Connell: I missed that it was urine testing. In terms of international best practice, is that what other tracks are doing across the world? For human athletes, blood is normally tested. There has been a metabolic process by the time it gets to the urine so it is not as clear cut. Can Mr. Dollard tell me if his checking system is on a par with international best practice?

Mr. Gerard Dollard: Very much so. Our lab is accredited to the Irish National Accreditation Board, INAB.

Deputy Kate O'Connell: We had them yesterday. I would not be so confident about the accreditation, but anyway.

Mr. Gerard Dollard: We also recently entered into an agreement with Greyhound Racing Victoria for data sharing in respect of doping.

Deputy Kate O'Connell: Is there any data yet to share?

Mr. Gerard Dollard: It is coming. It is in process.

Deputy Kate O'Connell: That will be interesting to see.

Mr. Gerard Dollard: The third element is a scientific sub-committee that has international expertise on it, people with degrees in pharmacology and a few other things.

Deputy Kate O'Connell: Veterinary practice?

Mr. Gerard Dollard: They give advice on the doping regime and we comply with it.

Deputy Kate O'Connell: I am not saying the animal welfare problem is not Mr. Dollard's issue, but his issue is racing. When it comes to the population health of the dogs, in the organisation's budget is there any allocation towards vaccinations? My understanding is that coursing licences have been halted due to an outbreak of a specific virus. Has Bord na gCon any remit in terms of animal health? I am not talking about their lives as such in the kennel but their health and well-being. I know the stewards vaccinate the pups when they are a few days old and then they have to be isolated for ten to 12 weeks before they go into the main population. Is it part of Bord na gCon's job to carry out disease control at the track site?

Mr. Gerard Dollard: We do not have a remit in respect of disease control. Through the Irish Retired Greyhound Trust, for any greyhound being presented for rehoming, there is funding to support the various vaccines and inoculations that would be required.

Deputy Kate O'Connell: Is there a financial amount in the board's budget for vaccination?

Mr. Gerard Dollard: No, not other than through the retired greyhound trust. It gives some funding towards that process.

Deputy Kate O'Connell: Someone may have asked about this, but on the 6,500 dogs being exported to the UK, I assume there is a Brexit plan for those dogs. What are we going to do with them if there is a hard Brexit and there is no sharing of animal welfare information?

Mr. Gerard Dollard: It is a very topical issue. We are part of the consultative committee which the Department of Agriculture, Food and the Marine has put in place. We have attended all the meetings. It is a concern, not just on the exports but also on dogs going between Ireland and the UK for various competitions like the derby on Saturday night. Like a lot of things in Brexit, we are assured that things should be okay but we would still have a concern.

Deputy Kate O'Connell: I have two tracks in my constituency - Shelbourne Park and Harold's Cross - and was brought up very near the Mullingar track. On traceability, it is set out that dogs need to be microchipped and tattooed when they are small. Then nothing happens, is that right? The dog dies, retires or just exits the field and that data was never part of the initial microchipping plan. Is that what Mr. Dollard is saying to me? They are registered at birth, but we do not know what happens to them thereafter. Is that really what the issue is?

Mr. Gerard Dollard: It is not as loose as that. Perhaps I might mention the cattle movement monitoring system as a mirror of it. Under that system, one can know at any point in time where certain cattle are.

Deputy Kate O'Connell: Yes. One can log on and check the age of a calf, for example.

Mr. Gerard Dollard: Yes. We would like to have a similar system for greyhounds. A greyhound might be microchipped, but we do not have a system which shows us that it is in Limerick or elsewhere.

Deputy Kate O'Connell: What is the point of the microchip?

Mr. Gerard Dollard: It is an identifier of the dog.

Deputy Kate O'Connell: Is it useful when the dog is lost?

Mr. Gerard Dollard: Like any dog that is microchipped-----

Deputy Kate O'Connell: I am not being smart when I ask what the point of the microchip is. If it cannot be used to track the dog, what is the point of it? Can it be used if someone finds a lost dog? Can it be used by the track?

Mr. Gerard Dollard: It identifies a dog when it is found. Traceability involves knowing where they are before they are found.

Deputy Kate O'Connell: It seems to be pointless to put a chip into something without following it. I do not understand why there was no tracking as part of the system. When did the system start? Whose fault is this? Who set it up? When did microchipping start?

Mr. Gerard Dollard: It started in 2015 under a national microchipping regulation.

Deputy Kate O'Connell: It was introduced under the legislation.

Deputy Bobby Aylward: Domestic dogs have to be microchipped.

Mr. Gerard Dollard: Yes.

Deputy Kate O'Connell: Nobody knows when a dog dies, is disposed of or leaves the jurisdiction. Obviously, there is no comparative figure. The board has no figure for the number of dogs that are actually in existence at any moment in time.

Mr. Gerard Dollard: Exactly. We use the UK figure which is based on the number of dogs registered with the Greyhound Board of Great Britain. There are some dogs exported to Great Britain that are never registered with that board. All of the data sources need to be tied up. That is what the traceability system will do.

Deputy Kate O'Connell: If a large animal dies on a farm, it has to be brought to the knackery. Is there a procedure in place in this sector? What normally happens if a couple of dogs from a newborn litter die? What is the normal procedure? Is there a knackery for dogs? Where are they brought?

Mr. Gerard Dollard: I think greyhounds can be taken by a certain category of knackery. The officials from the Department will be aware of the exact details.

Deputy Kate O'Connell: Can Mr. Smyth confirm whether that is the case?

Dr. Kevin Smyth: That is correct. Knackeries which have category 1 licences can take in material. Category 1 material goes into a skip before rendering and incineration.

Deputy Kate O'Connell: It includes spinal cords and other material in respect of which BSE concerns arise.

Dr. Kevin Smyth: Correct.

Deputy Kate O'Connell: Is anyone keeping figures that indicate how many dog are landing in for disposal? Does the Department have a raw figure? How many dogs are being presented for controlled or regular disposal? Does the Department keep a figure?

Dr. Kevin Smyth: No. This brings us to the heart of the traceability matter. We really need a whole-of-life-----

Deputy Kate O'Connell: No, hold on one second. If I have a dog farm or a kennel with loads of dogs and half of them were to die because of a rabid or another virus, who would pay the fee when they were presented at a knackery for disposal? As the owner of the dogs, would I give €20 to the lad at the gate? Who pays the disposal fee? Is it paid by the Department of Agriculture, Food and the Marine?

Dr. Kevin Smyth: The disposal fee is paid by the owner.

Deputy Kate O'Connell: Does Dr. Smyth have any idea of how much it is?

Dr. Kevin Smyth: No, I am afraid not.

Deputy Kate O'Connell: I am just thinking. If it is expensive, there is hassle involved and the number of dogs being disposed of is not being tracked by the Department or some other authority, it is understandable we have no idea how many dogs are being disposed of in a dignified manner. We have no idea if people are throwing them into bogholes or bringing them in. Is that the case?

Dr. Kevin Smyth: That is the problem with a lack of traceability.

Deputy Kate O'Connell: In terms of the Department's remit, is that not very serious from the point of view of disease control? We had a serious issue at the weekend when the knackeries were closed. I know that it has now been resolved, but there could have been a serious disease hazard coming down the tracks. Has it occurred to the Department to think about taking an approach to dogs similar to that taken to cattle? Is it not concerning?

Dr. Kevin Smyth: The Deputy is absolutely right in what she says about what is happening. It is less than optimal. Our hope is that with the new traceability system, we will be able to track each dog through each-----

Deputy Kate O'Connell: It is not really a hope but a necessity. We track cattle with microchips.

Dr. Kevin Smyth: Correct.

Deputy Kate O'Connell: There is no reason we cannot do so with dogs.

Dr. Kevin Smyth: Our aim is to have a system that is as good as the cattle tracking system.

Deputy Kate O'Connell: Can it not just be copied?

Dr. Kevin Smyth: That is what I believe Bord na gCon is hoping to bring in shortly.

Mr. Gerard Dollard: We have visited the place in Cork that runs the cattle movement monitoring system as part of the preparations for going out to tender.

Deputy Kate O'Connell: I return to turnover and running costs, with specific reference to the catering operation which was making money by the looks of things. We can forget the transfer. It was making money. Why was it decided to home in on that particular element of the business? It was profitable. Clearly, people were employed in it and providing good quality food. Why was that part of the business targeted when money was being lost in so many other places? Why was it a priority to give that element of the business to a private operator?

Mr. Gerard Dollard: It was with a private operator. It is now run in-house.

Deputy Kate O'Connell: I am sorry-----

Mr. Gerard Dollard: We brought it in.

Deputy Kate O'Connell: Okay.

Mr. Gerard Dollard: It has been set up as a separate company in order that it can be managed.

Deputy Kate O'Connell: It has been set up as a separate company within the Irish Greyhound Board.

Mr. Gerard Dollard: Exactly.

Deputy Kate O'Connell: The board has had to employ permanent staff under normal regulations. How is it looking in terms of costs?

Mr. Gerard Dollard: When we took it over, we acquired a certain number of staff in line

with transfer of undertakings requirements. I think the staff side of the business has operated very well. As I said, it is one aspect of our operations that has consistently received very high satisfaction ratings.

Deputy Kate O’Connell: Mr. Dollard has said there was an unsound evidence base for the deferred outcomes report. Surely that would have been evident from the terms of reference drawn up in advance of the compilation of the report, at a cost of €130,000. The evidence base would have been there regardless. How did the board let it go ahead after it had looked at the terms of reference, given that it had already decided that the evidence base was not strong enough?

Mr. Gerard Dollard: That is a very good point which we did not cover earlier. Preferred Results Limited was not asked to make a dog pool analysis. It indicates in its report that it made its own decision to make such an analysis. It was never an ask and never tendered for. It was asked to make an organisational restructuring analysis which it delivered. It decided unilaterally to undertake the dog pool analysis.

Deputy Kate O’Connell: It must have thought it was necessary. No company would take-----

Mr. Gerard Dollard: Again, we-----

Deputy Kate O’Connell: Was €130,000 the price before the additional work was added or was it is the all-in price?

Mr. Gerard Dollard: It was the all-in price at tender stage. We did not pay anything extra. The company’s view was that if it was to make a proper analysis of the industry, it needed to undertake a dog pool analysis. It was not part of the specification.

Deputy Kate O’Connell: It is interesting that a company would decide to go beyond its remit for the same price tag. The decision probably cost it more money and time. One would have to consider that the company must have needed to take such a decision. Its reasons must have been valid.

Mr. Gerard Dollard: As I said, I have absolutely no issue with Preferred Results Limited, its competence or approach. However, neither the company nor the Irish Greyhound Board has the information to reach some of the conclusions reached.

Deputy Kate O’Connell: Does anyone have that information?

Mr. Gerard Dollard: Not at this point in time.

Deputy Kate O’Connell: How do we get it?

Mr. Gerard Dollard: Traceability.

Deputy Kate O’Connell: Okay. I think that is it now. I thank the witnesses for their time.

Deputy Bobby Aylward: I welcome Mr. Dollard and his board. I apologise for not being here earlier. I was speaking in the Dáil. I will probably cover some ground that has been covered. I have to put in my two and sixpence worth. I want to ask a few questions.

I will start by asking about animal welfare. We are all aware of the fallout from the “RTÉ Investigates” programme. Everyone was horrified by what he or she saw. It was not good

enough. I am a farmer and a dog lover and was shocked by what I saw. I did not think I would be, but I was. We do not need to say any more than that. We saw a dog being thrown into hot water. I know that it was not here. It was horrible to see dogs being shot in knackereries for a tenner. All of that was uncovered. There is a lot of skullduggery in the business. I have to say it out straight that there is an onus on the board to bring this behaviour to an end. If it is not checked, it will lose out further. It is widely known that the board has already lost sponsorship as a result of the programme. As an observer, I suggest the €16.8 million in taxpayers' money that it receives every year will come into question if something is not done. The witnesses are well aware of this. What is the board doing to catch up on, or counteract, the fallout?

I would like to refer to some figures I have seen. Last year, the Irish Greyhound Board allocated just €130,000 for animal welfare. In addition, 3% of winners' prize money was set aside for this purpose. That means that a total of €364,000 was used for this purpose. In the United Kingdom £3 million from a fund of £8 million goes towards animal welfare. The Irish Greyhound Board benefits from a fund of €16.8 million of taxpayers' money. According to the figures I have seen, just €364,000 was allocated for animal welfare last year. It does not look good for the board when we compare like with like. Is that the reason we are in this position? The general view is that if the Irish Greyhound Board does not pull up its socks and get the game right, it will be in trouble. I ask Mr. Dollard to respond to that comment first.

Mr. Gerard Dollard: We covered some of this ground earlier.

Deputy Bobby Aylward: I know. I am sorry about that.

Mr. Gerard Dollard: I appreciate the Deputy was not here. On the television programme, anybody who watched it would have been horrified. The people who would have been most horrified would be the members of the greyhound industry and the caring and passionate people who love their greyhounds and were horrified by what they saw. Some of what was shown is outside the remit of the Irish Greyhound Board, such as knackereries, exports and so on. I do not think the board, or anybody here, can be held responsible for the approach to welfare in other international jurisdictions.

In terms of what we are doing and the spend on welfare, which we covered earlier, the €364,000 is just one element of our welfare programme. It specifically relates to contributions to welfare and the Irish Retired Greyhound Trust. It does not cover our spend of nearly €400,000 on veterinary services at tracks. It does not cover our control stewards or stipendiary stewards who are part of our inspection team. I believe I said earlier that our real spend on welfare is of the order of €1.5 million to €2 million. One can debate whether the laboratory should be included in that but-----

Deputy Bobby Aylward: That information should be publicised to counteract the problem I highlighted. The board should get it out there to let it be known.

Mr. Gerard Dollard: We have been trying to get it out there but the point was made earlier that it does not seem to resonate with the public. The shock-horror element is maintained but the rational information to go with it is not.

In terms of what we are doing, the board met immediately after the programme. A range of measures was outlined at the agriculture committee. A further range of measures has been taken. Traceability, which has been discussed, is key. We have set up a care fund and 10% of all admissions and restaurant packages will go into the fund, as will 50% of sponsorships. We

have a confidential phone line and more money for fostering. We have more money for retired greyhounds, particularly in Ireland. Internationally, we are working with Greyhound Pets of America to progress rehoming. I will not take up the committee's time but a wide range of measures is being taken, many of which were already in the pipeline. The Greyhound Racing Act 2019 has been in place since May. That gives us a whole new toolkit to address what we need to address.

Deputy Bobby Aylward: I received information from stakeholders that the board of Clonmel greyhound track came up with a proposal whereby each greyhound owner would adopt four retired greyhounds or greyhounds that are no longer wanted. With Bord na gCon's backing, I believe the breeders would keep those greyhounds. They take up to 100 bitches every year and put them into retirement. They contacted owners connected to 16 other tracks and all of them are *au fait* with the proposal and willing to give it a go. However, from what I am hearing, the board does not back the proposal. It is not following up on it and does not consider it as a start in addressing the issue of animal welfare. Will Mr. Dollard comment on that? This is a proposal from the stakeholders in the greyhound industry who are willing to do something to counteract what happened and try to secure sponsorship. They are looking after the welfare of the animals but the board seems to be dragging its feet. That is what I am being told. I am not making accusations but I have been told that the board is sitting on this proposal.

Mr. Gerard Dollard: To clarify that, I am aware of the Clonmel proposal. As with other proposals, an application can be made under the fostering and rehoming schemes and the funding which is available in that respect. The Clonmel proposal probably fits more into the care centres model, which we are looking at. We are going to a procurement process in relation to care centres. Given our public remit and the necessity to comply with procurement for public funds, we cannot pick one project over another. I would hope the Clonmel proposal has been submitted under the care centres model.

Deputy Bobby Aylward: Is Mr. Dollard saying the board would support the proposal if it got off the ground?

Mr. Gerard Dollard: I am saying that if the proposal comes in under the various schemes, it will be assessed and if it meets the criteria necessary, the board will support it.

Deputy Bobby Aylward: That would be one way of going forward.

I will move on as it is late. Some of the track closures have been mentioned since I arrived. We all know how many tracks Bord na gCon operates and that there are private tracks in Kilkenny and elsewhere. The board is waiting on the Indecon report before deciding on the future of Ireland's 16 tracks but two tracks - Lifford and Longford - have been closed already. I am told that the Lifford track was built with an investment of €12 million and it is for sale for €1.3 million. I understand stakeholders are anxious that the greyhound board purchase the track because it is the only greyhound track in the north west and it takes at least two hours to travel to the nearest tracks in Mullingar and Dundalk. Will Mr. Dollard comment on the possibility of the board purchasing the Lifford track? It was built with an investment of €12 million and has been put up for sale for €1.3 million. It will be lost to the north west. Would there be a role for the board to make sure that track is maintained? I will ask about the other one in Longford following Mr. Dollard's response.

Mr. Gerard Dollard: I will deal with the two tracks. The board will not be making any decisions in respect of any track until Indecon reports and its recommendations are considered.

Deputy Bobby Aylward: Could the Lifford track be sold at that stage?

Mr. Gerard Dollard: I have met those involved in Lifford and they will also await the Indecon report. They strongly hope that the Lifford track will feature in the Indecon report. However, the board will not be making decisions until the Indecon report is received.

The Lifford and Longford tracks voluntarily made a decision to cease racing operations. It was not a request of the Irish Greyhound Board. We did not require them to do it. I understand Longford is reopening on 23 September and if and when it reopens, it will receive all the supports it received prior to its closure.

Deputy Bobby Aylward: Would the board like to see the Lifford and Longford tracks maintained?

Mr. Gerard Dollard: What I am saying is that with 16 tracks there needs to be some element of rationalisation. Indecon will guide the board in respect of what that rationalisation should be. I cannot say at this point which tracks, if any, might be affected.

Deputy Bobby Aylward: That brings me to my next question, which is on sponsorship and prize money. When I asked this question the last time Bord na gCon was before the committee, it gave a commitment. Due to the debt hanging over the board, prize money had dropped to €1.5 million. My figures could be wrong but prize money definitely decreased. Having been brought up around greyhounds, I know that the name of the game is the prize money. What keeps people in racing is the few bob they can make from wins. The last time Bord na gCon was before the committee, it spoke of getting prize money back up to at least €3 million in the short term. Prize money of €10 million was available ten years ago when times were good. What is the position now? We all know that prize money is what keeps the industry alive and ensures the ordinary punter who races bitches gets a few bob back. It is very important that the prize money available is increased because it would be one way to keep the 16 tracks open and viable and ensure the future of the greyhound industry.

Mr. Gerard Dollard: When the Deputy gets the 2018 accounts he will see it in the briefing note that prize money was €9 million in 2018 and €8 million in 2017. The board did commit to increasing prize money by 25% from October 2017, and that has been done.

Deputy Bobby Aylward: What is it now?

Mr. Gerard Dollard: In 2018, it was €9 million and I would expect the outturn for 2019 will probably be around the same or maybe a little higher.

Deputy Bobby Aylward: Will that help to get the industry back on its feet again?

Mr. Gerard Dollard: It comes down to making choices. In terms of priorities, the board's priority at this point has to be in the welfare area. The board will make decisions for its 2020 budget as to the allocations that are made in respect of welfare, prize money and all other areas.

Deputy Bobby Aylward: According to information I received recently, the costs of the Irish Greyhound Board accounted for 16% of overall turnover ten years ago and now account for 44% of turnover. That is an increase of approximately 300%. What is the reason for it? Interest in the industry is declining and there is less racing taking place, yet the board's costs have increased from 16% to 44%. No one wants jobs to be lost but I have been told there is a lot of overstaffing. With no disrespect to the employees, they work from Monday to Friday and

are not there when the races are on. Is there a need for such staff? Does the entire industry need an overhaul when we see the costs of the board account for nearly 50% of the overall costs? It is a personal question but one that needs to be asked.

Mr. Gerard Dollard: The Deputy's colleague raised that specific issue earlier and referred to the same percentages to which he referred. I will make a few comments on that. If the Deputy looks at our accounts, he will see that our payroll costs have decreased every year since 2015. They are €1 million less now than they were in 2015. The percentage will always go up if one is maintaining the same infrastructure and the same number of stadia but one's income is going down and attendances are reducing. It comes back to the issue as to whether we can financially sustain the extent of the stadia network that we have, which is something that Indecon is looking at.

On the point about employees, it is a labour-intensive industry. One needs stewards, judges, racing staff etc. We have been controlling costs and reducing payroll costs and we hope to continue doing that.

Deputy Bobby Aylward: The reason I ask this is because this is about survival and the future. Sometimes things are cut, which we all had to do in years gone by during the recession. I am told there are 70 staff in Limerick alone. I do not know if that is a factual figure-----

Mr. Gerard Dollard: In fairness in Limerick there is Limerick Greyhound Stadium and the national headquarters of the Irish Greyhound Board, which includes the laboratory, regulation and welfare. Overall, there are about 60 staff members there but this figure is not for the greyhound track.

Deputy Bobby Aylward: That is just a clarification. I do not like talking about staff and employees because it is not my remit but these questions were put to me and I must ask them of the witnesses here who are accountable.

I understand €500,000 was lost last year on catering. When the board had its own catering services in place it was making a good profit. The board then changed to private contract catering, which has now been subsidised by €500,000. Is that the case?

Mr. Gerard Dollard: The straight answer - the bottom line - is that catering is, has been and continues to be profitable. The way the accounts are presented, because of inter-company transfers, probably does not reflect the true position. I will not say it distorts but catering is profitable.

Mr. Seamus McCarthy: There probably is also a misunderstanding. In the past, catering was a concession, and was contracted out. In the last number of years it has been run in-house.

Deputy Bobby Aylward: Yes, I put it back to front, That is what I meant. Since it became in-house, it has been losing money, whereas when it was contracted out a profit was being made for the board every year. Is that the case?

Mr. Gerard Dollard: It is profitable.

Deputy Bobby Aylward: The money that was mentioned to me is a false-----

Mr. Gerard Dollard: What the Deputy is seeing in the accounts is an accounting issue concerning inter-company transfers. The catering operation makes money.

Deputy Bobby Aylward: It is said there is money in food.

Mr. Gerard Dollard: And in drink

Deputy Bobby Aylward: Of course, the Irish are well known for it.

Hare coursing is part of the greyhound industry. The Minister is not issuing any licences at present because of a danger of disease in hares. Individuals who, like everyone, are looking after their own interests here are saying there is no disease in hares. It is claimed it is in rabbits but not in hares. What is the view of the Irish Greyhound Board and has it an input on this? Coursing is part of Irish life and is part of the greyhound industry. We have it in our own areas and counties and we would like to see it properly run, controlled and maintained. Is it part of the board's remit? Has the board any comment on the disease? Is the Minister correct in withholding these licences? If she does not give the licences, is that the end of coursing in Ireland as we know it?

Mr. Gerard Dollard: It is not part of our remit and has nothing to do with the Irish Greyhound Board. Consequently, I will make no comment on it.

Deputy Bobby Aylward: It is part of the industry, is it not?

Mr. Gerard Dollard: It is part of the greyhound industry but it is not part of the remit of the Irish Greyhound Board.

Deputy Bobby Aylward: Consequently, Mr. Dollard has no comment to make on that.

Chairman: I thank Deputy Aylward.

I will make a number of short points. To follow the immediate point just made, under EU regulations, who has the legal responsibility for animal welfare in Ireland, which I am linking here to hare coursing?

Dr. Kevin Smyth: Wild animals come under the remit of the National Parks and Wildlife Service, NPWS. My understanding is that there is a virulent disease affecting rabbits which can be transmittable to hares. On 10 September, the Department of the Minister, Deputy Madigan, found that eight animals were infected.

Chairman: Were they hares?

Deputy Bobby Aylward: Were they hares?

Dr. Kevin Smyth: No, they were rabbits. There is a temporary suspension in place until 1 November.

Chairman: Would Dr. Smyth's Department of Agriculture, Food and Marine have been involved in that, or was it strictly the NPWS?

Dr. Kevin Smyth: While we would help out from a scientific point of view, the lead Department is that of the Minister, Deputy Madigan.

Chairman: That is because it concerns wildlife.

Dr. Kevin Smyth: That is correct.

Chairman: There was probably a time when this responsibility was under the remit of the

Department of Agriculture, Food and Marine.

Dr. Kevin Smyth: I could not say.

Chairman: It is not at the moment, in any event.

Moving on now, tell me the process behind the Preferred Results Limited report, which was presented on 29 September 2017. Mr. Dollard says that it was rejected by the board, which was the real reason it did not go to the Department. It was because the board was not going to stand over it. Am I understanding this correctly?

Mr. Gerard Dollard: There was never a conscious decision made not to send it to the Department. The view was taken, not consciously, that many of the issues raised in the report, like exports, a greyhound regulator, and welfare were all part of discussions on the Greyhound Racing Bill, which was ongoing at that point. The board felt that the analysis on the figures did not reflect the situation at the time, where there was a shortage of racing dogs. On that basis, the report was not seen as being of value, in the context of sending it further, because it did not have the required evidence base.

Chairman: Was this a significant board discussion?

Mr. Gerard Dollard: What happened, we have made this public, was that the board had a workshop to formulate a strategic plan-----

Chairman: I am remaining with the Preferred Results Limited report.

Mr. Gerard Dollard: I understand that but just to say that there was workshop in formulating a strategic plan in mid-September and as part of that, at very short notice, Preferred Results Limited made a presentation to it.

Chairman: That was at that workshop.

Mr. Gerard Dollard: Yes, at that workshop.

Chairman: Who was at that workshop?

Mr. Gerard Dollard: Subsequently, the board considered the formal report at its December meeting.

Chairman: When was the Preferred Results report commissioned?

Mr. Gerard Dollard: The tender process was in February 2017.

Chairman: Surely the board must have given approval for this document to be drawn up if it was going to cost €130,000. It knew it was in the pipeline. Mr. Dollard is now telling me it was never actually discussed at the board *per se*. It was discussed at some workshop, somewhere.

Mr. Gerard Dollard: Preferred Results was commissioned through the tender process, which was in February 2017. It was sent away to do its work. It came back to that workshop, where all the board were present, to make an initial presentation of its findings. Following that workshop, it went away and finalised its report, which was formally sent to the Irish Greyhound Board on 29 September 2017.

Chairman: Did the board discuss that report?

Mr. Gerard Dollard: It was discussed it at its December 2017 meeting.

Chairman: Have we seen the minutes of that discussion or was there much recorded?

Mr. Gerard Dollard: From memory, the minutes indicate that the report was thought-provoking but had some impractical short and medium-term measures or some wording to that effect.

Chairman: Can Mr. Dollard get an extract of these minutes, please, and send them on to the committee? We are seeing this with more and more agencies. Mr Dollard is telling me that much work was done on the strategic plan in September and the autumn of that year. When did the board decide to prepare that strategic plan?

Mr. Gerard Dollard: I started in September 2017 but the strategic plan was in process at that point, so it was probably from June to July of 2017.

Chairman: Who were the consultants who were helping to progress that plan, as I expect it was not done in-house by the board itself?

Mr. Gerard Dollard: Most of it was done in-house. There was a very small consultancy input, it was not significant.

Chairman: Who were they?

Mr. Gerard Dollard: Tandem Consulting had a small role in respect of it. Professor Dermot Duff, from one of the universities, also had a very small involvement in it. Most of the work, however, was done in-house.

Chairman: Those parties would have been paid for their work.

Mr. Gerard Dollard: Yes, they were.

Chairman: What I am trying to get at here is that at the same time as the board had commissioned Preferred Results to do a report, which cost money, it also was paying other people to draw up a strategic plan. Mr. Dollard can see where I am going with this, as I just do not understand how the two are linked. Why were two independent consultancy processes ongoing at the same time?

Mr. Gerard Dollard: If I could just clarify-----

Chairman: Mr. Dollard gets my question.

Mr. Gerard Dollard: The strategic plan was obviously for the wider industry and the organisation.

Chairman: That is fine.

Mr. Gerard Dollard: The strategic plan was not formally launched until March 2018.

Chairman: To quote from Mr. Dollard's opening remarks this morning, he stated substantial work was carried out in the latter part of 2017.

Mr. Gerard Dollard: Absolutely.

Chairman: It was ongoing simultaneously.

Mr. Gerard Dollard: Yes, and elements of the Preferred Results report were taken into the strategic plan.

Chairman: Even though the board dismissed the report as not being based on sound figures.

Mr. Gerard Dollard: It did not dismiss the report; it did not adopt the report but it did indicate there were some thought-provoking items in it. No one is suggesting the Preferred Results report was valueless. What is being said is the data, particularly on dog pool analysis, did not have an evidence base. If one reads the report one will see many references to assumptions, estimates and guesstimates and, in fairness to the consultants, that is all they could do.

Chairman: Did that report meet the requirements of the terms of reference?

Mr. Gerard Dollard: It did because the report was meant to be an organisational review and not a dog pool analysis. We never requested a dog pool analysis.

Chairman: Leaving aside the dog pool analysis, if Bord na gCon is happy with the rest of the report why did it not go to the Department?

Mr. Gerard Dollard: It has gone-----

Chairman: A year and a half later.

Mr. Gerard Dollard: It is about internal organisational restructuring and I am not sure it is something the Department would have an interest in.

Chairman: Mr. Smyth said earlier it would have been useful if the Department had it. They were his words. The annual amount from the fund is discussed in the Estimates and such a report would be relevant. All I will say is the Committee of Public Accounts believes it was relevant and had a useful purpose. I take it Bord na gCon paid the full amount for the report-----

Mr. Gerard Dollard: Yes.

Chairman: -----even though it was not happy with it. I query this. Was a presentation made to the board, apart from the workshop?

Mr. Gerard Dollard: No, not that I am aware of.

Chairman: Right. Mr. Dollard can see I do not like it and what it is I am suggesting about the idea of two reports being done at the same time. Was the Department involved in drawing up the strategic plan? Was the Department involved in any of the workshops?

Mr. Gerard Dollard: Through the code of corporate governance we were obliged-----

Chairman: I am speaking about the strategic plan that was being worked on in 2017.

Mr. Gerard Dollard: We are obliged to send the draft of the strategic plan to the Department under the code of corporate governance and it has 12 weeks to revert on it.

Chairman: At any stage was anyone from the Department involved in any discussion before the draft was produced? The answer is "No". The first the Department knew was when it got the first draft. I find it confusing that these seemed to have been going on at the same time.

For the record, will Mr. Dollard show me where the costs associated with the Preferred Results report and the strategic plan are shown in the accounts? I am sure they are somewhere on page 28 of the 2017 accounts. Looking at the accounts, I have no idea where the €130,000 plus the extra costs are. Under what heading are they?

Mr. Gerard Dollard: The top part of page 21 gives a breakdown of consultancy fees. There is a figure of €153,558 for strategy and organisational restructure. Within this is Preferred Results and the other consultants involved.

Chairman: The others received €23,000 if Preferred Results received €130,000.

Mr. Gerard Dollard: I am not sure. There could be other things in there. I will get details of the breakdown if the Chairman wishes.

Chairman: That works itself is under consultancy costs. Where is that on page 28?

Mr. Seamus McCarthy: I imagine it included in legal and professional fees, which has a figure of €654,000.

Chairman: Will Mr. Dollard give us a breakdown of the rest of the €654,000? We like to know where things land in the accounts. When did Bord na gCon decide to do the Indecon report? This is the third report within a very short period of time.

Mr. Gerard Dollard: The Indecon report is with regard to one of the objectives in the strategic plan. The industry footprint needed to be assessed.

Chairman: When was the tender process and when were the terms of reference drawn up?

Mr. Gerard Dollard: It was probably last December. It went out to tender and Indecon was appointed in early 2019. I can check the dates.

Chairman: That report is due shortly.

Mr. Gerard Dollard: Yes.

Chairman: Is there a fixed price for it?

Mr. Gerard Dollard: Yes. I believe they gave it earlier. It is €142,500 plus VAT.

Chairman: That is for the Indecon report.

Mr. Seamus McCarthy: There was an earlier Indecon report.

Mr. Gerard Dollard: Yes, in 2014. It was on the greyhound industry.

Chairman: There is €130,000 for the Preferred Results report, possibly €23,000 for the strategic plan and €142,500 for Indecon. We are up to €300,000 for reports from 2017 to the beginning of 2019. That is great stuff. It is a lot of money. There are three reports involving external consultants on what Bord na gCon does next. Is this management by consultants? Does Bord na gCon get a consultant's report every time it wants to do something? There are four reports, if we include Tandem Consulting and Professor Dermot Duff. Within a short period of time, four different consultants were involved in telling Bord na gCon how to improve its business. Who will have the job of implementing the Indecon report? Will Bord na gCon need external advice on how to implement it? That is normally what happens. Mr. Dollard

understands my concern.

Mr. Gerard Dollard: I do indeed. The only comment I will make is that in 2018 accounts, and the Chairman has the briefing note, consultant fees in total were €97,000. We have been significantly reducing our consultant fees. I accept that on specific items the board felt they were of significant importance and should be done by independent consultants, such as Indecon.

Chairman: On the figures for 2018, which include the 2017 figures, on page 7 of the briefing note for 2018 there is travel and subsistence for employees amounting to €519,000 and international travel amounting to €533,000. It was approximately the same the previous year. How many staff members were involved in that €533,000?

Mr. Gerard Dollard: I do not know the number. I would say the bulk, or significant part, of the travel was by stewards and welfare personnel. We are a national organisation-----

Chairman: They are employees.

Mr. Gerard Dollard: Yes. If a national organisation receives a welfare report someone has to travel out and travel back.

Chairman: Without me looking at the accounts, does Bord na gCon own motor vehicles? Do people drive Bord na gCon cars or their own?

Mr. Gerard Dollard: Through historic arrangements a number of employees have cars provided as part of their terms and conditions.

Chairman: That is fine. I need a breakdown of this. I was surprised that in excess of €500,000 in travel expenses was paid to employees. I know some staff work on the courses and there are approximately 125 staff. I am sure a large portion of them are office-based and would not be involved in travel to any significant extent. I know Mr. Tuohey is new and perhaps could not possibly know yet but is it made up of 20, 30 or 50 people? There is more than €500,000.

Mr. Gerard Dollard: We can get the Chairman the breakdown. If we are running 16 tracks and people must travel, the travel costs will be significant.

Chairman: I will give Mr. Dollard the breakdown I am looking for. How many staff received less than €5,000? How many staff received between €5,000 and €10,000? How many staff received between €10,000 and €20,000? Mr. Dollard gets the idea.

Mr. Gerard Dollard: Bands.

Chairman: If somebody received €1,000 or €2,000 that is fine. It is a small amount of travel. I am trying to find how many staff are in each band. I am concerned there might be some very high figures. I have no idea. I hope the information will tell us. I am not making any comment but €500,000 looks high. I understand there is travel every weekend to the 1,500 race meetings being held and I give Bord na gCon credit for this.

My next point will be addressed to Mr. Smyth of the Department of Agriculture, Food and the Marine. Somebody graciously gave us a copy of the legislation on animal welfare that was enacted this year. I asked a question about the Irish Coursing Club. Who runs that organisation? I know it is not under Bord na gCon which is why I am asking the Department of Agriculture, Food and the Marine representative. Who runs it, because it operates the stud book for dogs?

Dr. Kevin Smyth: My understanding is that it is a private club which does not rely on State funding. Most of its financing comes from the stud book and registration fees.

Chairman: How is it financed?

Dr. Kevin Smyth: It is financed through its own resources. It does not receive State funding. It relies on the stud book-----

Mr. Seamus McCarthy: Registration fees.

Dr. Kevin Smyth: -----and registration fees.

Chairman: Registration fees. So it is a not-for-profit organisation.

Deputy Bobby Aylward: Is the stud book not managed by the Department of Agriculture, Food and the Marine?

Dr. Kevin Smyth: No, the Irish Coursing Club runs the stud book.

Chairman: Somebody mentioned cattle earlier. Who operates the system for registering cattle?

Dr. Kevin Smyth: The Department runs the animal identification and movement, AIM, system.

Chairman: In light of the legislation passed in recent months, will the Department run the stud book in future or will this voluntary club, which is not answerable to anybody in this Parliament, continue to do so? A report was commissioned and now I am told that nobody can get to the bottom of it. After all of the legislation being passed, are we going to give responsibility for maintaining the stud book to some private group that is not answerable to anybody?

Dr. Kevin Smyth: The traceability system will be run by Bord na gCon. It will run it centrally.

Chairman: This is precisely my point. It seems that two bodies will be involved in registering dogs. I get the impression that the Irish Coursing Club will register them when they are born and, at some stage during their career, they will be registered again with Bord na gCon if they show up at a greyhound track. There are 4,000, 5,000, or 6,000 dogs involved in racing and there are 12,000 or 13,000 out there so many will not show up at a track. Why would the Department set up a system involving double registration, once by the Irish Coursing Club and once by Bord na gCon? At what age does a greyhound show up for racing? There is no race-track in Laois so I am not an expert on this.

Mr. Gerard Dollard: They start racing at 12 to 14 months.

Chairman: So they will be registered by Bord na gCon at 12 or 14 months.

Mr. Gerard Dollard: The idea is that-----

Chairman: Why is there double registration of the same dog? Why are we duplicating work? Why did we pass legislation to allow for duplicate registration? I am asking for the money.

Dr. Kevin Smyth: Mr. Dollard might start with regard to the system.

Mr. Gerard Dollard: There is no double registration. The Irish Coursing Club will take dogs to a certain point and, once somebody decides to race them at a greyhound track, they will move into our system. If the dogs remain as coursing greyhounds, they will stay in the ICC's system. We track racing greyhounds from the time they come into our system until the end of their life.

Chairman: Why would we set up two tracking systems for dogs? As a member of the Committee of Public Accounts, this sounds like a great deal of duplication. Can somebody explain why the Irish taxpayer would want to pay for a tracking system, through the grant given to the Irish Greyhound Board, when the Irish Coursing Club is doing the same thing privately at no cost to the taxpayer?

Mr. Gerard Dollard: The ICC does not have a tracking system. That is one of the issues. There is no traceability or tracking system at present.

Chairman: Why is the Department not taking on this role? Does it consider this issue so unimportant that it does not even want to take it on? It runs the AIM system for cattle, but it is setting up a system for dogs about which it does not want to know. The ICC could disappear into the ground next year. We have no hold on it.

Dr. Kevin Smyth: We are hoping that the new traceability system will be more comprehensive in that we will have co-ordination between Bord na gCon, the Irish Coursing Club and the Greyhound Board of Great Britain, GBGB. It will, therefore, cover racing dogs, coursing dogs and exports all at the same time. The dogs will be chipped at 12 weeks.

Chairman: The witnesses can see the weak link in all of this. We are relying on a voluntary organisation which receives no funding from the Department and which is not answerable to it or to the Oireachtas. It gets no public money. We will have the system and will just have to hope this club does its business. We are building our whole system on that foundation. Does Dr. Smyth understand my concern?

Dr. Kevin Smyth: I do.

Chairman: Can somebody send me a note as to why-----

Deputy Bobby Aylward: Could the dog not be registered on the same system from birth until death, the same as other animals?

Chairman: One registration, like cattle.

Deputy Bobby Aylward: Could the Department not look at a system like that used for cattle, bovines?

Dr. Kevin Smyth: There is a welfare requirement. A dog must be 12 weeks old before it can be chipped. They are not supposed to be chipped before that age. I absolutely agree with the Chairman, however. The purpose of the system is to cover all life events from when a dog is born until it is exported, moves to a retirement home or dies. The whole idea of the system is to cover those events.

Chairman: Why can the system not be under the control of the Department? It should be. There is no point coming back in three years and saying that the Irish Coursing Club disbanded in a row and that nobody can do anything because the whereabouts of the records are not known. The club is not under the remit of the Department, is it?

Dr. Kevin Smyth: It is not.

Chairman: The Department is handing this whole process over to an entity over which nobody in this Parliament has any control. This issue is important. Did we learn anything from that programme? I am being hard on the witnesses. I am approaching this based on how I see it and I may be getting it all wrong but, listening to the logic, I cannot understand why an organisation under the remit of the Department cannot take over the chipping of the dog at 12 weeks and then tick a box if it races or a different box if it goes somewhere else? Why does the Department have to get such information transferred from this club? I want a detailed briefing on the Irish Coursing Club from the Department and an explanation as to how the Committee of Public Accounts can be satisfied with and stand over the process from when dogs are chipped at 12 weeks, as the Irish Greyhound Board will rely on this system.

Deputy Bobby Aylward: It is a matter of traceability.

Chairman: It is a voluntary club. That is daft. Am I missing something? Will somebody tell me I have got it all wrong?

Mr. Gerard Dollard: It is a voluntary club but-----

Chairman: What role does this club have in the system that allows it to get itself stitched into legislation? It is mentioned in section after section; I have the legislation in front of me. We are giving it power but we have no control over it.

Mr. Gerard Dollard: To return to the history, the Irish Coursing Club existed before Bord na gCon was created in legislation in 1958. As a result of its previous existence, it took on the statutory role of keeper of the Irish stud book. It has that role under legislation.

Chairman: Mr. Dollard has spent the last three hours telling us that it did not do the job properly and that the Preferred Results report could not rely on its figures.

Mr. Gerard Dollard: I did not say that.

Chairman: Mr. Dollard has spent three hours telling us that the system in place is not fit for purpose-----

Mr. Gerard Dollard: Absolutely.

Chairman: -----and that it could not be relied upon. He is now saying that the rationale for letting the club continue operating the system is that it has always done so. If it was not doing a good job, it should not be in the equation.

Mr. Gerard Dollard: In law, it has a statutory role as keeper of the Irish stud book.

Chairman: I said “if” it was not doing a good job. Mr. Dollard seems to believe that it cannot provide any remotely reliable evidence for the industry. He said they were assumptions made by the company, Preferred Results limited. There is nothing that could be relied upon.

Mr. Gerard Dollard: We are saying the existing systems are not fit for purpose and that the Irish Greyhound Board, which has responsibility for racing greyhounds, wants a traceability system for racing greyhounds. We are not saying that the Irish----

Chairman: I believe the Department should run such a system itself rather than rely on a voluntary club. There is no accountability.

Deputy Bobby Aylward: There are thousands of dogs out there that are not registered at all.

Chairman: Will Dr. Smyth send us a detailed note on why this system is proposed, who will operate it and how the Oireachtas can be satisfied that this new process is the right way to go? He has said the Department is at the final stages of drafting statutory instruments and that it will probably be moving on soon. He has to convince us and satisfy us that this is a verifiable, safe process for the State to be involved in. That is all I have to say. He will send us a note. I remain to be convinced. I need a detailed note.

Dr. Kevin Smyth: We will send the Chairman a note and give him full details of the-----

Chairman: Does Dr. Smyth understand my concern?

Dr. Kevin Smyth: I understand it fully.

Chairman: I am a layman in this area so I can understand if I am not getting it right. We will wait and see. I thank the witnesses from Bord na gCon and the Department of Agriculture, Food and the Marine for their attendance and the information provided today. I thank also the Comptroller and Auditor General and his staff.

Is it agreed that the clerk to the committee will seek any follow up information and carry out any agreed actions arising from the meeting? Agreed.

Mr. Seamus McCarthy: Chairman, Deputy Kelly asked whether the Irish National Accreditation Board, INAB, was a public body and was subject to audit. It is actually a committee of the Health and Safety Authority, HSA, and so the expenses associated with that board go through the Health and Safety Authority.

Chairman: I thank Mr. McCarthy for clarifying that matter.

Mr. Seamus McCarthy: I have supplied the information to the Deputy.

Chairman: That is even better again. It is on the record. The meeting is adjourned until Thursday, 26 September 2019 when we will meet the Data Protection Commissioner on the commission's financial statements for 2018.

The witnesses withdrew.

The committee adjourned at 3 p.m. until 9 a.m. on Thursday, 26 September 2019.