

DÁIL ÉIREANN

AN COMHCHOISTE UM THALMHAÍOCHT, BIA AGUS MUIR

JOINT COMMITTEE ON AGRICULTURE, FOOD AND THE MARINE

Dé Máirt, 19 Samhain 2019

Tuesday, 19 November 2019

The Joint Committee met at 3.30 p.m.

Comhaltaí a bhí i láthair/Members present:

Jackie Cahill,	Paul Daly.
Marcella Corcoran Kennedy,	
Charlie McConalogue,	
Brian Stanley.	

I láthair/In attendance: Senator Anthony Lawlor.

Teachta/Deputy Pat Deering sa Chathaoir/in the Chair.

Business of Joint Committee

Chairman: Apologies have been received from Deputy Penrose and Senator Conway-Walsh. Before we begin, I remind members to ensure their mobile phones are turned off. I propose that we go into private session to deal with some housekeeping matters before we return to public session to deal with the main item on the agenda today, namely, matters relating to Horse Racing Ireland.

The joint committee went into private session at 3.43 p.m. and resumed in public session at 4.10 p.m.

Scrutiny of EU Legislative Proposals

Chairman: The next item is scrutiny of EU legislative proposals. It is proposed that proposals COM (2019) 470, COM (2019) 472, COM (2019) 473, COM (2019) 474 and COM (2019) 475 do not warrant further scrutiny. Is that agreed? Agreed.

Sitting suspended at 4.12 p.m. and resumed at 4.13 p.m.

Operational Matters and Corporate Plans of Horse Racing Ireland: Discussion

Chairman: I remind members and witnesses to make sure that their mobile phones are completely turned off. We are here to discuss the horse racing industry. I welcome Mr. Nicky Hartery, chairman, and Mr. Brian Kavanagh, chief executive officer from Horse Racing Ireland. I thank them for coming before the committee to update it on Horse Racing Ireland's overall performance, operational matters and corporate plan for horse racing in Ireland. Mr. Hartery was before a committee in July 2018 following his appointment as chairperson, though it feels like only yesterday. This is his first official visit here.

Witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. They 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 or 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 long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official either by name or in such a way as to make him or her identifiable.

Mr. Brian Kavanagh: We are grateful for the opportunity to meet the joint committee this afternoon to discuss the overall performance, operational matters and corporate plans for Horse Racing Ireland. The chairman, Mr. Nicky Hartery, I and Mr. Jonathan Mullin, our head of communications, are here. Horse racing and breeding is a significant industry in the country, producing almost €2 billion in total expenditure annually and supporting 29,000 direct and indirect jobs. More than 1.3 million people attend race meetings every year across 26 racecourses

throughout the country. Using some key metrics for this year, the domestic racing industry is performing well. Our published figures for the first half of 2019 showed attendances at Irish race meetings increased by 9%. Betting with on-course bookmakers rose by 11.5% for the first half of the year. Those numbers point to the popularity of racing in Ireland, which makes the business side of racing and breeding more viable for operators throughout the country. In the first six months of 2019, the number of horses in training increased by 3.5%, the number of active owners increased by 8.5%, and new owners registered increased by 9.5%. These numbers show increased participation in the industry, and that is good news for towns and villages throughout the country that benefit from local employment and spin-off secondary expenditure.

Last August, the committee received copies of Deloitte's regional economic impact reports, which detail the impact that horse racing and breeding have in rural Ireland. These reports were a region-by-region analysis of a 2017 Deloitte report that showed the economic value of the thoroughbred racing and breeding industry to Ireland as being €1.8 billion per annum, generating employment, both direct and indirect, of 29,000 people and annual sales of €438 million. These are significant figures and, when broken down by county, the economic figures for counties traditionally associated with horse breeding and racing are noteworthy. For example, more than 2,500 jobs in County Tipperary are supported directly and indirectly by racing, and those jobs fuel almost €400 million in annual expenditure in that county. Each industry will have its own clusters and there are clearly centres of excellence for horses in places such as Tipperary, Cork, Meath, Kildare, Carlow and Kilkenny, where the scale of the impact is strong and cannot be replicated everywhere.

The Deloitte report makes clear that there is a strong regional spread of this rural industry throughout the country. In the midlands, which we categorise as Laois, Offaly, Longford and Westmeath, there are an estimated 1,200 direct and indirect jobs supported by racing and almost €100 million in annual expenditure in those four counties. These are significant numbers. In the north west, in Sligo, Leitrim and Donegal, which might be regarded as a quiet area for horse racing, there are 120 jobs and more than €12 million in expenditure. These are relatively significant figures and I am confident that they will grow. Donegal has shown a great trend in recent years towards producing young jockeys of the highest calibre, which perhaps demonstrates a growing interest in the county in working with horses and participating in our industry. In the west, in Mayo, Galway and Roscommon, racing and breeding support almost 1,000 jobs with more than €100 million in expenditure. By any measure in that region, 1,000 jobs are very significant.

This is an industry that delivers on Government investment and a sport that continues to be one of the most popular activities in the country. However, those positive figures mask some serious concerns in areas that we know need care, attention and investment. Ireland has many advantages when it comes to horse racing and breeding. The most fundamental advantage of all is our land and our climate. The country is suited to rearing horses. Our limestone soil is good for bone structure development. We have a tradition of horse care among our people that is the envy of the world over. It is not a cliché to say that no matter where one is in the world, whether Australia, Japan or America, if one is at a racetrack or training yard, one will quickly see and hear Irish people. Those talents are world renowned and the reason people come from around the world to Ireland to invest in the horse business. Ireland has always had a close affinity and skill with the racehorse. A recent report showed that there were 50 thoroughbred horses per 10,000 people in Ireland, a multiple of any other major racing nation. The equivalent ratio in the UK is four horses per 10,000 people. It shows the intensity of the industry in Ireland compared with other countries.

Most of the almost 7,000 registered horse breeders in Ireland are scattered around the country, and 92% own five brood mares or fewer. Although horse racing sometimes has an image as the sport of kings or the domain of big battalions, I reiterate that 92% of breeders, who are the backbone of the industry, own five brood mares or fewer.

The headwinds we are facing will have an impact throughout the country. Brexit is the biggest headwind of all. Regardless of what happens in Britain in the next few months, there will be no soft Brexit for Irish horse racing and breeding. After Brexit, Ireland will be isolated geographically from its key export market. As a way of putting in context how important the thoroughbred export market is to rural Ireland, I would like to mention that Ireland produces more thoroughbreds each year than Great Britain and France combined. Just over 9,000 foals are born in Ireland every year. This is more than the UK and France combined. Ireland is the third biggest producer of thoroughbred horses in the world. Approximately 60% of the horses we produce every year are exported, and 80% of those exports go to the UK. We cannot ignore the fact that Britain is an irreplaceable market for the Irish thoroughbred. Our real fear, as reported in *The Irish Field* and other racing media last week, relates to the political desire in Westminster to put in place domestic policies and incentives after Brexit that would aggressively give an advantage to the British breeding industry. There has been some talk about a supply imbalance and an excessive dependence on Ireland for the supply of horses. If that happens, there is no doubt that Ireland will be the country that is most negatively affected. We need to invest significantly in the horse racing industry to combat the impact of Brexit and any potential protectionism from our main markets.

Horse Racing Ireland has developed a strong strategic plan for the next five years. The plan, which is before the Department of Agriculture, Food and the Marine, needs Government support and funding. We know that with the support of the Government, we can develop this industry further in a way that brings about growth in rural employment and increases economic output. We are happy to discuss any aspects of our plan, which is necessarily ambitious, with the joint committee. The plan sets targets for increased participation across all levels of the industry, including the flat, jumps and point-to-points. It includes an ambition to develop a second all-weather track, which would be a key piece of infrastructure for the industry. This development could include a training incubation hub based at the track, which would be used by young start-up trainers to help them to get a start in the industry and to provide the kind of assistance that will lead to growth in employment and economic activity in rural Ireland.

We need to invest in equine welfare and staff welfare programmes. Our strategic plan provides for a total redevelopment of the Irish Equine Centre in Johnstown, County Kildare. As the chairman of Horse Racing Ireland, Mr. Nicky Hartery, told this committee last year, the industry is renowned for the care that racehorses get. We have seen in other jurisdictions – primarily in America and most recently in Australia – that it is crucial for standards of care to be maintained at the highest possible levels. The current facility that houses the Irish Equine Centre in Johnstown is not fit for purpose. Significant investment is needed to maintain what is, in effect, the industry's current insurance premium. It goes without saying that a disease-free herd is essential to underpin the trade in bloodstock. The role the Irish Equine Centre plays for the State in ensuring the health and welfare of racehorses and many other types of animals cannot be underestimated.

We recognise and understand that budget 2020 was a standstill budget that was written under the threat of a no-deal Brexit. It left many things the way they were before the budget. If the industry is to prosper and grow, increased funding is necessary to support the ambitions

in the strategic plan. The good news is that the means to do this is now in place. In our view, it would be much better if horse racing in Ireland, rather than competing for funds with other causes from the general taxation pool, were to be funded as it is in many other major racing countries through taxes generated by those who choose to bet on the sport. We are grateful for the encouragement we have received to this end from the Minister, Deputy Creed. We look forward to future positive engagement with the Minister and his officials on making the strategic plan a reality when the uncertainty around Brexit has been removed. Our plans for racing and breeding in Ireland will provide a dividend for Government support and an economic return for rural Ireland. We believe this can be done at a reduced cost to the Exchequer.

Historically, the Government helped to fund the horse racing and breeding industries through the horse and greyhound racing fund, which included levies collected from bets placed in Ireland each year. Until recently, the rate of betting tax levied in Ireland was one of the lowest of any country in the world. Since it was decided in budget 2019 to increase the rate of betting tax from 1% to 2% of turnover, the yield has increased by more than €50 million per annum. This year, the amount of money raised from betting tax will be greater than the amount of money distributed to the horse and greyhound racing fund. We believe there is an opportunity to put in place a long-term, secure and sustainable funding base that will allow this vibrant but vulnerable rural industry to maximise its potential. This surplus can be used to invest in an industry that is delivering strongly for rural Ireland by protecting from the potential effects of Brexit and by copper-fastening the healthcare standards enjoyed by our horses. Investment in this ambitious and realistic strategic plan will lead to increased employment across the villages and towns of Ireland. I thank the committee for giving us an opportunity to discuss the industry and our plans. I will be happy to address any questions that members of the committee might have.

Chairman: Senator Paul Daly is first up.

Senator Paul Daly: At the outset, it is important for me to record that I am the chairman of Kilbeggan racecourse and a horse breeder and owner. I thank Mr. Hartery and Mr. Kavanagh for their presence here today and for their comprehensive report. I would like Mr. Kavanagh to elaborate on some of the points he has made.

I welcome the Deloitte report. It should be read by anyone who is not in the circle and does not have a hands-on position in racing. Mr. Kavanagh has highlighted figures which show that jobs are being created in serious numbers and a serious amount of money is being circulated in parts of rural Ireland where there are not many other opportunities. The numbers of people attending race meetings and the betting figures are very positive. I am delighted to hear such statistics and I welcome them. Do we have any idea of the kind of age profile of those whose attendances are leading to the increased figures? What cohort of people are we talking about? Are foreign tourists coming in? Have we harnessed a new Irish support base? Are younger people coming in? Is there further potential to be harnessed in this regard?

I could not agree more with what Mr. Kavanagh said about the funding needs of the Irish Equine Centre in Johnstown. Does he have any idea of how much a redevelopment project at the centre would cost? If his wish list is accepted by the Minister, how does he propose that Horse Racing Ireland will come up with its side of the funding? I do not doubt that additional funding would be needed. I doubt that 100% funding would be provided.

As a representative of Kilbeggan, which is a small racetrack, I would like to ask about one of the major sources of income in racing at the moment, which is media rights. These moneys are keeping many of the small racetracks going. Brexit has been mentioned. Where does Mr.

Kavanagh envisage that media rights will go? Are they under threat with Brexit in mind? At the moment, the Racing UK channel is what it says on the tin. It is possible, depending on how Brexit turns out, that the UK authorities will go on a solo run. As Mr. Kavanagh has highlighted, they seem to be putting the foundations in place to promote their own industry. If the links are not as strong after Brexit, does he believe this will be an issue for one of our major sources of funding on the ground?

That is it for the moment. I compliment Mr. Kavanagh, Mr. Hartery and their team on the great work they are doing. I suppose they are preaching to the converted here. As I have said, it is important for other members of the committee to read the Deloitte report, which contains startling figures with regard to job creation in parts of rural Ireland where there are not many other employment opportunities.

Chairman: We will take the questions as they come.

Mr. Brian Kavanagh: Okay. The age profile among those who attend race meetings is better than Senator Daly might expect. There is a difference between festival meetings and ordinary meetings. The typical profile of a regular racegoer is older, male and rural, with a strong bias towards the farming community. At the festival meetings, the balance is much better on a gender basis, on a demographic basis and on an age basis. The statistics show that throughout the major festivals and the bigger meetings, we are looking at a 60:40 male-female spread. There is an encouraging mix of younger people coming to the bigger meetings at racecourses like Galway, Punchestown and Leopardstown at Christmas. There has been a focus on creating racing clubs in the universities. Some race courses operate student days to try to attract the racegoers, owners and breeders of the future at a young age. It is a concern that there is a difference between what one might describe as the more run of the mill race meetings and the festival meetings, but the mix is okay.

The proposed budget for the redevelopment of the equine centre is approximately €22 million. The intention is that, like some other capital projects in the industry, industry funding will be provided as well as Government funding. We will look to fund this through the Department of Agriculture, Food and Marine capital funding budget. We have had discussions with the Department about our ability to generate matching funding or funding on a two-for-one basis relative to the funding that comes from the Department to the industry. That is what has happened in many racecourse developments recently. HRI provides 40% of the funding of racecourse developments and the racecourse itself, through its own funds or through fundraising, provides 60%. The budget is €22 million with something like one third or two thirds provided by the State and industry.

The media rights are secure until 2023 and are in a good place. The only issue relating to Brexit is its impact on sterling, as the deals are all in sterling so we could do with it strengthening a little to help the racecourses with their receipts. I do not have a concern along those the Senator outlined about Ireland being excluded from media rights because the product is so strong and is in demand. I attended Cheltenham last Saturday. It was amazing, even at that English race meeting, how much focus there was on what was going on in Punchestown. There was a big screen showing all the Punchestown races and when Faugheen won his race there, a huge cheer went up from the crowd. As long as we keep our product strong and maintain quality, there will be a strong demand for media rights.

Deputy Brian Stanley: I welcome the delegation. According to the opening statement, there are encouraging signs of growth with the figure for horses-in-training up 3.5%, active

owners increased 8.5% in the first six months of the year and new owners registered were up 9.5% while betting with on-course bookmakers rose by 11.5% in the first half of the year. That is very positive from an industry perspective. Later, Mr. Kavanagh stated racing is a “vulnerable rural industry” but those figures does not seem to bear this out, notwithstanding the issue of Brexit, to which I will return. Can the delegation explain that a little?

The value of the industry is set out. It provides approximately 1,200 jobs, direct and indirect, in the four midlands counties. On Brexit, the statement suggested that British Government policy might try to tailor everything in such a way as to give the British horse racing industry a push ahead of the Irish sector. With 80% of exports going to Britain, that has implications. If Britain is going to put in place domestic policies that aggressively advantage the British breeding industry, as one would expect, what can be done here to counter that?

What is the location of the all-weather track that is being planned?

On the betting tax, HRI said the 2% increase brought in an additional €50 million. Is there room for a further increase in the tax?

Mr. Brian Kavanagh: The positive figures are encouraging at the half year stage and have continued. The vulnerability relates to the point which the Deputy touched on, namely that the British and Irish racing industries are really the one industry. If one looks at today’s card at any track in the UK, more than half the horses running will be Irish-bred, having been born and bred here and sold at a younger stage in life. Many of the jockeys plying their trade in the UK are Irish. If one goes into a betting shop in the UK, one will find Fairyhouse covered in the same way as any meeting in Britain. We have been before this committee previously to discuss implications in areas such as animal movement where we have completely free movement of animals between Britain and Ireland or even across the Border under tripartite agreements. That will change following Brexit and it will become more difficult to trade. Some 1,500 mares a year come to Irish stallions from continental Europe. They come through the landbridge of the UK. Now, they will effectively come out of the EU into a third country, back into the EU to come to Ireland, then back out into a third country to go home through Britain. The fear is that continental breeders will just think that it is easier for them to send their mare to a French stallion and they can stay at home.

I have no fears about the quality of our product. The Irish horse is our biggest selling point. Irish breeders produce very good horses and no matter what incentives other countries put in, no one can take that away. However, one fear is if Britain starts putting in restrictions such as running races for British-bred horses only or they start offering premiums and additional prize money if a horse is British-bred or born rather than an Irish horse. We are seeing signs of that. Where before we would have had combined incentive schemes where premiums were paid, now there is a desire to move to a British point of view. As an industry and as a country, we have always taken a very open outlook to the industry. We are an exporting nation and our philosophy has not been to pursue restrictive policies. We would have to invest in our industry here and ensure that the equine centre is built and provides adequate disease control. We would have to look at our prize money levels relative to the UK and we would have to support our breeders with access to markets such as the UK. The industry would be up for a fight like that; the issue is that it needs support and backing to do so.

Deputy Brian Stanley: What do we do post Brexit? Can any of the issues be addressed in future trade deals with Britain? Whatever they do, they will have to come back the day after Brexit and start sorting out trade deals. Are there issues on which the Department of Agricul-

ture, Food and the Marine can establish a *quid pro quo* agreement with Britain in order that if it wants to keep trading with us in horse racing or horses, it will have to do something in return?

Mr. Brian Kavanagh: We have had wonderful support from the Department of Agriculture, Food and the Marine on Brexit. It is positive in a way in that through the Department we have gone to the European Commission and explained our concerns around the tripartite agreement and the disappearance of the free movement of horses. At the moment, horses can move between Britain, France and Ireland without any documentation, veterinary checks or financial tariffs. It is because the governments are satisfied that there are adequate disease control measures or disease prevention and veterinary standards in each of those countries that there is no risk in someone moving a high health racehorse from here to France. It does not expose any threat of disease. When that falls away, we are looking to get Britain under European animal health law. As long as those criteria that justify free movement are replicated and there is alignment of regulatory standards, there will be free movement.

The issue we have run into so far is that the UK is tied into the divorce arrangements rather than the future trade aspect. There has been a positive reception to the idea of that high health, high performance horse movement being free internally within the EU. That is not really what we want, however. It is the movement between the EU and GB that we would like to extend to and that it would become part of the trade negotiations. We would very much seek the assistance of the Government and the Department of Agriculture, Food and the Marine to ensure trade in equines is at least on the agenda for discussion during the trade negotiations.

Deputy Brian Stanley: Britain may not be able to do what it likes in this matter. The European Union and Ireland will have cards to play.

Mr. Brian Kavanagh: It would be disappointing if Great Britain was reducing its veterinary standards. Its standards are high and are the same as ours. All the focus in business is on horse welfare issues. Personally, I would be surprised if Great Britain was going to reduce its standards. As the Deputy said, it may not have the liberty to do what it wants. If one takes with one hand, one has to give with the other.

Chairman: What about the all-weather track and betting tax?

Mr. Brian Kavanagh: The all-weather track project is being evaluated at the moment.

Senator Anthony Lawlor: Laois or Tipperary.

(Interruptions).

Mr. Brian Kavanagh: One of the two. It would be in the south of the country, most likely Tipperary. It depends on funding. It is a key element of our strategy.

Dundalk has been a huge success but it is a long way for many trainers to get to. There has also been an evolution in the surfaces which all-weather tracks operate. There is a desire in the industry that alternative surfaces are made available. Without getting technical, there is a polytrack surface in Dundalk but other types of all-weather surface are now available. That evaluation will come before the board in December. The process is taking place next week.

Chairman: While depending on funding, is there a timeline as to when this may be available?

Mr. Brian Kavanagh: The strategic plan has it that it would be up and running in 2021. That is now looking ambitious. It would be more realistic to say 2022. We will be anxious to get it as quickly as possible for several reasons. All-weather racing keeps a whole host of small trainers in business in small rural parts of the country. With our race programme, we are trying to balance some of the biggest and successful stables in the world which have a demand for a certain type of racing with the inclusiveness of a small trainer who is trying to compete. All-weather racing has provided a strong outlet where several trainers have developed a successful business. They can buy a string of horses to race on the all-weather tracks during the winter. We see that is key to developing and continuing employment for flat trainers, in particular, as well as providing the potential for a start-up for young trainers. We are keen to get moving on this.

Mr. Nicky Hartery: There is tremendous consistency with an all-weather surface. If we say we are running on Friday night, we are running on Friday night. That is fantastic. What we have seen, particularly this year again, is oversubscription of the number horses whose trainers want them to run in Dundalk, whether it is Wednesday, Friday or Saturday. There is a requirement for more racing. We have been working with everybody to keep a balance because it is important to keep the excellent product that is there and to continue with that.

We have developed the strategic plan and brought it as far as we can at this stage. We have told the Department we know it is a standstill year. Once that is over, we want to be in front of the queue to ensure we can start to move with the projects we have in place and to make industry significantly better over the next five years. As Mr. Kavanagh said, we are one year on hold at this point. That will probably drift for another six months or so. Then we need to get started, working with the Department, get approved by the Government and then move on to make the industry stronger. That is what the intention is.

Mr. Brian Kavanagh: There is room for further increases in betting tax. However, there is a need for some fundamental realignment on the basis of which it is charged. I am sure members have had plenty of engagement with the betting industry. The betting tax yield this year will be just under €100 million from a total turnover of over €5 billion. It is a relatively small figure. Only five years ago, that figure was €29 million, however. Deputy Michael Noonan, the then Minister, took a two-step process whereby he extended betting tax to offshore betting. Betting which takes place through the telephone or the Internet previously was escaping the tax net because it was routed through Gibraltar. Legislation was brought in 2015 to ensure it was captured. That increased the yield from €25 million to €50 million. Last year, the rate of betting tax was increased to 2% and the yield on the first eight months will be close to €100 million.

The issue with that is the tax is paid by the bookmaker which is a line in the bookmaker's profit and loss account. This was a change introduced when Brian Cowen was Minister for Finance in 2006. The bookmakers were lobbying at the time that the punters should not pay the tax. Some of the bigger bookmakers told the punter they would absorb the tax, meaning smaller bookmakers could not compete with that. As a result, the system was changed at the time where the tax was taken down from 2% to 1% but it was deemed the bookmaker should pay it rather than the punter.

We believe that is wrong. If one looks at any other form of VAT or any other form of consumption tax, it is paid by the customer rather than the operator. It led to a tax-free betting bonanza, possibly even fuelling excessive gambling and issues like that.

The tax yield is low relative to the level of betting activity that is going on. We believe it

could be increased. If it were to be increased, the liability, some element or all of it, would have to switch back to the punter rather than the bookmaker. It is at a point in the bookmaker's profit and loss account where they cannot afford to pay any more. We do not believe if a punter has to pay 1% or 2% tax on betting, even if comes out of winnings as opposed to turnover, it would be an onerous burden. We believe the State is not getting the yield out of its betting that it should do.

Deputy Brian Stanley: Is there a turnover of €5 billion?

Mr. Brian Kavanagh: It is €5.2 billion

Deputy Brian Stanley: Is that just on horseracing?

Mr. Brian Kavanagh: No, on everything. It is split 50:50 between retail turnover and on-line turnover. In retail, about 70% of the turnover is on horseracing and dog racing. Online is closer to 50:50.

Deputy Brian Stanley: The rest is on politics and elections.

Mr. Brian Kavanagh: It will be next year.

Deputy Jackie Cahill: I thank the witnesses for their presentation.

Will they elaborate a little further on the breakdown of the betting tax yield between different sports?

It was stated on-course bookmakers are up 11.5% in first half of the year compared to 2018. The number has dropped substantially overall, however. I would say there are about 40% of what they were five or seven years ago. Are there figures for when on-course betting was at its peak? I would like to get that figure because I was extremely concerned that the profession of on-course bookmakers was in terminal decline. I am pleasantly surprised to see the turnover is up by that much. That is a welcome development because our bookmaker is a key element of our day out and it brings a unique atmosphere to racing that one would not have with a Tote monopoly. On the greyhound racing side, on-course bookmakers have disappeared and it inevitably affects the night out and the banter that is there.

As has been said by other speakers, all the increased figures for horses in training and for active owners are extremely welcome. It is good to see the number of new owners up by virtually 10% as well. It is a healthy sign of the industry whose importance to the rural economy has been stressed. My local point-to-point race was on last Sunday and a horse was sold at that for a substantial sum. The same man who sold the horse might have another 20 horses and not get another golden handshake but that is what keeps that part of the industry alive and it is extremely important.

With Brexit, the UK will try to protect its industry. It can be said we are guilty of the same thing in Ireland. We have our own European Breeders Fund, EBF, sales races for horses from EBF registered stallions. If they start this in the UK and have confined races, we can take a bit of the blame ourselves in that we probably showed them a route to go in the way we were promoting our own sales and stallions. I am not being critical but we definitely did that. If we look at the national hunt, the UK consumer would get fairly browned off about only UK horses running. If the French and Irish-bred horses were taken out of it, they would make up the vast majority of the top performers on the UK racing circuit. While I could see it operat-

ing at a lower level such as the races in Sedgefield on a Tuesday or a Wednesday, I could not see it operating on a weekend circuit to have confined races for British thoroughbreds. Maybe that is only wishful thinking but people go racing to see good horses running. If there is to be discrimination against us, it will be done in another way to having confined races but we cannot ignore the threat of same. If the door was closed for export into the UK or if it was made harder for us, the only industry that would be affected as badly by Brexit would be our beef industry. The threat is huge.

On the proposed new all-weather track, the rumour is it would be in my county. I question this. We talk about the equine centre and money is a limited resource. Do we need a second all-weather track? I know the witnesses are saying we have a cohort of trainers in the Cork region who are travelling up to Dundalk for night meetings but do we fully utilise the Dundalk facility? I do not know how many of these tracks are in the UK. There are four, five or six and a few more have started in the recent past in the UK. We only have one meeting a week in Dundalk. Is it not possible on an all-weather track to have two to three meetings per week? The infrastructure for the racegoer on some of our smaller tracks around the country is in urgent need of refurbishment. When HRI goes to the Government looking for money, its whole shopping list will not be catered for. Should a second all-weather track be at the top of the agenda? I am just asking the question for the sake of discussion. Thurles Racecourse is my local course and it definitely needs serious upgrading, as does Clonmel Racecourse. Those small rural tracks would have a huge appetite to soak up money for infrastructural improvements. As HRI said, they are the lifeblood of the industry in winter time. It is that rural racegoer who keeps those race meetings going. I know serious refurbishment is ongoing in Leopardstown Racecourse and huge money has been spent on The Curragh Racecourse. Those are the tracks that are catering for the festival meetings and all the rest but we have 26 tracks and if they were told grant aid was available, a lot of them would grab it with both hands. I would have to be convinced about the fact that a second all-weather track should be top of the list in looking for capital investment. I know it is rumoured it is coming to my county but even at that I would like to see the sums done and to see what else will be left waiting in the queue for investment if we put a significant amount of money into a second all-weather track. I know a good amount of investment was made in The Curragh Racecourse by people heavily involved in the industry. That was most welcome. It is a showpiece stand and for the home of our classics that is the way it should be. I would like to get into a debate about that matter. There is a huge amount of money to be spent on different aspects of the industry.

The witnesses have responded to Deputy Stanley about the funding. They said the punter should carry the cost of the betting tax. It might work in practice in a betting office but it will not work on-course. I know the witnesses said it should be taken out of the winnings. I remember a time when betting tax was at 6.5% or 7% and one could pay it on if one was betting on-course and if one did not pay it on it was taken out of the winnings. It definitely did not create consumer satisfaction. Punters have become used to betting in what they consider to be a tax-free zone. I would not worry too much about the bookmakers. They will be able to protect their bottom line and margins in the prices they give. The margin of the operator will be 110% or 115%. I would be slow to go down the route of asking the consumer to pay. It would meet serious resistance. I am not saying we should not try to increase the tax take but to apply it to the consumer would be a retrograde step. There would definitely be a serious kickback from punters who have grown accustomed to putting on their bet without having tax to pay. At one stage the betting tax was 20% in betting shops. We have definitely gone full circle from that but it would be hard to get consumers to buy back into that. I was on Newstalk this morning and another Member of the Oireachtas was arguing this money should be distributed through

all sports in the Exchequer fund. That it is virtually self-generating at the moment helps the argument to keep it within Horse Racing Ireland and the greyhound racing industry. I would not agree with Mr. Kavanagh that applying it to consumers would be the way forward. That would be a retrograde step.

Mr. Nicky Hartery: Let me take some of the points the Deputies have made. The betting tax is not high in Ireland. We do a compare and contrast exercise, as would be expected, with Australia, Japan, USA, Britain, France and so forth. The question was asked if there was room for further change and “Yes” is the answer. That can happen over time as we go forward. How it is applied and managed and who manages the margin will be the questions. We will get to all of that.

I refer to the all-weather track and Mr. Kavanagh might wish to talk further about this also. It is not the number one priority in the strategic plan we have. If the Deputy was to ask me what is the number one priority, I would say the equine centre is. It is very high on our list and probably overdue at this point. In making choices, those are the type of choices we would make. To answer the question on the all-weather track a little differently, if there were five extra race meetings per year one would not build an all-weather track for that. It must be a substantial change. We are very much aware of that. However, the demand for winter racing is becoming greater, particularly flat racing.

Brian Kavanagh can speak about our capital development programme for all the other race tracks and the levels at which we are supporting it.

Mr. Brian Kavanagh: There is good news locally for Deputy Cahill. Clonmel is about to start a redevelopment project on its weigh room building, which we will support. There is no question that the all-weather track will be done at the expense of other racecourses. In the capital grant scheme, and this is unique among sports capital grants, we only put up 40% of the funding on behalf of the Government. For many other sports capital grants, 80% to 100% of the funding is provided. We try to leverage the racecourse to invest its own money. As Senator Paul Daly knows, we work with the racecourses in terms of driving the racecourse to provide 60% of the funding. We try to work with the racecourse on strict grant guidelines so the racecourse is not put in financial difficulty or does not over-stretch itself. There are plenty of schemes available for the other tracks. Some are more inclined to use them than others because it depends on their local financial position.

The chairman spoke about the second all-weather track and I will make a couple of other points. There is a significant demand for further all-weather racing, not just from the horse racing population but also from the betting industry. Internationally, it wants a consistent product on a fixed night at a fixed time with a standard number of runners. Globally, the value in international betting on Irish racing is more in flat racing because there is no real culture of jump racing outside Britain, France and Ireland. People want good flat racing. Ireland is behind the curve relative to Britain and France. France has nine or ten all-weather tracks and Britain has seven. Ireland has one. To an extent, in the business case for an all-weather track there is an element of self-financing it because there is a demand from the television companies and the betting companies will pay for media rights for the all-weather racing, which will cover much of the cost of the prize money.

Deputy Jackie Cahill: Is it not possible to utilise Dundalk for more?

Mr. Brian Kavanagh: One could use Dundalk 365 days of the year if one wished. What

we are examining from the industry's point of view is, first, a regional variation. We have had many issues with trainers and their staff. If one has a runner in the last race in Dundalk at 8.45 p.m. or 9 p.m. on a Friday and one is based in Waterford, Limerick or east Cork, one's staff are not getting home until 2 a.m. the next morning. Second, there is a variety of surfaces developing as well so it is still under review.

The Deputy's point about the British national hunt horse is well made. Those horses are just not available. The total number of British-bred national hunt horses each year is 600 or 700 foals so the British rely on Irish and French horses. Their desire would be to revitalise the British breeding industry over time, and it will take time to come through the system, so they are not so dependent on the Irish product. As I said, the Irish product will always have a quality edge or advantage, but it would be naive of us not to think we are in a competitive environment. We do not want to be caught out by that.

We have spoken about the on-course bookmakers previously. It is encouraging. It is still a tough market for the bookmakers. The 11% figure has continued through to the third quarter of the year, but the total on-course betting figure is approximately one third of what it was at its peak. The figures for the Tote would be the same. The nature of betting has changed. It has gone mobile. People are able to bet at the race track with their telephone and that is difficult. We are trying to work with the on-course bookmakers. I and the board share the Deputy's view that a race meeting without bookmakers would not be an attractive place, but there is a real challenge in that area.

On the betting tax, I take the Deputy's point in regard to punters, but it is difficult to justify, to somebody who is not interested in betting, having VAT on food, books and everything else and yet talk about the tax free consumption of gambling. If the objective is to put in place proper funding structures rather than the Exchequer for things such as gambling addiction or to support sports such as horse racing, the consequence may be that one must question if it is wise to have such a liberal tax environment for gambling and to ask if that in some way fuels, and has fuelled, gambling levels over the years. It is about striking a balance.

Deputy Marcella Corcoran Kennedy: I thank Mr. Hartery and Mr. Kavanagh for their presentation. They said they have 26 racecourses. What is the value of the racecourses and would HRI consider liquidating any of them to raise funds? Take the example of Leopardstown Racecourse. It is located in a desirable residential area. Would there be sufficient land there that if HRI needed to realise funds, it could sell it? Is that something that has been considered?

Senator Anthony Lawlor: As somebody who remembers Baldoyle and the Phoenix Park, I would hate to see the loss of a race track from the Dublin area.

Deputy Marcella Corcoran Kennedy: I am not suggesting that. The Senator was not listening to my question. I asked whether selling some part of the asset is something the HRI would consider if needs must. It is a straightforward question and I do not take kindly to it being misinterpreted.

Chairman: Perhaps we can get an answer to that question first, to clarify it.

Mr. Nicky Hartery: I was going to recommend that because we are selling some land in Leopardstown to fund the redevelopment of Leopardstown Racecourse, which is most appropriate to the question the Deputy asked. An investment of approximately €19 million is going into it.

Mr. Brian Kavanagh: The Deputy asked about the value of racecourses. One could answer that across a broad spectrum. At one level, racecourses are worth nothing. They are effectively locked in to be used for racing. Most of them are in rural areas and are of limited commercial potential. A previous chairman used to say it would be easier to close a hospital in Ireland than to close a racecourse. Ireland has a population of 6 million people and 26 racecourses while Hong Kong has 6 million people and two racecourses. If one took a cold, hard business look at it, one would say there are too many racecourses. However, the variety in the types of racecourses in the country is what gives Irish racing its broader charm, if I can call it that.

In terms of the proposal of liquidating a racecourse, the only one worth talking about probably would be Leopardstown. Leopardstown has a massive tradition. It is over 100 years old and is racing's only outpost in Dublin. We see in other countries that there is a disconnect between the population and horse racing. They are urban societies and people do not see or grow up with horses. They do not understand it. That is not yet the case in Ireland but it might come down the line. Leopardstown Racecourse has a very important role in keeping the flag flying for horse racing in Dublin. There is a limited amount of land there to sell without compromising it as a racecourse. The idea of selling it in its entirety and building a new racecourse somewhere on the M50 or the like-----

Deputy Marcella Corcoran Kennedy: I wish to clarify that I did not ask that question.

Mr. Brian Kavanagh: Fine.

Deputy Marcella Corcoran Kennedy: I asked if HRI was going to sell part of it. I do not want anybody here to create the impression that I am asking the HRI if it wishes to sell Leopardstown Racecourse. I did not ask that question.

Mr. Brian Kavanagh: I understand. It is not the plan. The opportunity to sell parts of Leopardstown is limited. We are in the process of selling a site there to the Department of Education and Skills for construction of a school. As Mr. Hartery stated, that transaction will fund the redevelopment of the stands and weigh rooms in Leopardstown. There is opportunity for such development but it is limited largely to Leopardstown. Most of the other 25 racecourses in the country are located in rural towns and are of limited value. I did not misinterpret the Deputy's question. I was just trying to give a broad picture. Previous boards considered the development option and moved away from it, presumably for the same reasons it was not pursued at Lansdowne Road or Croke Park, for example. Leopardstown is the headquarters of racing in Dublin and has significant tradition. If one sells it, it is gone. Part of it will be sold and that will assist the redevelopment of the racecourse.

Senator Anthony Lawlor: I thank the witnesses for their attendance. I listened to their opening remarks on my iPhone. I welcome that Mr. Hartery highlighted that the Irish Equine Centre in Johnstown is HRI's first priority. Having been there with Mr. Kavanagh on several occasions as well as with the Minister, I know that it needs considerable investment. We hope that will happen. It is operating on a shoestring. Its facilities are quite deplorable and it is difficult for the staff to carry on their excellent work. It has broadened its revenue streams to include areas other than equine activities. I am delighted that it is a priority for the HRI.

I refer to the redevelopment of the Curragh racecourse and the associated problems. The State probably owns two thirds of the Curragh through HRI and the Turf Club. There has been a remarkable improvement in linkage locally since the appointment of Mr. Pat Keogh as CEO. Trainers are seeking extra meetings at the racecourse. It is a fine facility that should be used

more often. On the possibility of having a second track, has consideration been given to a private venture? An offer has been made in respect of a track not far from where I live.

Has consideration been given to the American model, which involves racing in blocks such that horses can be stabled on site? Many of the horses which run on the all-weather track in Dundalk do so regularly.

In the past year, there has been much debate in respect of funding of the horse racing and greyhound racing industries. Would it be of benefit to horse racing for its funding to be separated from that of greyhound racing? Would that be of assistance to HRI in terms of addressing certain negative messaging?

Several trainers in Ireland and the United Kingdom have left the business in the past 12 month. Mr. Kavanagh referred in his opening statement to difficulties in particular areas. If Joseph O'Brien of Kilkenny, Willie Mullins of Carlow, Noel Meade and Gordon Elliot of Meath or Coolmore of Tipperary pulled out, it would leave a significant hole in the local area. Are we becoming too dependent on large operations such that small trainers do not have much of a chance?

I met Mr. Brian Cusack who is looking after the Tote and coming forward with several ideas in that regard. Reference was made to the betting tax, which does not apply to the Tote. Bookmakers pay the tax of 2% but there is nothing coming from the Tote. Should it also pay the 2% tax?

Mr. Kavanagh referred in his opening statement to the betting tax on racing. Most of the money recouped by the betting tax could be asserted to come from matters other than horse racing. What percentage of the moneys accrued comes from racing? It comes from greyhound racing, football matches and so on. Do the witnesses have a breakdown in that regard?

There are staffing problems in the hospitality and other sectors. Is staffing a problem in the equine industry? Is there regular engagement between HRI, the Minister for Agriculture, Food and the Marine, Deputy Creed, and the Minister for Business, Enterprise and Innovation, Deputy Humphreys, on easing the visa situation for staff coming into the country?

I have not seen figures in respect of staffing within HRI, such as its staffing complement or the increase in staffing in recent years. In 2016, 8,561 horses were in training. In 2018, there were 8,688, which is a minor increase. Almost half that number of horses were in training each day over the relevant period. Has the staffing level of HRI increased in the past three or four years? Why does its staffing level need to increase? For example, there were 1,000 more runners in 2017 than in 2016, but only 40 more runners in 2018 than in 2017. What is the basis of the staffing strategy of HRI?

Overall, the HRI needs to send a message. The industry is worth €1.8 billion. Foal sales such as those currently under way at Goffs generate significant income. I must give credit to Goffs and Tattersalls. Mr. Kavanagh was at a sale last weekend in Cheltenham. It is fantastic that Irish horses are being sold on the UK market. What Goffs and Tattersalls are doing for the industry is significant. Sheikh Mohammed flew into Dublin Airport by private jet and spent a significant amount of money at Goffs. Big money is also being spent at Tattersalls. The top end of the market in the industry is healthy, but at the lower end it is very difficult for smaller breeders and so on.

As the witnesses are probably aware, I am a big supporter of horse racing. A model is need-

ed that will entice a person going to a race meeting with €50 in his or her pocket to spend that money while also encouraging him or her to attend another meeting. Those charged too much at the gate are not inclined to return. The Lawlor's of Naas novice hurdle is the only grade 1 race at Naas racecourse. Lawlor's Hotel gives out so many free tickets to the meeting that there is a large crowd at it. People have a great time and spend €50 on bets, drink or food. I agree with Michael O'Leary that customers should not be given something for nothing. It would encourage more people to come racing if they were charged a minimal amount for entry, such as \$2 as is the case in parts of the United States or €5 with a race card or similar.

Chairman: If a person attending a race meeting goes home with €50, he or she could go back the next day.

Senator Anthony Lawlor: There is scope to increase participation. Many people are looking for things to do, particularly at weekends. If we could encourage them into racing not so much on the gambling side but as an overall package, it would be very positive.

Chairman: I thank Senator Lawlor. There are a number of questions there. Who would like to lead off?

Mr. Nicky Hartery: I will take some to start with, and I will give the more difficult ones to Mr. Kavanagh. Certainly I re-echo what was said about the equine centre in Johnstown, and it is the priority on our list because there was a very serious concern early this year with influenza, and that was managed very well by different groups within our organisation, the IHRB and the equine centre. One begins to understand when one has potential crises on one's hands how fit-for-purpose the equine centre is. The Minister knows it, and I think he is a big supporter of the redevelopment of Johnstown.

Senator Lawlor lives very close to the Curragh and from an operating point of view, significant changes have occurred there. We are pleased with the changes that have occurred. From an operations point of view, we are looking forward to a very strong 2020 in the Curragh. In terms of the investment and the private investors who have put €36 million into the project, we and HRI did matching funds as the committee will be aware. The total cost of the project was €81.8 million. The submitted budget figure was €73 million. A number of items were added back, which was necessary, and that would probably have brought it up to €75 million or €76 million. Then one had inflation adjustments, and that tells one where the gaps are in funding and so forth. We have some work to do in that space among ourselves and with the private investors, but we are very pleased with where the Curragh sits currently from an ongoing operational point of view and so forth and we are happy with the changes that have occurred there with the Curragh board.

On the private venture, we certainly have been engaged, and as Mr. Kavanagh is the person who has engaged in that process, I will let him speak about it. He spoke about the southern model we looked at, but thought has gone into it around an American-type model where one trains on track and so forth and maybe he will explain some of that as well.

There are a lot of young trainers coming up in the business, and some of them who started ten years ago are quite large today. One is going to have that evolution going on in the industry where change is happening. A number of them were mentioned. I think as long as the quality stays up there, it will be good for the industry, but the whole thing for me is maintaining the quality, so that when we go abroad to compete, we compete very favourably, which we have done for many years. We need to continue to do that.

Mr. Brian Kavanagh: To pick up on a couple of the other points, I refer to the all-weather evaluation. There is an evaluation process ongoing so we put it out to expressions of interest. We received three from existing racecourses and three from private ventures, and we are working our way through those systems. There are different issues with each of those, but certainly there were three private ventures that expressed an interest, including one in County Kildare, which I am sure the Senator is familiar with.

On blocks of racing situated on site, I do not think that is a runner because we have 26 racecourses. If we suddenly said we are going to race for three weeks in a row-----

Senator Anthony Lawlor: I was specifically referring to Dundalk.

Mr. Brian Kavanagh: I think the idea would be that in a second all-weather track, we would have the facility for horses to be on site and for trainers to have a start-up situation in that. They have not gotten to it in Dundalk. I do not know whether it is because it is horses and greyhounds together or for some other reason. I know they use Dundalk significantly outside race meetings for training galloping horses, but the horses are all visitors. They are not stabled on site. It is not something that we have come across.

I was asked about separate funding. I do not know if it is an issue. It may be something that people look at. There is a rigid formula of 80:20. Equally, a lot of people who are interested in horses are interested in dogs as well and *vice versa*. There is an overlap between the two, and we speak with the people in Bord na gCon on an ongoing basis. Whether the funding should be together or separate, it is not for us to decide. Certainly, as I said, there is an overlap in rural communities in both sectors. The point was very well made on the dependence of rural areas on big trainers and I think this is a positive for us. I think Alan Dukes did a survey ten years ago that said that within a five mile or a ten mile radius of a small town like Bagenalstown in Carlow, 600 jobs are created by Willie Mullins, Jim Bolger, local stud farms, Red Mills horse feeds, vets and point-to-point developers. The point was well made that if one had a factory coming to Bagenalstown that was going to create 600 full-time jobs, the country would make every effort to attract it. Here is an indigenous industry creating those jobs.

In addition to Bagenalstown, one reads about Piltown in County Kilkenny, Gordon Elliot in Summerhill in County Meath, Jessica Harrington in Moone in County Kildare and Aidan O'Brien in Rosegreen in Tipperary. There is no one else creating this sort of employment in villages and towns around the country. That is the real backbone of this industry and it is not an east coast Dublin-centric IT-based industry. It is spread throughout rural Ireland, it is bringing international money in, and it is putting jobs right into the heart of rural areas. I know there is a big debate going on within politics at the moment about rural-urban Ireland. Racing certainly has its part to play, so I think that is a really good point.

Senator Anthony Lawlor: That is a huge message that we have to get out there.

Mr. Brian Kavanagh: Absolutely.

Senator Anthony Lawlor: As Mr. Kavanagh highlighted, if there were 600 jobs in a factory coming to Bagenalstown, the Chairman would be all over it. The jobs are there already, and the additional horses Willie Mullins or Jim Bolger get bring in other staff as well.

Mr. Brian Kavanagh: It is international money a lot of the time, which is important.

I was asked about the betting and I gave figures earlier. About half the total betting is in

shops and about half of it is online. Within the shops, approximately 70% of the betting is on horses and dogs and with about 30% on other activities. Online it is about 50:50. At times there is a perception that it is not all betting on horses and dogs but the point one has to remember is that golf betting is sporadic. There are only four majors a year, whereas horseracing and greyhound racing are every day. It is a 365 day a year offering. It is the staple product of the betting industry. It is about 70:30 in shops and about 50:50 online.

We have a lot of challenges in staffing. Trainers and breeders are struggling to get and to keep staff. We are trying to invest in programmes that will help them acquire staff, and we are engaged with the Department of the Minister for Business, Enterprise and Innovation, Deputy Heather Humphreys, and the Department of Agriculture, Food and the Marine to try to assist in improving the pipeline of staff within the industry. Our staff numbers are broadly similar. There are about 180 staff, including in the subsidiaries. Horse Racing Ireland has three subsidiaries: HRI Racecourses Limited, which operates four racecourses, the Tote and Irish Thoroughbred Marketing. Between those subsidiaries and Horse Racing Ireland itself, there are about 180 staff working out of Ballymany, and that is probably about four or five up on the situation three or four years ago. The extra areas that have required investment are increased compliance requirements in areas like procurement and purchasing. As I said, we have invested staff in the whole education and welfare of people and welfare of horses. The staff are the backbone of the organisation, are very committed to the industry and are mostly based locally in Kildare. We run, as I said, the back-of-office of elements of racecourses like Leopardstown, Fairyhouse, Tipperary and Navan. They are run out of the headquarters in Kildare.

The Tote is a different form of betting. It is a pool form of betting. We are having a strategic look at the Tote anyway. The Tote pays gambling regulatory charges for betting that it does on UK betting, and I know there is talk about a new gambling regulator in Ireland. One of the issues being looked at is the taxation status of the Tote. The Tote is suffering the same struggles as on-course bookmakers, to which Deputy Cahill referred, and we are in discussions with a number of parties with regard to the future of the Tote and we will be bringing some strategic options to our December board meeting on it. The taxation system is different. It is a pool betting where an element is taken out and the rest is returned back to punters. Should the Tote pay 2%? I do not believe it should because it is a different type of betting. With the establishment of a new gambling regulator, that may be something that will be looked at differently.

Chairman: I thank Mr. Kavanagh. Do members have any other questions? Deputy Cahill would like to ask a question.

Deputy Jackie Cahill: In regard to the pick six that has been operated at tracks, how is that progressed in Tote betting? Has it caught on?

Mr. Brian Kavanagh: To a limited degree, it catches on when there is a big carryover but not otherwise. The pools are relatively small. Some of the bigger international players are playing the Tote. It could be a handful of bigger players who will play big amounts of money. They will get interested when there is a big pick six carryover, but it is not as popular as the jackpot.

Deputy Jackie Cahill: Is there a case for guaranteeing that pool at a certain level to try to promote turnover at midweek race meetings or whatever. If that was guaranteed for a sizeable sum, would it attract Tote turnover?

Mr. Brian Kavanagh: They have done it in the past, and after a while they concluded that

the cost of guaranteeing it was not recovered by the extra business that was generated. There may be some value in looking to join with some other international Totes to create an international Tote bet, which would have the breadth of support that would justify guaranteeing it. If one said one was going to guarantee the Tote pick six at Fairyhouse today for €20,000 or whatever, one would not get €20,000 worth of business.

Deputy Jackie Cahill: If it was not won, one would be fine, though.

Mr. Brian Kavanagh: One would be fine, but if it was won one would be writing a cheque.

Deputy Jackie Cahill: Would there be a case for a pick seven rather than a pick six to increase the difficulty of winning?

Mr. Brian Kavanagh: Possibly.

Deputy Jackie Cahill: I would be making the same argument with the CEO of Bord na gCon. To attract the younger punter into betting and in through the gate, one needs a large pot into which he or she can invest a small amount of money.

Mr. Brian Kavanagh: Yes.

Deputy Jackie Cahill: Degrees of difficulty in winning do not really come into the equation as long as the end prize is attractive.

Mr. Brian Kavanagh: It is a jackpot.

Deputy Jackie Cahill: Yes, and that it is attractive. I think it is something that should be promoted more.

Mr. Brian Kavanagh: We will definitely look at it.

Deputy Jackie Cahill: At some of the weekend meetings with the graded races, the number of runners is small. If one goes back to the midweek meetings, one will have 16 to 18 runners in every race.

Mr. Brian Kavanagh: Chairman, I might take it off-line with Deputy Cahill and maybe get Ross Kierans and Brian Cusack in the Tote to engage with him because it is definitely worth pursuing.

Chairman: You may send feedback to the committee as well. Senator Paul Daly has a brief question.

Senator Paul Daly: To go back to the all-weather track and to if and when - I would be a when person if I am honest - has any thought been put into national hunt and hurdles? I know the witnesses are a long way from the planning stage. I saw the projection for Dundalk. One went into a little lay-by of grass, jumped the hurdle and back out. Has any thought been put into that, or is there an appetite or a need for it there? If one was starting on a greenfield site, is it something that would be looked at?

Mr. Brian Kavanagh: We have plenty of national hunt racing ground at the moment. Just to give the history, all-weather racing first came into the UK in the early 1990s. During a very cold winter, there had been no racing for almost two months and the betting shops came to a stand-still. They had jump racing on the all-weather, so they jumped hurdles, and it proved a safety hazard because horses were sliding on landing. It was never run again.

Dundalk had been pursuing us, saying it would like to experiment with jump racing again but, as Senator Daly said, one was not jumping on the all-weather track. It was going to put a grass strip on the back straight and on the finishing straight, on the outside and the inside of that, on which they would have hurdles, so they would switch from all-weather racing on the flat to a strip of three hurdles and go over the jumps.

We concluded that it was not practical because if one were to put on all-weather jump racing, one would either have to fund it as extra fixtures, which was a funding challenge, or one would have to say to other tracks - dare I say tracks like Kilbeggan or Clonmel - that one was taking a fixture away from them and putting it in Dundalk. We felt that was not fair to those tracks. Dundalk would still perhaps have an ambition to explore that further, but we ruled it out at the time. As I said earlier, there is no interest internationally in taking signals from jump racing like that. If a punter or a betting offering in the Far East is going to take Irish racing, they want to know it is on at the same time every week, that it is going to have 12 runners and that it is going to be on the flat so it is not a high priority.

Chairman: As there are no further questions, that completes our business. I thank Mr. Kavanagh and Mr. Hartery for coming in today to give us an update on where things are. It was a very comprehensive analysis of where things are going at the moment.

The joint committee adjourned at 5.37 p.m. until 4.30 p.m. on Tuesday, 26 November 2019.