

DÁIL ÉIREANN

AN COMHCHOISTE UM IOMPAR, TURASÓIREACHT AGUS SPÓRT

JOINT COMMITTEE ON TRANSPORT, TOURISM AND SPORT

Dé Céadaoin, 24 Bealtaine 2017

Wednesday, 24 May 2017

Tháinig an Comhchoiste le chéile ag 1.30 p.m.

The Joint Committee met at 1.30 p.m.

Comhaltaí a bhí i láthair / Members present:

| Teachtaí Dála / Deputies | Seanadóirí / Senators |
|--------------------------|-----------------------|
| Peter Fitzpatrick, | Frank Feighan, |
| Imelda Munster, | John O'Mahony. |
| Catherine Murphy, | |
| Kevin O'Keeffe, | |
| Robert Troy. | |

I láthair / In attendance: Deputy Eugene Murphy.

Teachta / Deputy Brendan Griffin sa Chathaoir / in the Chair.

Business of Joint Committee

Chairman: As we have a quorum we will go into private session.

The joint committee went into private session at 1.35 p.m. and resumed in public session at 2.25 p.m.

Pilot Training College of Ireland: Discussion

Chairman: We are now in public session. I remind members, witnesses and persons present to make sure their mobile phones are turned off. The purpose of this meeting is to discuss the collapse of the Pilot Training College of Ireland.

I draw the attention of witnesses to the fact 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 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.

I welcome Mr. Brian Kealy and Ms Martina Kealy, the co-ordinators of the Pilot Training College Action Group. Mr. Kealy will outline the background to the collapse of the college in 2012, the effect of the collapse on its students and developments since that time.

Mr. Brian Kealy: We thank the committee for inviting us to present on behalf of the trainee pilots whose careers were devastated when the Pilot Training College of Ireland, PTC, collapsed five years ago. Our presentation will address the background of the collapse and the level of investment in education the trainee pilots made, the collapse of PTC in the summer of 2012 and how much was lost by the trainee pilots, developments since the collapse, concerns we have about regulatory oversight of PTC and the human consequences, which Ms Kealy will cover.

PTC operated a pilot training business in Waterford as well as a Florida facility associated with the Florida Institute of Technology, both approved by the Irish Aviation Authority, IAA. The IAA oversaw the safety standards and training of the company as well as ensuring that there were sufficient resources to carry out training to the required standard. Generally students did the early part of their training in Florida, where clear skies were usually available, before completing training in Waterford. Training was provided to retail or self-funded students and airline-sponsored students. Training was supposed to take approximately 14 months and cost between €80,000 and €90,000. No State support or subsidy was available. Fees were collected over the first seven months of the course even if the training schedule was falling behind. The company was quite aggressive in ensuring collection. Fees were not bonded. Although that issue was considered after the collapse, the Minister at the time decided not to require bonding as a result of concerns that training firms would leave Ireland. Prospective students and their

sponsors would have taken comfort from the IAA approval and also an investment in the company by Enterprise Ireland.

PTC ceased training students in late June 2012 and the IAA suspended its approval as a flight training organisation on 3 July 2012. The company initially went into examinership in July. The examinership was not successful and liquidation was initiated in late September 2012. While liquidation has not yet finally concluded, there will be nothing for the students. A total of €7.7 million net fees, in respect of which no training was delivered, had been prepaid at the date of the collapse. A figure of €8.4 million gross was due as the company claimed that €700,000 was owed to it by some individuals. At the same date, the company had an estimated deficit of €7.2 million. Essentially, the students paid for the failure. The 60 or so students we represent were among those most impacted upon and were owed €2.6 million. In total, 300 students were affected, including some whose training was airline-sponsored.

The €7.7 million net owed as at June 2012 compared with €3.6 million owed in December 2010. In the intervening 18 months, the company lost €5 million. That situation was not helped by advertising costs of €1.2 million incurred in 2011 alone, as the company aggressively tried to expand. That effort failed with the company having essentially used prepaid student fees for training it could never afford to deliver. It would appear that the company had no cash and was instead relying on prepaid fees to pay its way. Hardly any cash has been realised since the liquidation which commenced in September 2012, not even enough to pay the liquidator. The parent company of PTC, Shemburn, owed PTC €1.6 million and was subsequently liquidated. However, little value was realised from the company and nothing is expected to go to PTC. The liquidator of PTC sought to restrict directors of the company through High Court proceedings in February 2016 before Mr. Justice Haughton. The proceedings resulted in the managing director and main shareholder being restricted from acting as a company director for five years. Judge Haughton was very sympathetic in his approach but was not in a position to do anything for the students because the company had no money.

A range of complaints were made by students and their sponsors to the Garda bureau of fraud investigation but no action has been taken to date. Following a meeting with the Irish Aviation Authority in October 2012, this committee indicated it would undertake a forensic investigation of the collapse. However, that decision was subsequently reversed when the committee met in private session.

PTC and its sister operation in Florida were approved by the IAA, which undertook a review in September 2011 as part of its renewal and review process, during which additional financial information was sought. PTC's approval was renewed in spite of its precarious financial position. The additional information was requested pursuant to a section of the regulations which deals with concerns about the lack or apparent lack of financial resources.

Freedom of information disclosures show that the IAA reviewed the company accounts of Shemburn, the parent company of PTC, although these were not the group accounts because they did not consolidate its subsidiaries. It was solely the company accounts. Shemburn had a €1 million reported net worth at December 2010. The IAA noted that Shemburn did not have qualified accounts. However, Shemburn was not the entity it was approving for flight training. A review of PTC's accounts would have shown a €2 million deficit at December 2010, €3.6 million owed to students and a serious qualification of the accounts which stated that the conditions in being at the time indicated the existence of a material uncertainty which may have cast significant doubt over the company's ability to continue as a going concern. PTC could only survive by collecting fees upfront to fund training which had already been paid for by other

students. The IAA director of safety regulation stated at a committee meeting in October 2012 that many flight training companies are like Ponzi schemes. A review of the PTC accounts would have shown this to be the case. PTC was borrowing from Peter to pay Paul. In view of the fact that PTC had little or no cash, how could the IAA have concluded that it had the resources to carry out pilot training to the required standards? The IAA showed excessive forbearance in allowing it to continue to operate. One of the objectives of the IAA was to promote aviation education and training in Ireland and it formed College Ireland in 2010 to further that aim. In addition, Enterprise Ireland injected stabilisation funds of almost €400,000 into PTC in 2010 by way of preference shares. Unfortunately, that investment was lost. The desire to promote companies such as PTC almost certainly resulted in forbearance when hard decisions were required. The problem with that is that it was the students' moneys that were at risk and ultimately completely lost.

The Minister noted in 2012 that students would have lost money no matter when intervention, including the withdrawal of approval, occurred, implying that earlier intervention was contemplated. Such earlier intervention would have resulted in reduced overall losses as sums owed for training due increased dramatically from €3.6 million to €7.7 million in the final 18 months of the company's operation.

Ms Martina Kealy: I will address some of the effects that the collapse of the company had on students. For many students, this was their only chance for a career or education in flying. When PTC collapsed with no reimbursements for students, their dreams collapsed. Some trainees were ashamed to talk about it. We set up and continue to run a Facebook group for these students in order to keep us all together and communicate any progress or developments in our quest for justice over the past five years. We knew it would keep at least some hope alive. Approximately 120 students have continually followed the group since the collapse of PTC in July 2012. I have an interest in mental health and hope that having communication with others on the issue through the Facebook group kept some people from thinking it was all over.

Some students managed to fund the completion of their training although this generally caused significant financial strain for their families. Many others did not complete the training and suffered severe financial consequences without a career to show for them. At least one family had to downsize their house to afford the additional fees for a son of the family to continue his training. Another almost had their home repossessed and had a major row with their bank. One student had a stress-induced seizure and will never be allowed to fly again, which is very sad. Some students took the exams at a later stage but the exams had changed in format or content and students did not receive a discount on the exam fees. There was no way of getting any money back. A woman told me at the weekend that her family was under such financial pressure after her son's dreams were dashed in 2012 that her marriage broke up.

Mr. Brian Kealy: While we appreciate that PTC was a private company which unfortunately ended its corporate life with effectively no assets, we wish to highlight the failure of public entities, including the IAA, to act much earlier. The operation of PTC was totally dependent on IAA approval. By showing the forbearance it did, the IAA allowed the students of PTC to suffer great damage to their financial positions and ambitions. The more recently-recruited students were generally owed the most and might not have suffered at all had the company been closed earlier, whereas those who finished during the forbearance period benefited from the expenditure of that cash. Unfortunately, Ms Kealy and I are in the former category.

In its administration and governance, including due diligence in reviewing the accounts of Shemburn rather than those of PTC, the IAA did not act with appropriate care in carrying out

its responsibilities, particularly given the acknowledged incidence of Ponzi scheme conditions in flight training schools. Subsequent to the PTC collapse, analogous situations involving the safety responsibilities of public bodies, such as the case of Priory Hall, resulted in very large usages of public moneys. There was considerable co-ordinated action across Departments and the private sector in regard to problems involving English language schools. While the cost of flights home for trainee pilots stranded in the US was covered by the IAA, no other financial assistance was forthcoming other than the preservation of flight records. As Ms Kealy noted, students who ended up re-doing exams when time limits ran out received no discount on the fees charged by the IAA.

Five years after the company's collapse, this is still a sore issue for all affected. We appeal to the committee members to give our case and the futures of all these young people a full and deserved hearing.

Senator Frank Feighan: I thank the witnesses for their attendance and very detailed submission. This issue has been going on for five years and has been very difficult for the witnesses, pilots and their families. Of the 60 students that the witnesses represented, how many have gone on to become pilots or pursued other careers?

Mr. Brian Kealy: I am unsure of the exact figure as some of the students do not give us that information. I estimate approximately 50% or a little more have managed to become pilots because they have obtained the fees for their training by hook or by crook. There is a perception that many of these students come from very well-off families. The vast majority of families with whom we have interacted in this regard took out extra mortgages or used redundancy moneys and in some cases the students themselves had saved up for years to be able to afford the training. There were probably a couple who had sufficient funds and did not have to remortgage or mortgage themselves to the hilt. Unfortunately, a range of students, whom we have become aware of from the Facebook group, have been unable to carry on. One chap got a job since working in the airport in order that he could be near planes. He cannot afford to be a pilot.

Senator Frank Feighan: I was approached by two families over the years. There are not many airline pilots in the west. I was delighted that a man from my home town qualified as a pilot 15 years and he worked hard for it. What is the failure rate in a school such as this?

Mr. Brian Kealy: I am not sure. When one looks at the list of people who are owed money in the PTC accounts, it is evident that some people quit the process along the way but if most of the people we represent had the money, they would have continued.

Senator Frank Feighan: There has to be a failure rate. Is it 5%, 10%, 15% or 50%?

Mr. Brian Kealy: I do not know the answer to that question.

Ms Martina Kealy: They still took out loans, which they are still servicing, with no career.

Senator Frank Feighan: I understand that, but I just wanted to know the failure rate in an aviation school.

Mr. Brian Kealy: I do not know. I suspect the IAA might be in a better position on the basis that it sets the examinations and so on.

Senator Frank Feighan: Did Enterprise Ireland put in €400,000 and take out-----

Mr. Brian Kealy: It invested in the company by putting in redeemable preference shares in

2010. That is money lost to the agency. Even if we had gotten money back, the agency would still have been behind us from a recovery perspective.

Senator Frank Feighan: Was the amount €400,000?

Mr. Brian Kealy: Yes.

Senator Frank Feighan: I understand that is the model and sometimes the money comes back to the Exchequer tenfold as well. The PTC did not give a discount on the IAA charges for examinations. What is that fee?

Mr. Brian Kealy: The typical fee is €135 each time a student sits an exam. Students have to do 14 written or multiple-choice exams. A fee is also charged for the commercial pilot test, the multi-crew test, instrument rating and so on. The cost is between €4,000 and €5,000 over the entire training period.

Senator Frank Feighan: Was a discount offered?

Mr. Brian Kealy: No, there was never even a mention of it.

Senator Frank Feighan: Did Mr. Kealy seek a discount?

Mr. Brian Kealy: We put it to the IAA at the time and when we were writing back and forth to the Minister at the time.

Senator Frank Feighan: Were there meetings with the IAA about a discount?

Mr. Brian Kealy: No.

Senator Frank Feighan: One can ask for a discount but one will not get it unless one pushes for it.

Mr. Brian Kealy: We made the case. We wrote to the managing director of the IAA at the time. A lot of water has gone under the bridge. I looked back over our correspondence files for the past number of years recently. We also acted as co-ordinators for all the students. In the early days, we used legal representation. We collected money from all the student families in order that we could have representation during the examinership and so on but when it was looking much more difficult, if we had tried to take legal action against the IAA, it would probably have been a High Court hearing and we would have to put up the money upfront. The 60 families would probably have had to put up several thousand euro each with no guarantee of success. The IAA says its responsibility is not to the students.

Deputy Robert Troy: I welcome the two witnesses. They have gone through a tough and stressful period over the past number of years. The committee secretariat circulated the committee report when the issue was discussed previously, a copy of the letter written subsequent to that meeting by the Chairman and the reply from the Minister as part of the documentation issued to members for this meeting. That highlights the length of time Mr. Kealy has been trying to get his matter resolved. In his presentation, he said that he set up a business to provide a service to train pilots and his aim was to make money.

Mr. Brian Kealy: That was not our aim; that was the PTC's aim. We were the victims.

Ms Martina Kealy: We are just parents who happened to volunteer to keep everybody together.

Deputy Robert Troy: Mr. and Ms Kealy have pursued the issue vigorously over the past number of years. I should not have said they stood to gain financially but the company was established to provide a service. It is a private company and the main aim of all private companies is to make a profit. Are other similar companies in operation in Ireland? If so, how are they governed? Are there bonding systems in place? My understanding is no bonding system was in place at the time and that continues to be the case. According to the documentation, not alone are there no bonding systems in Ireland, there are no bonding systems in the UK. Could Mr. Kealy flesh that point out?

Mr. Brian Kealy: Our son continued, as a number of the other students did, in Florida. We paid FIT, which was covered by the IAA to continue the training. Our son completed some of this training there and he went to Atlantic Flight Training Academy in Cork. To be fair to the academy, it took a good few of the students, particularly the company-sponsored students. In our dealings with them, they have only ever asked for the money on a pay-as-you-go basis. They never looked for stage payments on a strict timetable basis. We said if we got involved with another company, it would have to be on the basis that we just paid as we went and Atlantic Flight Training Academy, fortunately, was in that position. I believe that is also the approach of the National Flight Centre in Weston. Those are the two primary trainers in the country. A few others provide modest training.

Senator Frank Feighan: I am sorry to interrupt but were those companies in operation at the same time as PTC?

Ms Martina Kealy: They were.

Senator Frank Feighan: On what basis do people decide to go to a flight school?

Ms Martina Kealy: It was the advertising of PTC. The college put enormous money into advertising. It was slick. We went to the airport and we were all hoodwinked. Everything looked razzle dazzle - this was the airline to fly with. The other ones were in the background.

Mr. Brian Kealy: The PTC was strong on recruitment. It spent €1.2 million on advertising in 2011. The previous year, it spent €300,000. The expenditure was ramped up fourfold in that space of time. Do we have regrets about what happened with how we were hoodwinked or otherwise? Yes, but we are also angry about many things that happened along the way.

Ms Martina Kealy: The bonding never happened, and it was promised at the time as a solution, when the college collapsed.

Deputy Robert Troy: Who was that promised by?

Ms Martina Kealy: By the Minister. The reason given was that flight training colleges would not operate in Ireland if there was bonding because it would be too expensive.

Mr. Brian Kealy: To clarify, it was decided to look at whether bonding should be done. Ultimately, the decision was not to go ahead with it. The reason was apparently that flight training companies would just not operate in Ireland if that was the case. I am not sure on what basis that was decided, because we made a freedom of information request where we saw a report that the Irish Aviation Authority, IAA, gave to the Department indicating that it believed it was something that should be seriously looked at.

Deputy Robert Troy: That is unquestionably something that should be seriously looked

at, but unfortunately that will not alleviate the witnesses' suffering and loss, but it is something that could prevent further families from going through what the witnesses have gone through.

Ms Martina Kealy: The same thing could happen tomorrow, except it is pay-as-you-go. That is the only difference.

Deputy Robert Troy: Whereas in the witnesses' instance, it was a lump-sum payment.

Ms Martina Kealy: Yes, over seven months.

Mr. Brian Kealy: Our payment was €85,000 in four payments. There were two €20,000 payments, a €22,000 payment and a €23,000 payment. The last payment we made to the company was made on approximately 12 June or 15 June 2012, which was two weeks before the company ceased operations. Unfortunately, this is not the first time it has happened. One of the IAA senior training people said that when he was training, the company he was training with went out of business in Scotland.

Deputy Robert Troy: Finally, the one thing we have to take from today is the need to advance that commitment that was made in relation to ensuring adequate bonding is in place to prevent something like this happening in future. When Ms Kealy says "the Minister", did she have a meeting with the Minister with responsibility for transport at the time about this?

Ms Martina Kealy: Yes, we had one meeting.

Deputy Robert Troy: One meeting.

Ms Martina Kealy: There were some people from the IAA as well.

Deputy Robert Troy: What was the commitment at the time?

Mr. Brian Kealy: The Minister's commitment at the time was to look at the bonding issue. We had subsequent correspondence with the Minister. A statement was also made in the Dáil about how that Minister was going to look at bonding, but subsequently the decision was made not to go ahead with bonding.

Deputy Robert Troy: Has the Pilot Training College, PTC, been referred to the Office of the Director of Corporate Enforcement, ODCE?

Mr. Brian Kealy: It would have been referred to it by the official liquidator. It was essentially pursuant to the relevant requirements that the official liquidator sought the restriction on the directors of the company, but while we communicated and made complaints to the ODCE, we basically never received a response from it. We never heard an update from it.

Ms Martina Kealy: We have chased it for years and heard nothing.

Mr. Brian Kealy: The ODCE is probably one that we did not contact on a frequent basis. I was told my main contact should be the liquidator. We had a constant dialogue with the liquidator, who unfortunately had a very frustrating liquidation process in dealing with the main director of the company.

Deputy Kevin O'Keeffe: I welcome the witnesses and thank the Chairman for facilitating this briefing.

One interesting word that sticks out in this deliberation is "Ponzi". We all know what

happens with Ponzi schemes. The witnesses said that they were brought in by the attractive advertising literature and so forth and, no matter what game people are in, they get caught by attractive selling. Given the prevailing situation at the time and the amount of money involved, would the witnesses have checked out the company's history? Would they have known about the directors or operators and checked out their careers and backgrounds?

Mr. Brian Kealy: The company had been operating in Waterford for approximately ten years and had trained many people. In the prior year, the last set of accounts for the company would have shown a deficit. At the same time, it had made a profit. At the time we made a decision, the prior year's accounts were not available because they did not become available until autumn 2011. It was quite slow about producing accounts. The company had been operating for about ten years. It seemed to have a good reputation in general from what people who had been trained at it said. The issue that it really ran into was that it started trying to change its strategy and tried to become something much bigger. In the process, it effectively wasted much money.

Deputy Kevin O'Keeffe: In becoming bigger, many parents and siblings have lost their fortunes and careers. Would some of the trainee pilots have been co-sponsored, with some national airlines or private airlines carrying the costs?

Mr. Brian Kealy: Of the €8.4 million that was left owed in undelivered training, just over €5.4 million, perhaps, related to private people like ourselves, and about €3 million related to companies. The biggest one was Air Astana, the Kazakh airline, which was owed about €1 million. Those airlines essentially just shifted their students elsewhere, because they lost money but could absorb it and live with it. They wanted to get their pilots trained, so they just moved. Air Astana moved to Atlantic Flight. I am not sure what the other airlines did. Unfortunately, that was not the case for the privately funded students.

Deputy Kevin O'Keeffe: On methods of payment and putting €100,000 into an account to be transferred straight away, were there any bank guarantees? If one gives €100,000 to an insurance company tomorrow morning, one is kind of gambling.

Mr. Brian Kealy: If the training had been run at the time that it was supposed to run, by the end of seven months, the person should have been at least half-trained. What happened was that the training, depending on who one listened to, was running well behind. There was a row going on on the ground in Florida between PTC and Florida Institute of Technology, FIT, which is the company in Florida. It had not been paid by PTC in quite some time and it only subsequently came out that there had been a number of cases over the previous nine months when training was stopped because payment had not been made by PTC. There were clearly issues over cash in that period of time as well.

Deputy Kevin O'Keeffe: Where does the Government come in? The witnesses are campaigning about the situation and other issues that arose.

Mr. Brian Kealy: We appreciate that PTC was a private company. That was a point that was used along the way. The point has also been made that the IAA is not a consumer protection organisation. It is its role to be a safety regulator. However, in its role as safety regulator, it needs to make sure that a company that is providing training has sufficient resources to carry out the training safely. This company unfortunately did not have that money. As I outlined in my opening statement, there were clearly some concerns on the IAA's part because its request for information in September 2011 referenced an article in the international regulations which

pertains where the authority - in this case the IAA - has concerns over the financial position and resources of the company. Our concern is that it based its opinion on the financial status of the company on the wrong set of accounts. It seems that they looked at my brother to see whether he had money even though they were relying on me. That was the wrong thing to do. Our view is that the IAA, in failing to do its job correctly, effectively exposed us to losses. If it had done its job correctly, the company would have ceased approval at a much earlier date and we would not have lost money.

Deputy Kevin O’Keeffe: The witness has said that the accounts were not qualified. Should the IAA be going after the auditors?

Mr. Brian Kealy: No. The issue was that the accounts it looked at were the Shemburn accounts, those of the parent company. That company had net assets of €1 million. When we look behind it, part of the assets were made up of an investment in the Pilot Training College. Those accounts were not qualified. If, however, the IAA had looked at the accounts of the company that it was actually giving the approval to, that company’s accounts were heavily qualified.

Deputy Kevin O’Keeffe: There is a flaw there.

Mr. Brian Kealy: The IAA made the point that rather than look at the company’s accounts, it did even better by looking at the parent company’s accounts. That can be seen in the record of the committee in October 2012.

Ms Martina Kealy: The judge recognised in February that that was irresponsible. The director was restricted for irresponsible financial behaviour. Mr. Justice Haughton read literally everything, and fair play to him.

Mr. Brian Kealy: In terms of the IAA, we believe that it based its opinion at least in part on the wrong set of accounts. I presume it did gather other information, but in looking at the audited accounts it made, in our view, a serious mistake. It looked at the accounts of the wrong company. Would anyone ever look at a father’s account and take from it that the son is good for it? That is not the way it works.

Deputy Imelda Munster: I thank the witnesses for coming in today. Is their group the only one that is looking after the students who lost out due to the collapse of the training college?

Mr. Brian Kealy: There are approximately 300 students. Some of them were owed quite modest amounts and they decided that it did not matter. The average amount that our group was owed was about €40,000, whereas across the 300 private students the average was much smaller. When we were involved initially - and we did attend High Court hearings during the examinership - there was some legal representation there for a group of French students. Beyond that, we tried to gather people together. Many people were ashamed about what happened.

Ms Martina Kealy: Some people made individual approaches to Deputies around the country. People may not really be aware of that.

Mr. Brian Kealy: At the time of the examinership, a list of the amount of money that was owed to each individual was produced. We checked that against our listing. In the top 50 people we have a high percentage matching, but there are people that we know nothing about. We discreetly asked various students whom we were dealing with if they knew those people and in some cases they did not. The student who was owed the most had literally started in Florida about two months beforehand, and because of delays had actually paid the vast bulk of the mon-

ey by that stage. The students did not manage to make contact with those people. Other people just wanted to move on because they were so ashamed about it. It was a nightmare for them.

Deputy Imelda Munster: In his opening statement, Mr. Kealy referred to the fact that the legislation on the basis of which the IAA was established makes it very difficult to take legal action. Given the huge cost involved for an individual to take legal action after suffering such financial loss, what is the remedy? On the issue of the wrong accounts being audited, the fact that the pilot training college's accounts were not audited and the fact that the IAA was responsible to ensure that the company had sufficient funds to provide the courses, did the witnesses ever get a satisfactory explanation from the IAA? Did it take responsibility? It does not seem that it was prepared to take it further. It did not accept that it did not carry out the job that it was tasked with.

Ms Martina Kealy: The IAA said that it would help the pilots get into another airline trainer, for example, in Oxford. The students were never offered any money.

Deputy Imelda Munster: A small offer of that nature is like trying to close the gate after the horse has bolted. It did not deal with the substantial issue that it was tasked with, which was to ensure that the company was in a sufficient financial state to continue with the education courses that it was advertising. That would have come under the remit of the IAA at that time.

Mr. Brian Kealy: The IAA's view would be that its role was as a safety regulator and checking that companies have enough resources is almost incidental to its responsibility. In writing back to us, it would say that it is not a commercial regulator and that its role was solely safety oversight. One of the executives in the IAA would write back to Ms Kealy. That was the line it took. Its role is very much driven by the international regulations, and those regulations make it quite clear that there is a financial monitoring role in making sure that a company has sufficient resources. It is not a guarantee of the moneys. At the same time, however, if the flight training organisation is dependent on people prepaying moneys in ever-increasing amounts in order to be able to fly a plane, there is something wrong.

Deputy Imelda Munster: The IAA was quite possibly aware of it earlier on in so far as Enterprise Ireland had stepped in with funding. It was aware that there may have been financial issues. Did it ever give an explanation for its delay in taking action before it got to this stage?

Mr. Brian Kealy: The authority relied on what the company and the company's auditor's told it. There were questions raised at the committee meeting in 2012 as to whether the company's auditors should be challenged in that regard, but I am not sure what happened. However, we received legal advice that we had no privity of contract in terms of our ability to take any action against the auditors because we did not have a relationship with them. It appears that the IAA relied on promises the company made. However, Ireland is not a big place and the industry is not big; therefore, everybody must have known pretty much everything that was happening. One of the notes I gave the committee notes that a person who was a director of the IAA was employed by PTC for a while. I say this not because I know that they did something wrong, but because it shows how small the industry is when there is this interconnectedness. I would be amazed if the IAA was not aware. For example, during 2011 PTC was in the process of being approved to act as a training company for Aer Lingus. For some reason, in the autumn of 2011, Aer Lingus ended that relationship. I would be shocked if the IAA was not aware that this had happened. It should have questioned what was going on at that point. PTC stated it was trying to change its strategy, which was to move over to airlines and stop taking on retail-funded students. It was trying to link with a number of big airlines, but it failed to get a number of big

contracts and in the process spent a great deal of money. The most local contract was with Aer Lingus. How did the IAA or anybody connected with the industry not know that there clearly was some reason Aer Lingus decided not to proceed?

Deputy Imelda Munster: Representatives of the IAA appeared before the committee in 2012 and it was agreed that an inquiry should be conducted, but that decision was reversed by the committee in private session. Did the action group receive an explanation as to why that decision was taken by the committee at the time, the IAA or the Minister's office?

Mr. Brian Kealy: We were just told that it was not deemed to be appropriate. We not given any reason as to-----

Ms Martina Kealy: As far as I remember, we were given a one liner.

Mr. Brian Kealy: Yes.

Deputy Imelda Munster: What about the Department and the Minister at the time?

Mr. Brian Kealy: We were just told that PTC was a private company, full stop. We were told that constantly.

Deputy Imelda Munster: The position is that the IAA cannot be held responsible legally and the group cannot take legal action against it. Individuals cannot take legal action because of the exorbitant expense involved. What is the remedy? What is the action group seeking from the committee or what does it think we can do, years later, to resolve the issue?

Mr. Brian Kealy: We understood the situation. In 2012 the country was in a far more challenging financial position, but I do not know whether that was a contributory factor. Subsequently, there have been a number of cases in which public bodies paid a large amount of taxpayers' money, for example, that of Priory Hall. I accept that it is in a different sphere, but it still involves a large amount of taxpayers' money to deal with a safety related issue where there was a failing by public sector officials. On that basis, we sought some contribution towards the future training costs of the students. We understood it might have to be on an *ex gratia* basis, because we believed that had it not been for the way matters had played out, PTC would have been closed down much earlier and that we would have lost far less money. As it was a commercial organisation, we accept that we will not get everything back, but we thought there might be some compensation. A big deal was made about the fact that the flights back to Ireland were paid for, but there was not a lot of money involved across all of the students.

Ms Martina Kealy: In fact, it was made out on television that the pilots had all been sorted and flown back to Ireland. It was grand, but we are left with the fallout.

Mr. Brian Kealy: The impression was given that places had been organised for students-----

Ms Martina Kealy: That was part of it.

Mr. Brian Kealy: -----and that the way had been smoothed in terms of cost and so forth, but it absolutely was not. There was no arrangement. When we went to the Atlantic Flight Training Academy in Cork, the academy agreed to conduct things on a pay-as-you-go basis. That was its decision. There was no payment or compensation paid other than the cost of the flights and, as the IAA stated, protecting the flight records which it is important to protect. I return to the point that we do not believe PTC, in normal circumstances, should have been allowed to continue to operate as it did. Essentially, it was using our money to fund its losses, activities and expansion.

Ms Martina Kealy: It was taking in more students at a faster rate at the end to get the cash in. That is where the Ponzi scheme came in.

Deputy Imelda Munster: It was in order that it could pay off its-----

Ms Martina Kealy: Yes.

Mr. Brian Kealy: The Minister indicated that if there had been intervention earlier, people would still have lost money. That is true, but it would have been far less because PTC was ramping up and it might have been different people. If there had been an intervention six months earlier, we would have lost much less money. There were clearly concerns. There was an article in *The Examiner* around the time PTC went into examinership by an English person who had contacted the IAA in September 2011 to express major concerns about the financial position of PTC, but the IAA basically stated it had conducted a review and that there were no issues.

Deputy Catherine Murphy: As I live quite close to Weston Airport, I agree with Mr. Kealy in his comment on it being a small community. Only a small number of people are training at a given time. Many of them do loop-the-loops over where I live. First, who is the liquidator?

Mr. Brian Kealy: Mr. Michael McAteer of Grant Thornton.

Deputy Catherine Murphy: Is it almost concluded?

Mr. Brian Kealy: Yes. I will describe the way it was worked. PTC had very few assets. Its main assets when it went into liquidation were moneys owed to it by Shemburn, which is called the parent company, but it is more complicated than that in terms of who the shareholders were. There was €1.6 million owed by the parent company which had used the cash received from PTC to buy aircraft and a simulator. It was over-lending to Shemburn by PTC and particularly that loan which caused Mr. Justice Haughton to decide to restrict the director of PTC because it had previously written off a loan between the two companies and then proceeded to give another, even though it had already lost €1.6 million. Essentially, Shemburn owned the planes. Subsequently Shemburn was-----

Deputy Catherine Murphy: Was it the parent company that owned the planes?

Mr. Brian Kealy: Yes, the parent company. It owned the planes but basically got the funds from PTC to do it. When Shemburn was also put into liquidation - the liquidator of Shemburn was Kieran Wallace of KPMG – essentially it tried to get the planes sold but issues arose over registration rights and ownership. The planes were left out in the weather and as members are aware, the weather in Ireland is not a good thing and therefore they sold for a lot less. The main director of PTC and Shemburn effectively claimed that he had a charge over the assets and took the most valuable assets on the basis that he had a right to them, even though nothing in that regard was mentioned in the accounts. Basically, there is no money.

Deputy Catherine Murphy: The Office of the Director of Corporate Enforcement would have had a separate function over and above the liquidator. Does Mr. Kealy consider that function has been exhausted in terms of the complaint that was made?

Mr. Brian Kealy: We made the complaint and we never got any update from the office, even though we did subsequently contact it. I would ring up and ask what was the position but I was told the office was not in a position to give me an update. I have not rung it for probably

two years.

Deputy Catherine Murphy: When did Mr. Kealy make the complaint?

Mr. Brian Kealy: Back in the summer of 2012.

Deputy Catherine Murphy: That may well be something to follow. It is interesting that it was 2012 because that was the year the report concluded that went to the Director of Public Prosecutions on the Seán FitzPatrick case, which we were talking about.

Mr. Brian Kealy: Yes. I said that to Deputy Murphy as we were coming in.

Deputy Catherine Murphy: The date just jumps out. In terms of the Irish Aviation Authority, IAA, it would have had to have companies registered with it and it would have had to approve those companies. It is true that it is not for financial purposes but that it is a company that has the legitimate expertise and right to be involved with a training entity. Is it usual for the Irish Aviation Authority to check out the accounts of other companies or has Mr. Kealy come across that before?

Mr. Brian Kealy: It is a requirement to do that and it is laid out in the Joint Aviation Authorities, JAA, regulations. The regulations are very detailed.

Ms Martina Kealy: They are the international ones.

Mr. Brian Kealy: Yes, it is basically an organisation of the international companies. To clarify, my complaint to the ODCE was in 2013 not 2012. There are rules regarding flight training organisations for pilot licences and training. There is a section on financial resources and there is also a section to do with ongoing financial monitoring.

Deputy Catherine Murphy: It has a function in ongoing financial monitoring. Did it tell Mr. Kealy how it conducted itself in that regard?

Mr. Brian Kealy: We had an FOI request on that and the request addressed the fact that the IAA reviewed the financial projections. It went through the audited accounts signed by Cooney Carey. This is where it looked at the Shemburn accounts, as opposed to the accounts of PTC. It noted the accounts were not qualified and it stated it reviewed the financial projections provided by the company for 2011 to 2013, which includes the profit and loss balance sheets and cashflows. The company projected profits for each year. The company showed positive net cashflow over the period. The IAA also stated as recently as early June 2012 – this was written in July 2012 – that it met the CEO of PTC and he assured the IAA that sufficient funding was in place until at least year-end 2012, which it clearly was not. As I previously noted, a specific request was made by the IAA in September 2011 and we received a copy of that letter from the liquidator, which indicated that it was invoking a request for additional information under one of the rules in terms of the ongoing financial monitoring which indicated to me that the IAA had specific concerns over the financial resources of the company.

Deputy Catherine Murphy: The IAA reviewed the parent company but the money paid by the students was not paid to the parent company, which was a legal entity in its own right, but to a subsidiary company. There was a qualified audit on that. What were the qualifications on that audit?

Mr. Brian Kealy: The qualifications in the audit were essentially stated as-----

Deputy Catherine Murphy: What year was it?

Mr. Brian Kealy: It was December 2010. These accounts were not signed until 29 August 2011. It appears they were lodged with the CRO on 27 October 2011. Basically, there was a section which said, emphasis on matter – continued financial support. It was stated that in forming their opinion, which was not qualified, the auditors had considered the adequacy of the disclosures made in the notes to the accounts. It was stated that the company was owed money by a company and the directors believed that the loan would be fully recovered within two years. The directors stated the company was on track to achieve significant budget profits for the year. It was said that the conditions indicated the existence of material uncertainty which might cast significant doubt over the company's ability to continue as a going concern. The financial statements did not include any adjustments that would result if the company was unable to continue as a going concern. It subsequently came out from the independent auditor's report at the time of the examinership that even though the company's accounts were already €2 million in the red, there was an overstatement of €700,000 in the position of the company so it was really €2.7 million in the red.

Deputy Catherine Murphy: So it was trading recklessly at that stage or near enough to that.

Mr. Brian Kealy: My understanding, from speaking to both the auditor and legal people, is that one has to work very hard to have someone found guilty of reckless trading. It happens very rarely.

Deputy Catherine Murphy: Subsequent events would tend to suggest there could have been justification for saying that.

Mr. Brian Kealy: It was not something that the liquidator pursued on the basis that although the company was wholly unrealistic in what it was doing, namely, playing with the students' money, my understanding is that to get a conviction of reckless trading is very difficult.

Deputy Catherine Murphy: I do not think the Priory Hall case is anything like a direct comparison. There was a significant number of local authority properties in Priory Hall and that is separate. The difficulty is that it probably compares very well with the likes of the English-language colleges, as exactly the same thing happened there. There has been a failure to put regulation and oversight in place in terms of bonding.

Ms Martina Kealy: In fairness, the English language students only lose about €2,000. As I was going to work I heard the Minister for Education and Skills say on the radio one morning last week that those students should be cushioned from losses of €2,000 to €3,000.

Deputy Catherine Murphy: Yes, I am just saying that I think it is-----

Ms Martina Kealy: I am compounding the Deputy's point.

Deputy Catherine Murphy: I appreciate the scale of what Ms Kealy is talking about but we must be honest with her in terms of what is possible. The Minister does not have competence in respect of private companies, but there is an obligation to ensure that systems are in place to protect against this happening. I think that is where Mr. Kealy is coming in respect of how the IAA, when examining the accounts, looked at the wrong company - the parent company as opposed to the subsidiary, which was directly taking the student fees. In respect of the IAA and the discounts Mr. Kealy mentioned, does the authority run those schools or courses?

Mr. Brian Kealy: No. A bit like driving testing, one goes to the driving school and then goes to the test centre. The IAA carries out both written and practical, that is to say flying, examinations. It charges accordingly for those. One of the points from our perspective is that we appreciate the responsibility, but in our view the IAA should have intervened earlier. As an external observer, in light of the fact that it was trying to promote aviation training and education in Ireland and had actually set up a body the previous year, it would have looked pretty bad if it had ended up closing one of the largest pilot training colleges in Ireland within six or nine months. In many ways, the IAA was very heavily invested in promotion. As we have seen, it is very difficult for a body which has a job promoting things to come down harshly on those carrying out the activities it promotes. A comment that I have heard is that a regulator is needed. Regulators can be slow about taking action. Things can get pretty bad, and only when the problems finally blow up does the person with the job of cleaning up ask why it was not stopped sooner.

Deputy Catherine Murphy: Unfortunately, we have a lot of history in that particular territory. What kind of grant aid did the company receive from Enterprise Ireland?

Mr. Brian Kealy: It invested in redeemable preference shares, which is the normal way in which I have seen Enterprise Ireland invest in companies. The moneys were actually given under what is called a stabilisation fund.

Deputy Catherine Murphy: When was that?

Mr. Brian Kealy: That was in 2010.

Deputy Catherine Murphy: Did it take those shares in the parent company or the subsidiary?

Mr. Brian Kealy: The subsidiary.

Deputy Catherine Murphy: Presumably, it would have looked at that set of accounts which was not signed until the following year.

Mr. Brian Kealy: It has been suggested that Enterprise Ireland put the money into the company because it was trying to protect employment and prospective employment. Clearly, 2010 was not one of the better years in this country.

Deputy Catherine Murphy: That would have been one of the warning signals had it looked at the accounts of that particular company.

Mr. Brian Kealy: Clearly, we do not have the equivalent of Fóir Teoranta now, but I suppose it was taking on something of that role. As I said, the moneys came from what was described as a stabilisation fund. That does not sound like a growth fund; it was a stabilisation fund.

Deputy Catherine Murphy: If people were doing some degree of due diligence before handing over money for training, it would have been very easy for them to take some degree of comfort in the Irish Aviation Authority having an accounts oversight function and Enterprise Ireland involving itself by taking on shares. That was part of the reason that people would have chosen that particular-----

Mr. Brian Kealy: That would have been a factor. I believe there was an announcement when Enterprise Ireland put money into the company but, as I said, the accounts that included

the investment did not actually go the Companies Registration Office until October 2011. By that stage, we had signed up for the company.

Deputy Catherine Murphy: Bonding looks like a very obvious place to begin. Has that happened in other countries? Are we an outlier in that regard?

Mr. Brian Kealy: Unfortunately, we are not. It seems to be an issue generally. In many ways, having more of a pay-as-you-go model works a lot better. However, some pilot training companies over the years seem to have been addicted to the idea of getting the money upfront, enabling them to have free cash, as such.

Deputy Catherine Murphy: If Mr. Kealy were to learn lessons from this, are there other things that need to be done? Should the IAA have, perhaps, a stronger role in respect of financial oversight?

Ms Martina Kealy: I would totally agree with that. Absolutely.

Mr. Brian Kealy: The IAA actually suggested that there might be a role for the Commission for Aviation Regulation, as opposed to itself. It has said that it is the safety regulator, but that the commission might have a role. I am not sure. I did not see a response from the commission as to whether it had a similar view.

Deputy Catherine Murphy: Mr. Kealy told us earlier that the IAA has a financial function.

Mr. Brian Kealy: It would say that its financial function is an adjunct to ensuring safety. Our point is that it has that role as part of its function in order to make sure it has the resources.

Ms Martina Kealy: We basically sought our son's education. It is like sending one's son or daughter to Trinity, UCD or DCU. One does not expect it to collapse. One does not start looking at the university's accounts. Well, I did not. It is just one of those things.

Deputy Peter Fitzpatrick: I thank both of the witnesses for coming before the committee and for their very detailed briefing on the collapse of the Pilot Training College of Ireland. I agree that aspects of this collapse are very worrying and warrant further investigation. Before we get into the more detailed questions, I ask the witnesses whether there are any other pilot training colleges currently operating in Ireland.

Ms Martina Kealy: Yes.

Mr. Brian Kealy: Atlantic Flight Training Academy in Cork and the National Flight Centre are the two of which I am aware. I know there is another one which provides helicopter training and there are a few small groups, almost like aero clubs. There must be a distinction between those small groups and those who operate commercially, and from which one can get a private pilot's licence after a certain time. Much more is required to fly commercially and to take risks with other people. There are only two, what we would call fixed-wing, pilot training schools of which I am aware.

Chairman: As Mr. Kealy had named those two bodies, I will just say, on behalf of the committee, that there is no implication of anything untoward in respect of either. I wish to have that on the record.

Ms Martina Kealy: No.

Mr. Brian Kealy: Absolutely not.

Chairman: I just wish to have on the record that, in the context of what we are discussing, there is no correlation between this issue and those bodies.

Mr. Brian Kealy: Both have been operating for many years. As I have said, our experience with Atlantic Flight Training Academy is that it only took money from us on a pay-as-you-go basis. We have had no issues with it. Those companies ended up taking on trainees who were in a position to pay-----

Ms Martina Kealy: After the collapse.

Mr. Brian Kealy: -----again after the collapse.

Deputy Peter Fitzpatrick: In their opening submission, the witnesses stated that the incidence of flight training colleges collapsing is far too common. Will they outline other examples of colleges collapsing? Did those collapses follow a similar pattern to the collapse of the Pilot Training College of Ireland?

Mr. Brian Kealy: Going back into the history books, there was one called the European College of Aeronautics, which was based in Cork Airport. It went out of business in 1992. I was not aware of issues going back that far but it was attached to the response to a freedom of information request we put in requesting documents from the IAA. Another company, Cabair International, UK, went out of business approximately one year before the Pilot Training College of Ireland went out of business. As I mentioned earlier, one of the trainers in the IAA told me that when he was undergoing training in Scotland, the pilot training college he was attending went bust and he lost money. Unfortunately, it is pretty common.

Deputy Peter Fitzpatrick: Were there any similar patterns between those companies and PTC?

Mr. Brian Kealy: I am not too sure if prepayment of fees and so on was the norm. The director of safety regulation from the IAA made the point during a meeting of this committee in 2012 that there were a lot of similarities to Ponzi schemes in terms of flight training organisations. I assume, based on that comment, that a lot of those organisations have sought fees upfront and at the end of the day some of them have gone bust on the back of that.

Deputy Peter Fitzpatrick: I asked Mr. Kealy that question because in his opening statement, he said that instances of flight training colleges collapsing is far too common. Mr. Kealy noted that the college in question made a profit of approximately €500,000 in 2010 and that in the 18 months ending June 2012 a loss of €5 million was incurred by the company. Has any satisfactory explanation been offered for the high loss in the period prior to the collapse of the company? Was the company operating differently during that time? It is clear to me that those losses included prepaid student fees, which is wrong.

Mr. Brian Kealy: We have affidavits from the main director as part of his defence in terms of the attempts to restrict him as a director. According to company statements - this is repeated in a number of other documents we have seen - the company decided to go after big airlines in terms of student recruitment, in respect of which it spent a great deal on advertising, but, unfortunately, a lot of the business it chased did not come to pass. It spent €1.2 million on advertising in 2011. We do not have a breakdown of what the advertising included because there were very few lines of information in what we received. It appears to us that a lot of that money was spent

on advertising to recruit more retail students, which was not consistent with the company's new strategy. It went after Aer Lingus, Turkish Airlines, Qatar Airlines and a few others. Having spent money, which was students' money, it did not land the contracts either because people withdrew or at least did not proceed.

Deputy Peter Fitzpatrick: I have grave concerns that the IAA reviewed the wrong accounts when reviewing the FTO approvals in 2010 and I believe this warrants further investigation by the committee. We need to ask the question what if, as appears, the wrong accounts were reviewed and whether if the right accounts had been reviewed students would not have lost such vast sums of money. I would like to assure the witnesses that I will be urging this committee to look into this matter further to ensure we get satisfactory answers to the questions raised today.

Deputy Eugene Murphy: I am not a member of this committee and I thank the Chairman for the opportunity to ask a few questions. I was unable to be here for the earlier part of the meeting as I was involved in other meetings. Many constituents of mine from Roscommon-Galway were caught up in what happened and are very sore and bitter about it. As the witnesses may already have answered similar questions to mine from other members, I am happy to accept brief responses. Is it true that the total cost of the collapse was €5 million?

Mr. Brian Kealy: No. The total cost was approximately €8 million, €3 million of which related to airline companies. The cost in respect of private individuals was approximately €5.5 million.

Deputy Eugene Murphy: Some of the people I know who have been affected by this told me they lost approximately €70,000. In one case, a couple remortgaged their house to ensure their son had the opportunity to avail of the training. Is the amount of €70,000 correct?

Mr. Brian Kealy: Yes.

Ms Martina Kealy: I referenced a few cases earlier of students who had lost that amount of money and several instances of where houses had been remortgaged. In one case, a person had to fight to hold on to a house.

Chairman: We have been over all this already.

Ms Martina Kealy: In another case, a person had a stressed induced seizure and can never fly again.

Mr. Brian Kealy: The largest amount owed, of which we are aware, is €78,000. In many cases, people are owed €50,000, €60,000 and €70,000, which are large amounts. This was due in part to the fact that training was delayed. Money was collected in the first seven months. While one would expect a lot of expenses around flight training to have been incurred during that time unfortunately the students were spending more time on the ground than on flying. PTC says this was the partially the responsibility of FIT, the US company. However, it was also due to the fact that PTC was not paying the US company. In our view, it was recruiting more students to get more cash upfront so that it could feed its habit.

Deputy Eugene Murphy: Is there a mechanism open to these people to get redress? Is there any hope, realistically, that they will get their money back? Also, why did the previous Oireachtas hearing on this matter not proceed?

Ms Martina Kealy: In regard to the Oireachtas hearing, the answer is that we do not know. We received only a one-line explanation in that regard, which is not appropriate.

Deputy Eugene Murphy: Is there any mechanism open to these people to get redress?

Mr. Brian Kealy: Some people have remortgaged again and have managed to complete the training but others never completed the training. Essentially, they have nowhere to go. We would not be able to gather the money together to take action against the IAA. Even though the IAA has significant responsibility in this area, the legal advice we received, which was provided free, is that pinning it on it, legally, would be difficult. We have pursued the company itself but it has no money. We have no way of getting at the directors of the company. We do not have the cash to do that. We gathered together approximately €15,000 in the early days to employ solicitors, who actually did approximately €30,000 worth of work on our behalf but accepted only €15,000, but we did not have the money to take the matter to the High Court. We were told that to take an action against the IAA we would be required to put cash upfront.

Deputy Eugene Murphy: I thank the witnesses for their responses and the Chairman for the opportunity to ask my questions.

Chairman: Have the witnesses made contact with the Office of the Ombudsman in regard to their dealings with the IAA?

Mr. Brian Kealy: We have not been in touch with the Ombudsman because, if I recall correctly, at the time the company went out of business, which was 2012, the IAA did not come within the remit of the Ombudsman and was not subject to freedom of information requests. Therefore, there was no route open to us in that regard. The information we obtained under freedom of information was in relation to correspondence between the IAA and the Department of Transport, Tourism and Sport.

Chairman: Is the Garda Síochána involved in the case?

Mr. Brian Kealy: Yes. Individuals and parents of students have made complaints to the Garda Síochána. The file remains open and we are in touch with it on a regular basis but no specific action was taken.

Chairman: I was going to ask Mr. Kealy about the civil courts, but he has already addressed that issue. As Chairman of the committee, I express our sympathy to the people caught up in this. It is devastating for those involved who have been left out of pocket. The delegates have conveyed articulately the difficulties encountered by various individuals as a result. What would the delegates like to see the committee doing or what do they believe is within its remit to help the case and the people affected?

Mr. Brian Kealy: At the very least, it gives us an opportunity to speak about it in a public forum. At the time we received good publicity from newspapers, but we never received an “official” hearing. We are appealing to the broad body politic and the Government to see if anything can be done to in some way compensate the people concerned for what we believe we have highlighted as failings in the way certain public bodies carried out their roles, although they did not have specific responsibility for us. Nonetheless, by letting a company continue to operate when, in retrospect, they should not have, it has cost us money and we deserve to get something. Unfortunately, we do not have a legal route and although we have been told that we could try to sue, there is a good chance we would not win. The Irish Aviation Authority has indicated that it has been told by its directors to defend any case. If we wanted to take an action,

we would have to put money upfront.

Chairman: We could forward the transcript of the meeting to the IAA and seek answers to unanswered questions.

Ms Martina Kealy: It would have full records of how much each individual lost, for example.

Chairman: We could forward the transcript to the IAA for a response and revert to the delegates at that stage. As a committee, we can consider further what we can do or how we can help, if possible.

Ms Martina Kealy: Yes, okay.

Chairman: Everybody here and I would say any right-minded person would obviously want to see justice prevail for the individuals involved. That said, as a committee, whether we like it, there are limitations to what we can do. That is the reality. There is also the wider question of how to prevent this from happening again and what regulatory changes are required to ensure it can never happen to anybody again, whether in the field of aviation, education or anywhere else. These considerations must be decided by the committee and the appearance of the delegates has brought it back onto the agenda and we will pursue it. As I stated, we will forward the transcript to the IAA to seek a response and will revert to the delegates in due course. We will meet again next week to discuss other aspects arising from this discussion.

Ms Martina Kealy: I thank the committee. It is not just about us; we also represent students.

Mr. Brian Kealy: There are approximately 300 students, but we feel a particular responsibility to the 60-odd who have stuck with us. As Ms Kealy stated, there are approximately 120 students following the Facebook group and others who, for their own reasons, decided not to get involved.

Ms Martina Kealy: The communication kept us together, gave us momentum and kept us going.

Chairman: I thank the delegates.

The joint committee adjourned at 3.55 p.m. until 9 a.m. on Wednesday, 31 May 2017.