

## **WGRF International Conference 2003.**

### **The Irish Story: The turnaround in Irish Greyhound Racing**

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The very substantial turnaround in the fortunes of Irish Greyhound Racing continues to be the envy of greyhound racing administrators everywhere the Sport is promoted. If one accepts that the levels of attendances, betting turnover and for greyhound owners, - prizemoney – are the principal criteria to be applied, then surely the Irish greyhound racing saga makes for pleasant and comforting reassurance that all is well in the Sport in Ireland.

**The most recent full year's trading figures published by Bord na gCon – and these are for 2002 – saw  
bookmaker on course betting climb to € m,  
tote/paramutual turnover reached €m  
prizemoney payout in the region of €m.**

Currently 17 tracks hold licences to operate greyhound racing in the Irish Republic. Of this number, Bord na gCon own or have a majority shareholding in 9 greyhound racing stadia and the remaining tracks are in private ownership.

Primarily, and for the benefit of our overseas representatives present, I feel it would be helpful to briefly put this progress in Irish greyhound racing in context.

More so than in any other jurisdiction where greyhound racing is promoted, the serious involvement of Irish Legislatures in the affairs of both codes, horse racing and greyhound racing is a major factor.

Both racing industries are state controlled by statutory boards, established under Acts of the Irish Parliament. Horse Racing Ireland takes care of it's sport and Bord na gCon is charged with responsibility for the control and development of greyhound racing in the Republic.

Greyhound racing in Northern Ireland, which is part of the United Kingdom – as those of you who met with the political leaders of that state at Stormont, Parliament Buildings in Belfast on Monday, will know, is controlled by the I.C.C. which organisation **has also** responsibility - again under legislation passed by the Irish Parliament in Dublin - for maintaining the Registry Services, compilation and publication of the Stud Book and plays a major role in the Regulatory function of the Irish Greyhound Industry in the island of Ireland as a whole.

This State involvement in greyhound racing dates back to 1958 when Bord na gCon was first established under the Greyhound Industry Act of that year.

Earlier this week, we had the privilege of honouring the first Chief Executive of that organisation Seamus Flanagan, who headed up that organisation for over 31 years, when I had the unenviable task of following in his footsteps.

The fledgling organisation, had nothing other than an enabling Act which set the framework for Control of the Industry. An industry which was in the doldrums, with only memories of the heady days of record attendances and betting in the pre and during World War 2. At all the Country's greyhound race tracks which were then privately owned, the results of decades of missed opportunity to develop and refurbish amenities for the race going public were all too evident. Irish tracks were, sadly, scoring one out of ten in amenities for the racegoers.

Inevitably, the perceived intrusion by the State, into the realm of greyhound racing, was resented by the major city race tracks, who previously had been denied time and again, the opportunity of installing their own stadium operated totes, as was the case in England.

Apart from taking steps to regulate and control racing, the strongest possible measures were taken to re-establish the integrity of racing, the fledgling Board introduced a tax on course betting with bookmakers, installed totalisators at all Irish tracks, and from its limited resources, improved price money, gave highly attractive amenity development grants to the race track Companies.

Of course, the introduction of a levy/tax on course betting with bookmakers was unpopular, was resented by the punters (particularly those who wagered heavily) and by the bookmaker fraternity, not all may I say, who felt that they were being used as unpaid tax gatherers for Bord na gCon.

Despite the vigilance of the Bord na gCon staff, of the late tote and levy Controller, Noel Drumgoole, the system whereby bookmakers were required to record all bets on all runners, and deduct the appropriate tax from winning bets, failed. The bets, if entered as required in bookmaker records, with the collusion of racegoers, were inaccurately recorded, with serious consequential loss of tax for the Controlling Authority, Bord na gCon.

Board relied almost exclusively for its income to develop the Irish Greyhound Industry, on the tax on on-course bookmaking betting and profits generated by the operation of tote at the Country's greyhound race tracks. Despite the hit that Bord na gCon was taking in returns from bookmakers on-course betting, and the then competitors in the betting/entertainment market – horseracing – the Irish Greyhound Board were reluctant purchasers of the Country's leading city and country tracks. Shelbourne Park, Harolds Cross, Cork, Limerick, Tralee, Galway, Clonmel, Waterford and Youghal. I say reluctant, because monies that could and should be used for upgrading of stadia had now to be utilised to purchase the very stadia from which its income was generated.

The owners and shareholders in these stadia realised that their greyhound tracks were sited in key urban areas with the potential to realise unprecedented prices on the open market for residential or commercial development, far and beyond any slim profits the operation of greyhound racing would generate for them.

The then Chairman, Des Hanrahan, together with Seamus Flanagan, and dedicated Board members, deserve the profuse thanks and appreciation of the Greyhound Industry in Ireland for time immemorial for their efforts in this regard.

Were it not for the wisdom and foresight of these stalwarts, those stadia grounds I mentioned would be no more.

Despite the lack of an acceptable level of facilities for the racegoing public, dilapidated stands, open all weather viewing of racing, no restaurants, the efforts of the Irish Greyhound Board bore fruit.

It is a matter of record, that the magical aggregate attendance figure for Irish greyhound racing – one million patrons – was reached during the Chairmanship of the late Paddy O'Neill, in the eighties.

On the international stage, Ireland, and the Irish Greyhound Industry walked tall, be it in the ranks of International racing, the World Greyhound Racing Federation and in re-establishing Ireland as the World's leading exporter of quality greyhounds.

For the record – during that entire period from 1958 to 1989 – Bord na gCon, achievements were at no cost to the Irish Exchequer, not one penny of funding was forthcoming to the Irish Greyhound Industry from the State over that 31 year period.

With one exception a nominal sum of 50k as a one off gesture to augment prize money.

Looking back, it was a magnificent era of achievement despite the lack of state funding from the Exchequer which funding was commonplace and considerable for other semi-state organisations charged with development of many aspects of Irish Life.

The first major breakthrough in securing funding from the Exchequer was in the early nineties when the then Finance Minister and subsequent Prime Minister, Albert Reynolds took the bull by the horns and set aside £3 ½ m from that year's tax take from off course betting taxes for division between the horses and greyhounds.

Alas, the greyhound industry got the half a million. Welcome but totally inadequate.

But, the breakthrough had been made and additional, if limited funding materialised which permitted successive Boards under the Chairmanship of Kevin Frost, and Kevin Heffernan, an opportunity of making serious inroads into the development of racing. Despite the worst period of recession that Ireland experienced; record unemployment figures; prohibitive interest rates; and the continuation of the defective course tax funding system which had grown progressively worse in both sports.

Bord na gCon commenced the development of Shelbourne Greyhound Stadium while Kevin Heffernan was in the Chair and succeeded in establishing acceptance of the strategy to introduce to Ireland, the modern concept of a complete nights entertainment in ultra modern surroundings.

Other developments of major consequence followed –

- the total rebuilding of a state of the art stadium at Tralee;
- the sale of the old Western Road track at Cork and it's replacement.
  
- The establishment of an inhouse analytical laboratory for drug testing (the first of its kind to be operated by any greyhound controlling authority in the Northern Hemisphere).
  
- The successful negotiations which led to the acceptance by and funding of greyhound breeding in Ireland by the European Union, leading to on farm funding/grants from structural funds.
  
- The total revamping and modernisation of the industry's tote operations

But the lack of adequate funding was heartbreaking. It did, however, spur us on to continue to pressurise the parent Ministry and the Government of the day that the funding mechanism – tax on oncourse betting – was woefully flawed and militated against any meaningful development of the Country's greyhound stadia within a reasonable time scale.

My colleagues, Board members and staff availed of every possible opportunity to impress on politicians who would listen, that a strategy should be adopted whereby the Exchequer would allocate a percentage of the off course betting taxes on an annual basis to greyhound racing as well as to horse racing, thus providing the necessary funding for facility development and industry progression.

Our lobbying did not bear fruit prior to my retirement as Chief Executive, but thankfully, the Government accepted this policy with the enactment of the Horse and Greyhound Act 2001.

Under an arrangement introduced by the Government with the approval of Parliament, all betting taxes collected from off course betting in Ireland is now returned to the horse and greyhound racing industries, on the basis that horse racing benefits to the tune of 80% and the greyhound industry receives 20%.

The total amount provided by the Government and the Irish tax payer to Bord na gCon since the arrangement was set up in 2001 amounts to €38 m, a breakdown of which is: -

2001 - €1.7 m  
2002 - €3.6 m  
2003 - €2.7 m

This unprecedented investment in the Irish Greyhound Industry by the Government and the State, allied to what is known in Ireland as the Celtic Tiger, assisted by unprecedented record employment figures; the fact that our Irish economy can boast that the Irish people, as a consequence of the Celtic Tiger, have the second highest disposable income figures in the whole European Union, are the bedrock of this much lauded transformation in both the horse racing, as well as the greyhound racing industries.

Our fellow members of the European Union still wonder at the unprecedented boom years that the Irish Economy experienced in recent times, while their economies languished in both the U.K. and in mainland Europe.

The breadth taking growth in betting figures achieved in both sports can and must be attributable to the McCreevy initiative which also took out of play the punitive and much resented and maligned bookmaker betting tax on on course betting.

In conclusion, we can all accept that the industry is now generously funded. The Government and the tax payer have come good.

It is now up to all of the interested groups within the Industry to ensure that value for money is being achieved on this funding.