

**Independent Indecon Assessment of Issues
Arising on Consultation Submissions Made on
Indecon Strategic Review of Irish Greyhound
Racing Stadia to Underpin a Viable Long-
Term Sustainable Industry**

Report

Prepared by

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5 May 2020

Contents

Page

1	Introduction and Background	1
2	Scope of Original Indecon Review	3
3	Summary of Key Conclusions and Recommendations in Indecon Report	4
4	Market and Financial Developments since Publication of Indecon Report	10
5	Overview of Consultations on Indecon Report	17
6	Submission by Enniscorthy	19
7	Submission by Youghal	24
8	Submission in relation to Other Stadia	27
9	Submissions by Greyhound Owners and Breeders Federation	28
10	Issues Arising from Consultation	29
11	Options Facing IGB	31
12	Other Issues	33
Annex 1	Copy of Terms of Reference for Indecon Strategic Review	34
Annex 2	List of Submissions	35
Annex 3	Photos of Inspection of Infrastructure and Facilities at Enniscorthy from Indecon Review	36
Annex 4	Photos of Inspection of Infrastructure of Facilities at Youghal from Indecon Review	47

Table 3.1: Summary of Conclusions	4
Table 3.2: Summary of Recommendations	6
Table 4.1: Bord na gCon Group Income and Expenditure – January 2020	10
Table 4.2: Bord na gCon Group Income and Expenditure – February 2020	11
Table 4.3: Racing Activities and Attendances – January 2020	12
Table 4.4: Racing Activities and Attendances – February 2020	13
Table 4.6: Attendances at IGB and Private Tracks – February 2020	15
Table 5.1: Summary of Nature of Submission Made	18
Table 7.1: Summary of Selected Issues raised by Youghal	24
Table 9.1: Recommendations made in Submission by Greyhound Owners and Breeders Federation	28
Table 10.1: Summary of Conclusions from Indecon Report	29
Table 10.2: Summary of Recommendations in Indecon Report	30
Table 11.1: Summary of Context for Consideration of Options	31
Table 11.2: Main Options Identified	32

1 Introduction and Background

The IGB is a commercial semi-state organisation established in 1958 that is responsible for the control and development of the greyhound industry in the Republic of Ireland and was allocated €16.8 million in funding from the DAFM in 2019. There are currently 16 greyhound stadia in Ireland, nine are run by the IGB while five are run independently as private entities. Lifford Greyhound Stadium ceased operations in August 2019 and Longford Greyhound Track closed in March 2020.

Reflecting the difficult long-term trading challenges facing the industry, IGB, in line with their corporate responsibilities and the directors' responsibilities commissioned an independent review of the sector and the financial prospects for stadia. Indecon Economic Consultants is one of Ireland's leading firms of advisors. Following a competitive tender process, Indecon was appointed by the Irish Greyhound Board (IGB) to undertake an independent strategic review of Irish greyhound stadia. As part of this project, Hamilton Architects on behalf of Indecon, conducted an examination of the facilities available at Irish greyhound stadia.

An independent evaluation by Indecon was undertaken and the Board published the Indecon report excluding any commercially sensitive information. A consultation process was initiated to give everyone the opportunity to comment and provide their views during the consultation. Indecon is very grateful to all who contributed submissions to the consultation process. In relation to the consultation process, Indecon believes the decision of the IGB to initiate this was very appropriate and during the process one individual with a lifelong interest as owner/trainer indicated that it was positive that the Indecon Report was published so that all who wish to read it could, and that there was an opportunity given to submit opinions. All of the stadia were previously given the opportunity to make submissions to the review and to complete a detailed information request. Meetings were also held with the sector and survey work with the industry undertaken.

Inevitably in the context of a restructuring of a sector, there were strong emotions and with views expressed in such an environment, there is potential for some misrepresentations.

Indecon is very aware of the economic and social role played by stadia and the industry and our analysis is designed to ensure that the footprint of the commercially focused sector supported by IGB has a sustainable future. The economic and social impact of the sector was highlighted by Indecon in our report.

Indecon has approached the consultation in an open manner and have analysed if there are any implications for the recommended actions or whether any adjustments to the recommended strategy/options for the sector could be considered. In our opinion the key issue is to ensure that actions are taken to support a sustainable development of the sector and if there are alternative options identified which would achieve this, they should be carefully evaluated.

This report on the consultations is structured as follows. Section 2 discusses the original scope of the Indecon Strategic Review and in the following section we recap on the key conclusions and recommendations made. We also discussed the impact of COVID-19 which is resulting in unprecedented challenges for all areas of Irish society.

In Section 4 recent market and financial developments are examined. Section 5 presents a summary overview of consultations on the Indecon Report.

In the subsequent three sections we discuss submissions on Enniscorthy and Youghal which were among the most comprehensive submissions made, as well as others. In Section 9 we present the views of the Greyhound Owners and Breeders Federation. In Section 10 we examine issues arising from the consultations and in Section 11 we present our view on the main options facing IGB and in the final section we discuss other issues.

1.1 Acknowledgements

Indecon are very appreciative to all who made submission to the consultation process. A list of the submissions received by the IGB from representative bodies and public bodies during the consultation phase following the publication of the Indecon report. A number of submissions were also made by elected representatives. For data protection reasons, the names of private individuals who made submissions are not reproduced. We are also very grateful to the representatives of Enniscorthy and Youghal stadia who met representatives of Indecon during the consultation process. We are also appreciative of inputs from the IGB. The usual disclaimer applies and the analysis in this report represents the independent views of Indecon.

2 Scope of Original Indecon Review

The Indecon Strategic Review was designed to meet clear objectives set by the IGB to inform future Board decisions. This involves six key areas as outlined below:

- ❑ Assessment of infrastructure, service and standard of facilities at stadia
- ❑ Financial assessment of future sustainability
- ❑ Analysis of population catchments and access arrangements
- ❑ Analysis of racing schedules
- ❑ Assessment of impact from availability of breeders or trainers
- ❑ Recommendations regarding appropriate industry footprint

The idea of undertaking a systematic review of the industry footprint was contained in the Strategic Plan 2018- 2022 of the IGB published on 6th March 2018. The terms of reference as set was designed to reflect on appropriate response to the decline in demand for attendances at greyhound stadia, the financial challenges facing individual stadia and the low levels of capital investment in many facilities. As a result of the above, there is a need for strategic action to respond to the trading challenges and risks facing the IGB and the industry. A copy of the terms of reference for the study is presented in Annex 1.

3 Summary of Key Conclusions and Recommendations in Indecon Report

A summary of the key conclusions of the Indecon Strategic Review is presented below and discussed in subsequent paragraphs. It is important in the context of the consultation process to recap on these conclusions.

Table 3.1: Summary of Conclusions

- 1. Greyhound industry is likely to experience a continued decline in attendance levels.**
- 2. Ireland has an exceptionally high number of stadia for the population size.**
- 3. A number of stadia are in poor condition and require capital investment.**
- 4. The absence of sufficient breeders is likely to be an increasing challenge for the sector.**
- 5. Most greyhound tracks in Ireland are loss-making.**
- 6. Losses are likely to be unsustainable in the absence of a radical restructuring of sector.**
- 7. There is potential to develop a viable greyhound industry in Ireland.**

Source: Indecon

1. Greyhound Industry is Likely to Experience a Continued Decline in Attendance Levels

The greyhound racing industry in Ireland has witnessed a significant decline in attendance over the last decade. While 1.1m attended races in 2008, this fell by 55% to just over 0.5m by 2018. More up-to-date data for January and February examined in the next section shows that this decline has continued. 2019 has also shown a further negative impact which is likely to exacerbate the pre-existing long-term decline. Indecon believes that a continued decline in overall attendance numbers should be the basis for planning for the sector. Greyhound racing attendances have been in decline internationally, with falls of 27%-37% observed in Great Britain, New Zealand, Western Australia and New South Wales over the space of a decade or less. Only a small number of countries internationally still operate greyhound racing at a significant commercial level.

2. Ireland has an Exceptionally High Number of Stadia for the Population Size

Ireland has 16 greyhound stadia, which is the largest number of stadia per capita of any countries examined at 3.3 per million population compared to an average of 0.9 in other countries. In some countries, stadia are operated by local clubs and there may be options for some stadia to operate on more of a voluntary/non-commercial basis. However, there are minimum health and safety standards which are applicable and the number of stadia in Ireland is exceptionally high on a per capita basis. It is also clear that the inevitable restructuring of the number of stadia to reflect the scale of decline in demand has not happened in Ireland.

3. A number of Stadia are in Poor Condition and Require Capital Investment

The analysis in this review has evaluated the stadia in terms of internal and external building fabric as well as areas such as ease of access and facilities for spectators and race participants. While some of the IGB and private stadia are in very good condition, it is also evident from the assessment that many are in poor condition. This point was also made in the consultation process and is discussed subsequently in this report. In some cases, capacity is restricted and in a number of cases if the stadia are to remain open, urgent investment is needed to meet infrastructural and other requirements. A number of stadia have ambitious plans for major capital investment. However, it is likely that some investment projects could not be justified on either financial or wider economic and social criteria.

4. The Absence of Sufficient Breeders is likely to be an increasing Challenge for the Sector

To be successful, stadia require access to high quality dogs for race meetings. There is a need for feeder tracks as well as larger stadia, to be in a position to have sufficient dogs to sustain an effective racing schedule. The shortage of breeders is currently a challenge facing the sector. If there is a closure of tracks, Indecon accepts this is likely to be an increased challenge for the sector as some breeders are likely to exit the industry.

5. Most greyhound tracks in Ireland are loss-making

Even with IGB supports most of the tracks are currently loss-making. Indecon's analysis suggests that given scenarios for declining attendance levels, the financial sustainability of stadia is a key challenge for the sector. Developments since the publication of the report have reinforced the importance of this conclusion.

6. Losses are Likely to be Unsustainable in the Absence of a Radical Restructuring of Sector

Indecon's examination of the likely scenario for individual stadia suggests that losses will be unsustainable in the absence of a radical restructuring of the sector. Even with a more fit-for-purpose footprint following rationalisation, the sector will face financial challenges. This is particularly the case given the need to invest in infrastructural improvements, animal health and welfare, and marketing. Indecon believes that as well as a restructuring, it will be essential to implement ongoing cost-cutting measures to reduce staff and operational costs at individual stadia. The losses which have been incurred have only been sustainable as a result of resources built up of the sale of the Harold's Cross Stadium and by the level of Exchequer support and by funding by private stadia. The current COVID-19 crisis is likely to have a major and unexpected impact on overall Exchequer revenues and on the demands placed by the Exchequer to respond to the crisis.

7. There is Potential to develop a Viable Greyhound Industry in Ireland

Despite the challenges facing the sector, Indecon believes there is potential to develop a viable Greyhound industry in Ireland. This however will require decisive action in a range of areas which are outlined in our recommendations.

Following our review of consultation inputs, Indecon's professional opinion is that the above conclusions remain valid and have been reinforced by market developments since the publication of the Indecon Report.

A summary of the key recommendations in the Indecon Strategic Review is presented below and examined in subsequent paragraphs.

Table 3.2: Summary of Recommendations

- 1. A radical restructuring of the footprint of the sector is recommended.**
- 2. The rationalisation of the sector should be based on objective criteria.**
- 3. Cease funding for a number of stadia.**
- 4. Targeted investment in animal health and welfare, marketing and infrastructure is recommended.**
- 5. Ongoing cost efficiency measures are recommended.**

Source: Indecon

1. A radical restructuring of the footprint of the sector is recommended.

Indecon suggested that supporting the existing 16 stadia to operate on a commercial basis is not sustainable given the annual levels of financial resources available to IGB and likely market developments. We also noted the number of stadia per capita is significantly out of line with international norms. It is also evident that the rationalisation of the sector had not kept pace with the scale of decline in attendance numbers. Indecon therefore recommended a radical restructuring of the footprint of the sector. Without this, we believe the strategic problems facing the industry will be exacerbated.

2. The rationalisation of the sector should be based on objective criteria.

The analysis presented in the Indecon report provided an evidence-based evaluation of each of the stadia based on existing infrastructure, attendance levels, financial sustainability, proximity to other stadia and the implications for the sector. Indecon believes that geographical balance is needed to underpin the breeding and training sector. However, rationalisation of the number of stadia, which are operating on a commercial basis and which receive exchequer resources to support prize money, is required. Indecon indicated that this would necessitate closure of some stadia. During the consultation process, Indecon has examined some options proposed to potentially secure the resources needed to invest in the sector while also giving two of the stadia time to make necessary changes.

3. Cease funding for a Number of Stadia.

The Indecon report noted the inevitable impact of rationalisation in local areas and also the potential wider impacts of closing feeder tracks on the sector. This issue was also highlighted in the consultation process. However, without decisive action we believe the overall viability of the sector is in doubt and IGB will not have sufficient resources to enhance animal welfare and rebuild a sustainable sector. This requires an alignment of support for the number of commercially focused stadia with the changes in attendance. Indecon believes there is merit therefore in focusing Exchequer resources on a smaller number of stadia. In identifying specific stadia for IGB to cease funding, all factors were considered by Indecon on an objective basis. Indecon has no linkage with any stadia and our views are independent and focused on the overall future of the sector.

An important point to note is that there may be opportunities for individual stadia to continue to operate without IGB prize money or with lower funding if they can generate resources from sponsorship, fundraising or local support, or sufficiently reduce costs. Some proposals were made during the consultations concerning options for adjusting funding levels. Indecon does not recommend that IGB withdraws licences from any stadia provided they meet safety standards.

Indecon noted that market pressures have already led to the closure of the stadium in the northern part of the country (Lifford). While Indecon was impressed with the quality of infrastructure in Lifford, due to its location we understand the stadium is not financially sustainable with existing support from IGB, and the stadium has closed. Our analysis for future scenarios for attendance levels for Lifford and other stadia suggests attendance will decline further with implications for financial viability. Indecon also notes that there is a relatively small number of registered Greyhound breeders and trainers nationally who utilise Lifford. As noted in the consultation process, there are also breeders in Northern Ireland.

In the east/north-east region, Longford temporarily closed, reopened in September 2019 and closed permanently on 23rd March 2020. We noted that the infrastructure in Longford was poor and attendance levels were the lowest of any stadia in the country. Indecon notes that there is an alternative stadium within 46 kms of Longford. Longford had the highest level of net contribution per attendee from IGB of any stadia in the region. Taking these factors into account suggested that support for Longford should also cease and there were no inputs from the consultation process which would have changed this recommendation.

Based on our evaluation of a range of factors we suggested that the IGB should cease support for Enniscorthy. In the case of Enniscorthy, there are two alternative stadia within 60 kms. The quality of infrastructure is judged to be poor and based on official IGB figures, Enniscorthy had lower attendance levels than other stadia within the catchment area. Enniscorthy during the consultation process has suggested alternative attendance numbers should be used and we accept the validity of the suggested revisions and we discuss this later in this report.

In the west/south-west, the IGB-owned Youghal stadium has by far the lowest paid attendance levels of any stadia in the region. During the consultation process representatives of Youghal pointed out that there are also visitors who are attending free during the summer period. The infrastructure is poor, and the stadium is loss-making and has a relatively small percentage of trainers/breeders who use the track. We therefore recommended closure of Youghal stadium. In the case of Youghal, in addition to savings in prize money, this would result in savings in future operating losses and in the required investment in capital improvements. Youghal has, during the consultation process, identified a number of alternative ways of potentially reducing operating losses.

Even with the cessation of support for certain stadia, Indecon believes that the sector would not be financially sustainable if the decline in attendance continues and if the existing cost base is not reduced. In such a case we believe there could be a future need to withdraw funding for additional stadia. Indecon suggested that over the period to 2022 there is therefore an opportunity for individual stadia to improve their performance which would impact on any further phase of rationalisation which may be needed. During the consultation a number of new ideas have been proposed to help secure part of the resources needed to fund the required investment.

While understandably focus in the consultation process has been on the recommendations to cease funding for a small number of stadia, Indecon would stress the critical importance of the need for increased investment in animal health and welfare, marketing and infrastructure and the urgency of ongoing cost efficiency measures.

4 Market and Financial Developments since Publication of Indecon Report

In evaluating the issues raised in the consultation process and the options for the sector, Indecon believes it is important that account is taken of the latest market and financial developments. We have therefore analysed data on key performance measures for January and February 2020 as provided by IGB. Indecon also notes developments over coming months will be influenced by how the COVID-19 virus develops and its impact. While this is not assessed in this report, it is important for the Board to recognise that the Greyhound sector like many parts of Irish society will be fundamentally impacted by COVID-19 and the subsequent consequences for the economy and Exchequer revenues.

Details on the financial Bord na gCon Group income and expenditure in January 2020 are presented below.

Table 4.1: Bord na gCon Group Income and Expenditure – January 2020					
Bord na gCon Group Income & Expenditure Account Jan 2020 YTD	Act €	Bud €	Var €	Prior Year €	Var €
Net (Deficit)/Surplus from Racing Activities	(260,468)	(137,481)	(122,987)	(101,930)	(158,538)
Allocation from H&G Racing Fund	1,400,000	1,400,000	0	1,400,000	0
Other Income	13,107	15,280	(2,173)	12,135	972
Prizemoney contributions from Owners and Sponsors	57,335	66,359	(9,024)	64,678	(7,343)
TOTAL INCOME	1,209,974	1,344,158	(134,184)	1,374,883	(164,909)
Prize money direct from IGB, Sponsors and entry fees	(432,665)	(514,604)	81,939	(533,390)	100,725
Other operating costs	(566,146)	(598,287)	32,141	(522,070)	(44,076)
OPERATING SURPLUS/(DEFICIT)	211,163	231,267	(20,104)	319,423	(108,260)
<i>Source: Data provided by IGB to Indecon</i>					

The decline in income identified in the Indecon review has continued since the publication of the report and the deficit on racing activities in January 2020 is much higher than in January 2019 and also much higher than the budgeted level. A key point to note is that the scale of dependence of the sector on the allocation of funding from Horse and Greyhound Racing Fund. This presents inherent risks for the sector and for IGB.

Data on the income and expenditure for February is presented in the table below. The lower levels of income compared to both budget levels and the prior year was also evident in February 2020 confirming the long-term trading challenges facing the sector.

Table 4.2: Bord na gCon Group Income and Expenditure – February 2020					
Bord na gCon Group Income & Expenditure Account Feb 2020	Act €	Bud €	Var €	Prior Year €	Var €
Net (Deficit)/Surplus from Racing Activities	(174,602)	(45,431)	(129,171)	(15,228)	(159,374)
Allocation from H&G Racing Fund	1,400,000	1,400,000	0	1,400,000	0
Other Income	1,900	4,780	(2,880)	1,348	552
Prizemoney contributions from Owners and Sponsors	87,375	81,574	5,801	86,236	1,139
TOTAL INCOME	1,314,673	1,440,923	(126,250)	1,472,356	(157,683)
Prize money direct from IGB, Sponsors and entry fees	(581,480)	(574,185)	(7,295)	(631,844)	50,364
Other operating costs	(771,813)	(788,442)	16,629	(802,487)	30,674
OPERATING (DEFICIT)/SURPLUS	(38,620)	78,296	(116,916)	38,025	(76,645)
<i>Source: Data provided by IGB to Indecon</i>					

Attendance figures show a continued decline in January 2020 compared with the previous year. This is consistent with the long-term decline in attendance numbers identified in the Indecon report. Indecon's economic analysis suggests that the decline in attendance levels will continue and this is aligned with international evidence examined in the Indecon report.

Table 4.3: Racing Activities and Attendances – January 2020					
Racing Activities - Jan 2020 YTD	Act	Budget	Var	Prior Year	Var
Number of race meetings	92			96	- 4
Attendance total	16,841			24,073	(7,232)
Return from Racing Activities	Act	Budget	Var	Prior Year	Var
Jan 2020 YTD	€	€	€	€	€
(Deficit) from track activities	(€262,388)	(€191,799)	(€70,589)	(€218,217)	(€44,171)
Surplus from Food and Beverage	(€93,930)	(€73,354)	(€20,576)	(€25,196)	(€68,734)
Sub total from stadium activities	(€356,318)	(€265,153)	(€91,165)	(€243,413)	(€112,905)
Surplus from tote operations	(€16,302)	€18,737	(€35,039)	€37,254	(€53,556)
Media Rights (SIS)	€111,455	€106,320	€5,135	€102,707	€8,748
Bookmaker returns	€697	€2,615	(€1,918)	€1,522	(€825)
Sub total from all wagering activities	€95,850	€127,672	(€31,822)	€141,483	(€45,633)
TOTAL SURPLUS/(DEFICIT)	(€260,468)	(€137,481)	(€122,987)	(€101,930)	(€158,538)
<i>Source: Data provided by IGB to Indecon</i>					

Data on the number of race meetings and attendance levels is presented in the next table below. The decline in attendance levels on a year on year basis continued in February.

Table 4.4: Racing Activities and Attendances – February 2020					
Racing Activities - Feb 2020	Act	Budget	Var	Prior Year	Var
Number of race meetings	109			111	- 2
Attendance total	22,672			31,354	(8,682)
Return from Racing Activities	Act	Budget	Var	Prior Year	Var
Feb 2020	€	€	€	€	€
(Deficit) from track activities	(€223,117)	(€167,622)	(€55,495)	(€197,356)	(€25,761)
Surplus from Food and Beverage	(€88,717)	(€51,121)	(€37,596)	(€13,992)	(€74,725)
Sub total from stadium activities	(€311,834)	(€218,743)	(€93,091)	(€211,348)	(€100,486)
Surplus from tote operations	€16,837	€48,996	(€32,159)	€66,495	(€49,658)
Media Rights (SIS)	€124,786	€123,218	€1,568	€130,554	(€5,768)
Bookmaker returns	(€4,391)	€1,098	(€5,489)	(€929)	(€3,462)
Sub total from all wagering activities	€137,232	€173,312	(€36,080)	€196,120	(€58,888)
TOTAL (DEFICIT)/SURPLUS	(€174,602)	(€45,431)	(€129,171)	(€15,228)	(€159,374)
Source: Data provided by IGB to Indecon					

An analysis of attendance by IGB tracks and private tracks is presented in Table 4.5. The decline in attendance levels in January 2020 was evident for both IGB and non-IGB tracks and the average attendance at meetings also declined.

Table 4.5: Attendances at IGB and Private Tracks – January 2020

Attendance Summary	Jan 2020	Jan 2019	Var	Var%	Average per meeting Jan 20	Number of meetings Jan 20	Average per meeting Jan 19	Number of meetings Jan 20	Average Per Meeting	
									Var	Var %
IGB Tracks – Excluding Dublin	9,305	11,468	(2,163)	(18.9%)	163	57	198	58	(34)	(17%)
IGB Tracks - Dublin	3,752	5,920	(2,168)	(36.6%)	469	8	740	8	(271)	(37%)
Private Tracks	3,784	6,685	(2,901)	(43.4%)	140	27	223	30	(83)	(37%)
Total	16,841	24,073	(7,232)	(30.0%)	183	92	251	96	(68)	(27%)

Total Attendance Jan 2020



Average Attendance Per Meeting Jan 2020

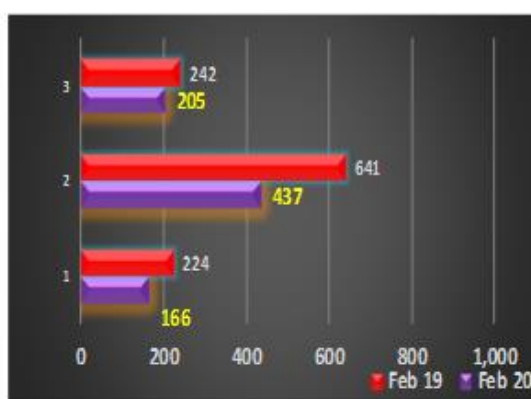


Source: Data provided by IGB to Indecon

The decline in attendance levels at both IGB and private tracks continued in February 2020 as highlighted in Table 4.6.

Table 4.5: Attendances at IGB and Private Tracks – February 2020

Attendance Summary	Feb 2020	Feb 2019	Var	Var%	Average per meeting Feb 20	Number of meetings Feb 20	Average per meeting Feb 19	Number of meetings Feb 20	Average Per Meeting	
									Var	Var %
IGB Tracks – Excluding Dublin	10,474	13,688	(3,214)	(23.5%)	166	63	224	61	(58)	(26%)
IGB Tracks - Dublin	5,240	8,970	(3,730)	(41.6%)	437	12	641	14	(204)	(32%)
Private Tracks	6,958	8,696	(1,738)	(20.0%)	205	34	242	36	(37)	(15%)
Total	22,672	31,354	(8,682)	(27.7%)	208	109	282	111	(74)	(26%)

Total Attendance Feb 2020**Average Attendance Per Meeting Feb 2020**

Source: Data provided by IGB to Indecon

In January 2020 the IGB continued to support a high number of racing meetings, races and runners although the levels were below those evident in January 2019. Data on the race schedule in January 2020 compared to 2019 is presented below.

Table 4.7: Number of Race Meetings and Races – January 2020

Race Schedule	Number of Race Meetings				Number of Races				Runners			
	Jan 2020	Jan 2019	VAR	VAR%	Jan 2020	Jan 2019	VAR	VAR%	Jan 2020	Jan 2019	VAR	VAR%
Dublin	8	8	0	0%	96	98	(2)	-2%	565	578	(13)	-2%
Rest of Ireland	57	58	(1)	-2%	602	638	(36)	-6%	3,574	3,797	(223)	-6%
IGB Controlled Stadia	65	66	(1)	-2%	698	736	(38)	-5%	4,139	4,375	(236)	-5%
Private Stadia	27	30	(3)	-10%	261	290	(29)	-10%	1,545	1,724	(179)	-10%
All Stadia	92	96	(4)	-4%	959	1,026	(67)	-7%	5,684	6,099	(415)	-7%

Source: Data provided by IGB to Indecon

The level of activity recorded for the number of race meetings in February 2020 was also lower than in February 2019.

Table 4.8: Number of Race Meetings and Races – February 2020												
	Number of Race Meetings				Number of Races				Runners			
Race Schedule	Feb 2020	Feb 2019	VAR	VAR%	Feb 2020	Feb 2019	VAR	VAR%	Feb 2020	Feb 2019	VAR	VAR%
Dublin	12	14	(2)	-14%	147	147	0	0%	738	858	(120)	-14%
Rest of Ireland	63	61	2	3%	647	652	(5)	-1%	3,937	3,852	85	2%
IGB Controlled Stadia	75	75	0	0%	794	799	(5)	-1%	4,675	4,710	(35)	-1%
Private Stadia	34	36	(2)	-6%	345	374	(29)	-8%	2,020	2,200	(180)	-8%
All Stadia	109	111	(2)	-2%	1,139	1,173	(34)	-3%	6,695	6,910	(215)	-3%
<i>Source: Data provided by IGB to Indecon</i>												

The market and financial developments which have occurred since the publication of the Indecon Report reinforces the validity of the conclusions on the trading challenges facing the sector and the need for urgent action.

5 Overview of Consultations on Indecon Report

During the consultation process the IGB published the Indecon Report and invited submissions. A wide range of submissions were made by Greyhound stadia, public representatives, Greyhound breeders and trainers, town and local business. In total, 48 submissions were made to the IGB.

Most of submissions concerned the proposed ceasing of funding related to Enniscorthy and Youghal. Detailed submissions were obtained in relation to these two stadia. A submission was also made by the Irish Greyhound Owners and Breeders Federation. All of the submissions were carefully independently evaluated by Indecon. Because of the significance of the submissions by Enniscorthy and Youghal, bilateral meetings were held by Indecon with representatives of Enniscorthy and Youghal. Indecon is appreciative of the inputs and efforts made by all who made submissions to the consultation process. A summary of the nature of the submissions made is presented in the table overleaf.

Table 5.1: Summary of Nature of Submission Made

- 20 submissions relating to Youghal were made to the IGB. These include a signed standardised questionnaire suggesting that Youghal Greyhound Track was one of the main tourist attractions in the town and was completed by 41 local businesses. In addition, 15 local endorsements by businesses and other organisations were submitted indicating that they opposed the closure. Endorsements were also made by Youghal Chamber of Tourism and Development, Youghal Rugby Football Club and by the IFA. Five benefit night endorsements were submitted. In addition, Youghal Track Supporters Club issued a detailed report, setting out issues regarding the history of the track, financial sustainability, population catchment, competing sporting facilities, standard of the track, racing schedule and other issues.
- 13 submissions relating to Enniscorthy were made to the IGB. The Enniscorthy Greyhound Company, in addition to making their own submission, commissioned a report by KHSK Economic Consultations. This included commentary on aspects related to Enniscorthy track including attendance, track facilities, local breeding and consistency with public policy. The other submissions included one on behalf of the Members of Wexford County Council, as well as a number of submissions from public representatives. The submissions also included one from Greyhound Racing Integrity Ireland. The remainder of submissions included a number of private individuals and those directly involved in the sport in Ireland.
- A further 15 submissions were made. These included:
 - 6 emails related to the industry in Ireland
 - 5 emails related to Lifford
 - 2 emails related to Longford
 - 2 emails related to Thurles

Source: Indecon

6 Submission by Enniscorthy

It is not intended to comprehensively outline every point made in the submissions by Enniscorthy Greyhound Racing Company or submissions by other stadia or inputs from other organisations or individuals, but to address the main points raised in each submission. However, in view of the significance of the submission and consultancy report submitted by Enniscorthy Greyhound Racing Company, we outline our view on a number of important issues raised. These are summarised in the table below and discussed in subsequent paragraphs.

Table 5.2: Summary of Selected Issues Raised by Enniscorthy

- | | |
|------|--|
| i. | Enniscorthy questions the need for restructuring and rationalisation of the industry and argues that this would not lead to recovery in attendances. |
| ii. | Proposed alternative estimates of attendance levels. |
| iii. | Suggests that Indecon argued that the impact of the closure of Enniscorthy will be relatively small. |
| iv. | Suggests that reasons for poor facilities in many private tracks such as Enniscorthy is lack of funding by IGB. |
| v. | Proposed that simple numerical scoring would put Kilkenny and Thurles behind Enniscorthy. |
| vi. | Argued that financial problems arise from operating losses in IGB tracks. |
| vii. | Suggests that Greyhound sector is well positioned to play a social role in the energising of lagging regions. |

Source: Indecon Analysis of Submission by Enniscorthy

(i) Questions the need for restructuring and rationalisation of the industry and argues that this would not lead to a recovery in attendance

Indecon does not accept that there is no need for restructuring and rationalisation of the industry. The detailed analysis presented in the main Indecon report indicates that the physical infrastructure has not adjusted to the scale of the decline in demand in the sector. The evidence also indicates that the number of Greyhound stadia in Ireland is dramatically out of line with the position in other countries. Even with the proposed restructuring, the number of stadia would be very significantly higher than in other countries. There is also a need for major capital investment in the sector and this will require choices on the best allocation of scarce resources.

A key issue is that the level of financial resources available to existing stadia from commercial income, sponsorship and Exchequer supports would not permit the expected losses in the sector to be met and the required capital or other required investment to be undertaken. Additional measures are needed to market the sector, to enhance animal health and welfare, and to meet necessary capital investments to improve existing stadia. However, Indecon fully agreed with the submission by Enniscorthy that the restructuring on its own would not lead to a recovery in attendance and indeed we do not believe such a recovery is likely. However, if there is not some rationalisation of the level of support to individual stadia and other measures implemented, the future of the industry will be even more challenging. There are also high levels of risk from a greater than anticipated decline in attendances or any reduction in Exchequer support.

(ii) Proposed Alternative Estimates of Attendance Levels

In the case of Enniscorthy and for all stadia Indecon, for consistency, used the official IGB attendance data which were provided to the consultancy team.

The figure for Enniscorthy used for attendance levels for 2018 was the precise number of 13,515 which was the official data entered for Enniscorthy on the IGB Race Management System (RMS). A potential discrepancy between official data entered by Enniscorthy and used in the Indecon report was first identified by Indecon who contacted Enniscorthy on 7 June 2019 to query an alternative estimate of a rounded number of 19,000 which was included in response to an information request to Indecon prepared by Enniscorthy.

Enniscorthy stated on 28 June, following Indecon alerting Enniscorthy to differences in their estimate of attendance compared to what they had submitted in their official returns that this discrepancy compared to what they officially submitted to IGB, was due to an estimate from benefit nights and they indicated that **“these would not be included in attendance figures returned to IGB as they come in as ticket holders”**.

Enniscorthy did not suggest at that time that this was an error. Subsequently, post the production of the Indecon Report on 14 December 2019, Enniscorthy suggested that the anomaly in the figures was not because the numbers would not be included in IGB returns, but rather that it **“can be explained on our end by an error made by a new member of staff”**, and they requested the opportunity to rectify the error. Indecon believes that the issue of accuracy and consistency of attendance data is important, and this is discussed in our recommendations.

Indecon accepts Enniscorthy’s good faith on this issue and the new explanation that the attendance levels officially submitted were an error by Enniscorthy and we understand that this can happen.

Indecon also examined sales turnover for 2018 from the accounts for Enniscorthy which indicated an annual income of €[REDACTED]. At €10 per ticket, this would indicate €[REDACTED] attendees but we note that other class of attendee would not pay this admission price, e.g. OAPs would not pay full price and children would be free.¹

(iii) Suggested that Indecon argued that impact of closure of Enniscorthy will be relatively small

In the submission by Enniscorthy it was suggested that Indecon argued that the impact of the closure of Enniscorthy will be relatively small. They suggest that it appears that this is due to Indecon’s use of particular attendance numbers and it was suggested that Indecon believes that there is little activity related to Greyhound racing in Wexford and that there are other stadia close by. We are not sure of the basis for the conclusion that Indecon has argued that the impact of closing Enniscorthy will be relatively small. Indecon believes that if IGB ceases funding and if alternative sources of income are not generated, and if this was to lead to closure of Enniscorthy or any stadia, it would have an inevitable impact. Indeed on p. xvii of the Executive Summary in the main report it is stated that “Indecon is aware of the impact of rationalisation in local areas and also the potential wider impacts of closing feeder tracks on the sector”. Indecon also accepts that while there are no registered breeders in Wexford with five or more active breeding bitches, there are breeders and litters in the county.

¹ Indecon also asked for clarification from Enniscorthy with respect to a number of matters, but Enniscorthy were unable to access the data required because of the understandable restrictions on mobility introduced in response to the COVID-19 pandemic.

(iv) Suggested that reasons for poor facilities in many private tracks such as Enniscorthy is lack of funding by IGB

Indecon believes that the reasons for poor facilities is lack of capital investment. This reflects the underlying financial performance of tracks and the insufficient levels of revenue to fund required capital investment.

(v) Proposes that simple numerical scoring would put Kilkenny and Thurles behind Enniscorthy

Proposed that a simple numerical scoring system would put Kilkenny and Thurles behind Enniscorthy.

- Indecon believes the scoring system suggested by Enniscorthy is very arbitrary and is an inappropriate basis on which to make any strategic decisions. The consultant's report submitted by Enniscorthy accepts there are questions regarding the choice of criteria and how they should be scored. This is a critical issue as depending on such choices the results differ.
- Of note is that it is possible to design a scoring system to justify any outcome by the choice of the number of criteria used, the weightings given, and the rankings proposed.
- In the case of the submission by Enniscorthy, the particular choices they propose have an outcome which suggests that Enniscorthy is jointly the second highest ranked stadia in the region. This is based on an inappropriate scoring system which:
 - Takes no account of important factors such as the levels of capital investment needed, the population catchment area, the extent of competing facilities, the percentage of owners / trainers who use the track, the significance of registered breeders, fire safety concerns and other factors.
 - It gives equal weight to factors which are simply not of equal importance.
 - It proposes that a separate weighting is given to minor differences in distances from other stadia. For example, they propose Enniscorthy is given top rankings of five points because it is 55.8 miles (50 minutes) from Waterford, while Kilkenny is given the lowest ranking of only one point because it is 47.1 miles (45 minutes from Thurles). Such minor

differences should not be given a high weighting in decisions on the rationalisation of stadia.

(vi) Argues that financial problems in sector arise from operating losses in IGB tracks

Indecon believes that the evidence shows that a key factor contributing to financial problems in the sector is the scale of decline in demand and incomes and the extent of fixed expenditures. A range of factors impact on levels of financial losses and the inability of the industry to invest required capital in sector. They include:

- Scale of decline in demand and revenues.
- Extent of Exchequer supports.

(vii) Suggests that Greyhound sector is well positioned to play a social role in the energising of lagging regions

Indecon is very aware of the need to support regional development. We also fully accept that a sustainable Greyhound sector has the potential to play a role in local development. It is because of its social and economic impact (which was referred to in the Indecon report) that we are supportive of measures to provide a sustainable future for the industry.

7 Submission by Youghal

During the consultation process a large number of submissions/endorsements were made and Indecon also met representatives from Youghal.

Table 7.1: Summary of Selected Issues raised by Youghal

i.	Comments on Indecon Report
ii.	Youghal Chamber of Tourism and Development argue that track is one of Main Tourist Attractions
iii.	Alternative proposals for cost reductions presented
<i>Source: Indecon Analysis of Submission by Enniscorthy</i>	

i. Comments on Indecon Report

- The submission by Youghal noted that official IGB figures indicated one of the lowest levels of attendance in the country. They highlighted that the facility operates on an entry-free basis during the summer. This is accepted by Indecon.
- The manager of the track expects an increase in attendance in Youghal. Indecon does not believe that this is a likely outcome.
- On poor infrastructure the submission from Youghal suggested that ‘the lack of significant investment in the stadium is obvious from its appearance’. Indecon agrees with this analysis.
- The submission from Youghal Chamber indicates that disabled areas should be designated adjacent to the vehicular entrance. Indecon agrees that if the stadium is to remain open, this is important.
- It is suggested that patrons have been asking for a lift to the viewing gallery and bar area for over thirty years. Indecon notes that this would require use of scarce capital investment.

- The submission from Youghal also questioned that there is a small percentage of trainers/breeders who use the track. However, Indecon's Report notes that there are trainers who use the track. However, Indecon's Report presented information on the percentage of trainers and owners who use the track.

ii. Youghal Chamber of Tourism and Development argue that track is one of the Main Tourism Attractions

Indecon accepts that some tourists may visit stadia, but no evidence has been provided on the significance or otherwise of this. Fáilte Ireland has produced evidence stating that 9% of trips by domestic holidaymakers attended at a sporting event. (This compares with 26% for hiking/walking, 21% visiting houses/castles, 20% engaging in water sports (excluding swimming), 17% visiting gardens and 15% visiting heritage/interpretive centres). It is likely that only a sub-set of the 9% would have attended a greyhound stadium as the percentage figures include all sporting events including rugby, soccer, horseracing, etc. However, Indecon accepts that greyhound stadia represent an attraction for some visitors. Indecon also notes that Iron-Man Competitions based in the town and is estimated to bring in over 20,000 visitors.

iii. Alternative Proposals for Cost Reductions

An interesting submission was made by the Youghal Track Supporters Clubs. This outlined a number of proposals to provide achieve costs savings or revenue increases for the IGB including the following:

- Increase in entry fee from €9 to €10.
- Voluntary reduction of €60 per race in prize money by owners in Youghal is proposed.
- YTS Club to invest €25,000 (in form of race sponsorship, free gate or to cover the yearly track lease).
- Merger of Youghal and Cork Stadium involving running three SIS nights in Youghal and Cork on Monday, Wednesday and Friday and IGB racing on Friday and Saturday and estimating YTSC lotto into Cork.

Youghal Lease

The submission by Youghal suggested there would be payments under the lease if the stadia had to close. Indecon has reviewed the Lease on the Youghal Greyhound Race Company Limited concerning the stadia which was dated 2 March 2006. We note that one of the covenants under point D is that:

“At the end or sooner determination of the said term hereby granted, to restore the demise premises to the same condition as the same were in prior to commencement of the Expired Lease and in such condition quietly to yield up the same to the Lessor.”

Indecon understands that the expired lease refers to a lease dated 31st December 1948.

In a summary of the lease prepared by Holmes O’Malley Sexton dated 2nd March 2006, under Lessee’s obligation to repair/decorate, it notes there is a “Covenant to keep the Demised Premises in repair”.

We are not aware whether there has been any enhancement or deterioration in the condition of the premises in the period since 1948 or how this could be established. If there were any such deterioration, this could require that these issues are addressed. Indecon would point out that any once off costs if required would be related to necessary capital / maintenance investment and this would likely require expenditure even if the stadia were to remain open. This would also apply subsequently to any future surrender of the Lease. We would advise the IGB to seek legal and other advice as required on this issue. We also note that the Lessee may terminate the Lease on the expiry of the first year or a subsequent period of years calculated from the first day of April 1998 and there was a break date in 2018. We assume this implies that there is a break date on the Lease in April 2023, but we note that the Lessee must give 6 months calendar previous notice in writing of its desire to break the Lease.

8 Submission in relation to Other Stadia

Lifford

Five emails were received concerning Lifford. It was suggested that there are small breeders in the North of Ireland and that Strabane is relevant to the catchment area. Indecon accepts that there are small breeders based in Northern Ireland. One email referred to the quality of infrastructure in Lifford (which Indecon agrees with) and pointed out it is the only track where one could bet in two counties. One individual highlighted the role of Lifford in reducing social isolation.

Longford

Two emails were received re Longford. One raised issue of role in getting pups to start their career and another highlighted Longford's role for sprinters as well as its social impact.

Thurles

An email from Thurles Greyhound Stadium commented on infrastructure, services and facilities at Thurles and noted that there was the option of contract catering services on demand and a fast food outlet.

Other

One individual email indicated the role of Longford and Lifford in schooling/training of Greyhounds.

9 Submissions by Greyhound Owners and Breeders Federation

The Greyhound Owners and Breeders Federation argued against closure of the tracks but also made a number of suggestions to adjust supports for the sector.

Table 9.1: Recommendations made in Submission by Greyhound Owners and Breeders Federation

- A stay of execution should be granted to the aforementioned tracks identified in the Indecon report for a fixed period of time so that an opportunity is granted for each individual track to get their house in order. Reasonable targets on key performance indicators should be set by the IGB as a baseline minimum.
- Tracks could be sorted into a three-tier system which based on the key performance indicators would allow for a promotion / relegation of tracks based on their actual trading performances. This would allow the IGB the option to subsidise each tier accordingly.
- The industry trading model must change to incentivise good tracks trading performances. This would be an alternative way to recouping the intended savings from the tracks recommended in the Indecon report.
- IGB funding distribution to reflect seasonal trends per track. Rural tracks with no corporate facilities to completely close for the months of December and January and phased back in February.

Source: Submissions to Consultation Process

Indecon believes that aspects of the above suggestions merit consideration.

10 Issues Arising from Consultation

Implications for Conclusions

Indecon's independent analysis of the consultation inputs does not suggest any amendments to the strategic conclusions in our report as follows:

Table 10.1: Summary of Conclusions from Indecon Report

- Greyhound industry is likely to experience a continued decline in attendance levels
- Ireland has an exceptionally high number of stadia for the population size
- A number of stadia are in poor condition and require capital investment
- The absence of sufficient breeders is likely to be an increasing challenge for the sector
- Most greyhound tracks in Ireland are loss-making
- Losses are likely to be unsustainable in the absence of a radical restructuring of sector
- There is potential to develop a viable greyhound industry in Ireland

Source: Indecon

Implications for Recommendations

Indecon's independent analysis of the consultation inputs does not suggest any amendments to the main recommendation in our report as outlined in the next table. However, a number of suggestions have outlined some alternative options re Enniscorthy and Youghal which we recommend are considered by the Board and discussed in the next section.

Table 10.2: Summary of Recommendations in Indecon Report

- A radical restructuring of the footprint of the sector is recommended
- The rationalisation of the sector should be based on objective criteria
- Cease funding for a number of stadia
- Targeted investment in animal health and welfare, marketing and infrastructure is recommended
- Ongoing cost efficiency measures are recommended

Source: Indecon

11 Options Facing IGB

In considering options for the future of the sector, Indecon believes it is important to consider the market and financial context and our independent analysis of the challenges facing the sector. These are summarised in Table 11.1 below.

Table 11.1: Summary of Context for Consideration of Options

1. Indecon's independent analysis indicates that the long-term decline in attendances at greyhound stadia will not be reversed and that the most likely outcome is that the declines in attendance will continue or accelerate. We believe this should be the base case for IGB Board in evaluating likely trading risks and the options for the sector.
2. Our opinion is that the resources available are not aligned with sustaining the existing footprint of the industry as a commercially viable sector.
3. There are also new risks arising from the corona virus and potential impacts on the economy and the sector which should be taken into account.
4. There are significant additional risks to financial viability of sector if funding is reduced and having a credible plan for the sector is key requirement.
5. There will be a need to invest in capital improvements, animal health and welfare and as well as promotion and marketing in order for there to be a viable future for the sector.
6. Simply reducing the number of stadia which IGB supports financially will not on its own be an adequate response to the challenges facing the sector.
7. While difficult decisions are required to respond to the challenges, we believe that with effective action there is the potential to secure a long-term future for the industry.

Source: Indecon

Following the consultation process we outline the main options which we believe should be considered by the Board.

Table 11.2: Main Options Identified

1. Implement proposed restructuring and other decisions recommended by Indecon.

Indecon believes that a restructuring of the sector in concentrating funding on a smaller number of stadia would enable funding to be targeted on investing in the key areas necessary to enhance long-term future of sector. Targeting of resources will also enable the Board to take account of trading risks.

2. Provide an opportunity to Enniscorthy and Youghal for a fixed period of time to address challenges / issues identified and for key performance measures to be set.

- It would be critical that if this option is pursued that key performance measures and other conditions are set. These could include the following:
 - Confirmation that the most urgent infrastructural issues have been addressed.
 - The cost to IGB is reduced.
 - Measures are taken to address the extent of expected declines in attendances.
 - In the case of Youghal possible consideration should be given to exercising the break clause in the lease but considering the feasibility of agreeing a new lease with changes to any requirement for refurbishment remedial works.

This would require that greater cost reductions in other tracks are implemented and there may be a need for a tiered funding system or other adjustments to levels of support. While this has merits, it should only be considered if other actions are taken to reduce costs to enable funding to be available to invest in infrastructure, marketing, promotion and animal welfare.

3. Not implement the recommendations in Indecon Report

This, in our opinion, would not be in the interest of the sector and could in our professional opinion expose IGB to unsustainable trading risks.

Source: Indecon

12 Other Issues

There are two other issues which Indecon would like to highlight following the consultation process, namely, the need for investment in monitoring attendance levels and the importance of other actions as well as stadia restructuring.

The issue of what is included in official IGB attendance data was highlighted in the consultation process. Ensuring accurate and consistent attendance data is essential to measure the level of effective demand by the public for attendance at different tracks and the implications of these trends for future viability. There is a need for IGB to ensure that accurate and consistent data is obtained from all stadia on an ongoing basis and that this informs future board decisions. Indecon therefore recommends that all stadia should be required by IGB to provide data on attendance income as well as numbers of paid visitors and this should be confirmed by stadia auditors. A breakdown of paid attendance numbers by adults paying full price, OAP, students and others should be obtained and consistency with attendance income checked.

Indecon notes that the main focus of the consultation inputs concerned recommendations to cease Exchequer funding for Enniscorthy and Youghal. While this is understandable, we believe that equal importance needs to be placed on the other recommendations identified by Indecon as outlined below.

- Ongoing cost efficiency measures must be implemented by IGB at all IGB operated stadia.
- Targeted investment in animal health and welfare, marketing and infrastructure is recommended.

Annex 1 Copy of Terms of Reference for Indecon Strategic Review

The brief for the study includes the following:

- Assessment of the infrastructure, services available and standard of facilities at all 16 licenced greyhound stadia.
- An analysis of population catchments and access arrangements for each individual greyhound track.
- An analysis of racing schedules for each greyhound stadium.
- A financial assessment of the future sustainability of each individual track
- An assessment of any impacts arising from availability of breeders or trainers within the catchment area.
- An analysis of relevant competing sporting facilities within the catchment area.
- Recommendations regarding the appropriate industry footprint for the future including detailed recommendations regarding individual stadia.
- A consultation process with all stakeholders within the industry.

Annex 2 List of Submissions

The following submissions were received by the IGB from representative bodies and public bodies during the consultation phase following the publication of the Indecon report. A number of submissions were also received from private individuals and public representatives. For data protection reasons, the names of private individuals who made submissions are not reproduced here.

Youghal

- Cork County Council
- Youghal Chamber of Tourism & Development
- Youghal Track Supporters Club

Enniscorthy

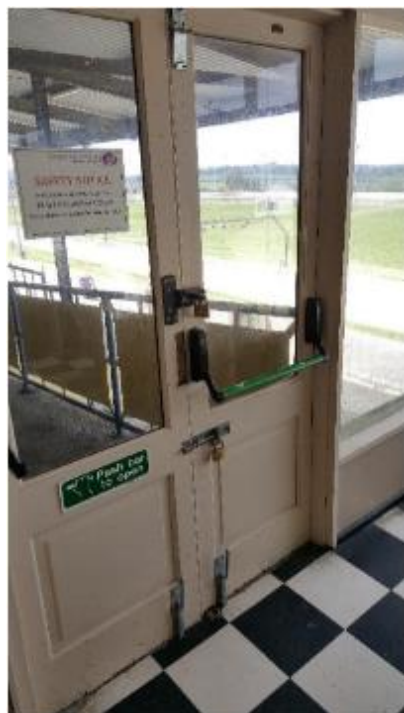
- Wexford County Council
- Greyhound Racing Integrity Ireland
- Enniscorthy Greyhound Racing Company Ltd.

Other

- Lifford Greyhound Stadium
- Thurles Greyhound Stadium
- Irish Greyhound Owners and Breeders Federation CLGT
- Irish Greyhound Owners and Breeders Federation

Annex 3 Photos of Inspection of Infrastructure and Facilities at Enniscorthy from Indecon Review





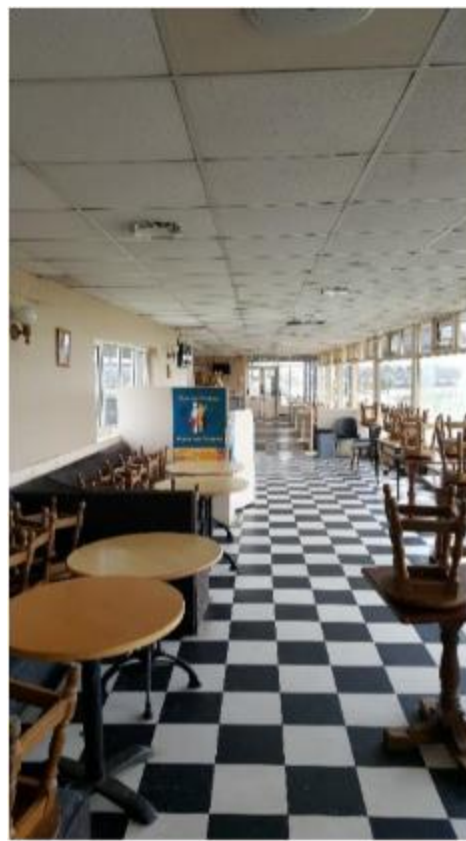


















Annex 4 Photos of Inspection of Infrastructure of Facilities at Youghal from Indecon Review





