

**Wednesday 5 December 2018 - Legislative Council - Government Businesses Scrutiny
Committee B - Tasracing Pty Ltd**

LEGISLATIVE COUNCIL

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE B

Wednesday 5 December 2018

MEMBERS

Ms Armitage (Deputy Chair)
Mr Armstrong
Mr Dean
Mr Farrell
Ms Howlett
Ms Rattray (Chair)
Ms Siejka

IN ATTENDANCE

Hon. Elise Archer MP, Minister for Racing

Ministerial Office

Mr Chris Medhurst, Adviser

Tasracing Pty Ltd

Mr Gene Phair, Chairman

Mr Daron Heald, Chief Financial Officer

Dr Alicia Fuller, Acting Chief Executive Officer

The committee resumed at 2.00 p.m.

CHAIR (Ms Rattray) - I welcome members back to the table.

Minister, welcome in your capacity as the Minister for Racing. We would appreciate you introducing your team at the table and then providing the committee with a brief overview of how you see Tasracing, and then I will open to questions, thank you.

Ms ARCHER - Thank you, Chair. With me, I have our new chairman of Tasracing, Mr Gene Phair; our acting CEO, Dr Alicia Fuller; and then Mr Daron Heald, our Chief Financial Officer.

A brief overview, if I may. Much has happened in the last few years in relation to our racing industry and for the better. The Government is continuing to restore the racing industry's sustainability and the jobs it supports in regional Tasmania. There are around 5500 people involved in racing across our state, and a large proportion, at least 46 per cent - of those are in our rural and regional areas. So, it is an incredibly important industry to Tasmania, one that is entrenched in our Tasmanian culture.

The 2017-18 financial year for Tasracing was positive in a number of important areas, and I want to run through a few things briefly.

As the new Minister for Racing, I have not been in the position long myself. I am particularly looking forward to continuing the strong gains made over the past four-and-a-half years since we came to office. Driving revenue growth continues to be a key piece of work and a priority for Tasracing. Wagering turnover on Tasmanian racing product increased by over 12 per cent to \$576 million, which, as a result, is delivering an increased race fee revenue. A revised pricing structure for race field fees provided a \$2.6 million increase in race field revenue for the year.

While there is no doubt we made some tough decisions in recent years since coming to office, that has been reaping rewards with Tasracing now providing the industry with two funding increases across the three codes during the reporting period - an initial code funding increase of 6.2 per cent to all three codes in July, followed by a second increase of 6 per cent in January.

Total prize money for the industry in 2017-18 reached \$23.3 million, an increase of 12.2 per cent, or \$2.53 million.

In addition, Tasracing's strong digital presence continues to play a very important role in ensuring our racing product is easily accessible to as many customers as possible, both interstate and international.

Customer engagement with Tasracing via its three websites grew by more than 16 per cent. Live streaming and replays continue to be highly valued by punters, with both products contributing to more than 20 per cent of total customer engagement with Tasmanian Racing Online.

A strong focus was maintained on offering wagering customers unique live racing coverage. It is worth stating the industry's role in providing an excellent racing product - one that is professional, competitive and attractive to punters - has been critical to this commercial success. So, a real professionalisation. There is more professionalism now, which has made the industry highly competitive with our neighbours.

With cash reserves of more than \$16 million, the company's financial position is strong. This money will be used to invest in infrastructure development, such as the replacement of the Elwick thoroughbred tracks. As noted in the annual report, with the support of the industry after extensive consultation, the Tasracing board signed off on a single 28 metre-wide replacement track.

On that note, I am pleased to announce that StrathAyr has been appointed head contractor to redevelop the Elwick thoroughbred track, supporting Tasmanian jobs in line with our Buy Local Policy. As members may know, StrathAyr is a wholly Tasmanian-owned business with general farming and turf-growing operations in Tasmania. They also have turf-growing operations in Victoria. In Victoria, they employ 22 people, while in Tasmania, they employ 14 people. With this redevelopment they will employ three additional Tasmanians.

The major earthworks subcontractor, fencing and retaining subcontractors will all be Tasmanian. Most of the materials will be sourced locally with only specialty products sourced from overseas. Before being awarded the lead contractor role, StrathAyr had a contract in place to plant approximately 65 000 square metres of specially selected turf to Tasracing specifications for the project. Construction works are currently planned to commence after the running of the 2019 Hobart Cup, with completion expected before the 2020 Hobart Cup, so approximately 12 months.

On another positive note, this year saw another highly successful Tasmanian summer racing carnival for thoroughbreds. In addition to the racing, a number of highly successful events supported this year's carnival race meetings. The Tasracing team worked with the host clubs to deliver an unprecedented number of major hospitality and social events during the carnival. I am confident this work assisted in increasing attendance figures across the carnival, with Tasracing's youth racing marquees sold out on Devonport, Hobart and Launceston cup days.

I know members are interested in our animal welfare so if I could just have your brief indulgence. Animal welfare continued to be an issue of critical importance to Tasracing. Adoption numbers in the Greyhound Adoption program, which we affectionately call GAP, increased from 111 in 2016-17 to 116 in 2017-18, which is a new record for the program.

During the reporting period, Off the Track launched a comprehensive support program for horses at all life-cycle stages, with a core emphasis on equipping as many people as possible with the skills and opportunities to build a solid and enduring partnership with their horse. With more than 200 registered participants and multiple educational and social activities every month, Off the Track is a unique initiative, offering insight into the welfare of Tasmania's ex-race horses well beyond retirement from racing and placement into the post-race racing home environment.

In conclusion, I take this opportunity to thank and congratulate the Tasracing Board and all at Tasracing for their combined commitment and hard work in achieving in all these positive results. I acknowledge and pay a special tribute to the former chair, Dean Cooper, who was instrumental in steering Tasracing and the wider racing industry through many major challenges, resulting in substantial improvements to business performance and a much better environment in which to invest in and grow the racing industry. Thank you to Mr Cooper for his nine years of dedication and hard work on the board and the last three years as chair. I look forward to working with Tasracing, racing clubs and the broader Tasmanian racing industry to maintain confidence and certainty into the future.

CHAIR - Thank you very much, minister. You made a point about how Tasracing has had a lot of changes over recent years. Changes at the top have been constant, so I think we might get that question out of the way before we go to the financials.

With the greatest respect to the acting CEO whom we have at the table now, could we have some indication from you as minister on how confident you are in the next recruitment process for the CEO. It seems to be a revolving door.

Ms ARCHER - It does. A number of people have left for personal reasons. I am the new minister and was not around for those terms, but I am aware a lot of these things happened for personal reasons.

Also, the board has made some decisions around remuneration and similar issues. To be or remain competitive with other states, we need to be able to attract people to the industry. Some people can leave the industry because they are attracted elsewhere. That can be an issue and has been in the past.

I am very confident, with a new chair sitting next to me who has a lot of experience in the corporate sector. I would like to assure members Mr Phair is highly regarded. He has a keen interest in racing. If members were not aware, he is currently the head of Shadforth's Financial Group and was previously head of corporate and capital management with IOOF Holdings; prior to that he was financial controller with TOTE Tasmania. He is also currently chair of the Hutchins School Board and was previously on the board of the Heart Foundation, so he has board and financial experience.

His vision will be very much in the same direction of economic stability, making improvements and gaining on what has already been achieved by the Tasracing Board to date. Although there has been change, I am very confident. Certainly, with an interim chair like Alicia Fuller, who has been managing through this process, it is a very sturdy ship. Since taking over as minister, I have not felt there has been anything other than pure professionalism and the board is looking forward to the future.

We have had a recruitment process for the new CEO. Applications closed on 26 November. There is a process to go through, so I cannot make any announcements today in this regard, but we will make this public as soon as a decision can and is made.

CHAIR - Thank you, and welcome back to the racing industry for the new chairs - 14 years he has been away, so thank you and I appreciate that.

Mr DEAN - The industry involved - and a number of them have spoken to me and other members - are concerned about this revolving door of CEOs. What they are saying is that it takes 12 to 18 months to know the organisation, but these CEOs are leaving after about 18 months. Surely, the contract drawn up for the next CEO will be a reasonably tight? I do not know how you can do this, but it needs to be the right contract to ensure we have a CEO who is in the position for a certain period of time.

What has happened? Have there been penalties or payouts required of Tasracing where CEOs have left? What has been the cost to Tasracing, with the last five or six positions?

Ms ARCHER - On the payout, I will pass to our chief financial officer. At the outset, you have a contract, as members will be well aware, and whether it is a three- or whatever-year term if someone, due to personal circumstances, leaves their employment, we have no control.

Mr DEAN - But, minister, with the greatest respect, a lot of the CEOs are from the mainland. It cannot be personal for all five or six of these. There has to be other reasons. Is it personal if whoever it is still continues to live on the mainland and work here? To me, it is not personal.

Ms ARCHER - I am not sure if it is five or six. That might be an exaggeration. I do not think we have had five CEOs in quick succession. There have been a few and we have been open about this as much as we can, but I am not going to reveal people's private or other reasons for leaving. It is one of those situations where, if someone chooses to resign, the board has no control over that. I, as minister, have no control over that. I am sure the board can do whatever it can without breaching any employment laws in the process of tightening contracts if they need to be tightened. I am sure that contracts to date have been entirely appropriate and any clauses have been followed and adhered to.

With that, I will throw to the Chief Financial Officer of Tasracing if he has anything to add in relation to what may or may not have needed to be paid out.

Mr DEAN - Minister, can I quickly tell you why this is important, if you do not mind. I got information from people within the industry that a previous CEO mentioned, Mr Lynch - in fact, there was discussion with the racing fraternity on Sky 3 about Sky 2 and wanting to go to Sky 1. This CEO, allegedly, from my information, told them they needed to wait for a time, but that CEO then went to Victoria and within a very short time implemented over there exactly what they were talking about here. That is their concern.

Ms ARCHER - Mr Dean, I am not trying to frustrate this process at all, but I cannot comment on things that might be hearsay. I have not had that directed to me, nor have I had a discussion with the former CEO. I have not had that opportunity. I have only just become the minister. I am aware that the reasons given by Mr Lynch were personal reasons. That is all I am at liberty to say and can say and know about. What is fed through to members from the industry, I cannot comment on.

I will throw to the Chief Financial Officer because at least we can answer what we have had to do in accordance with the contracts.

Mr HEALD - The three executives who left during the year included Vaughn Lynch, John Luk and Kim Elliott. All three were paid solely their leave entitlements. None of those had any other payments apart from the leave entitlements they were entitled to.

Ms ARCHER - No severance payouts?

Mr HEALD - No.

Mr DEAN - No severance payments there at all?

Mr HEALD - No. We discussed Mr Tarring's last year; he was acting CEO in between Eliot Forbes and Vaughn Lynch. He was paid time off and time in lieu, with notice. That was a different arrangement there. All three others since then have all been simply leave entitlements.

Mr DEAN - My tip to you is not to employ a Victorian.

Ms ARCHER - That would be discrimination, Mr Dean.

Ms ARMITAGE - It wouldn't really, buy Tasmanian.

Ms SIEJKA - I am interested in exploring the point of consumption tax, which was discussed with Ms Courtney when she was in the role. Other jurisdictions have introduced this now. It sounds like it is mostly around every other area of the country. During budget Estimates the minister said she was seeking further information from the Treasurer regarding the introduction of the point of consumption tax. What advice has been received and what is the status of this? How much has that opportunity for additional revenue streams for the industry been explored and where is that at?

Ms ARCHER - I can give you that update. I can confirm that discussions regarding the implementation of a point of consumption tax have been occurring at a national level, as you have identified. The Treasurer has been an active contributor to the discussions that have taken place. The implementation of such a policy is complex, however, and there are many issues to consider. In Tasmania's own case, all options being discussed would have an impact on the current deed arrangements with UBET, which would likely require renegotiation.

The Tasmanian Government has committed to no new taxes for Tasmanians. There are concerns that a wagering tax on corporate bookmakers could be passed on to consumers by lower odds, which would effectively see the consumer bear the impact of the new tax. The Treasurer will continue to monitor the progress of the point-of-consumption tax elsewhere and the implementation in other jurisdictions and continue to work with his counterparts to explore opportunities to harmonise the taxation of wagering activities across states and territories.

Those deed arrangements, following the totes, are unique to Tasmania. Members will probably recall those circumstances. Tasmania is not in the same situation as the other jurisdictions so that does complicate things for us. Of course, we also, as a government, are not interested in introducing new taxes either.

Ms SIEJKA - Did the exploratory process get as far as modelling what any potential benefits or otherwise would look like?

Ms ARCHER - I do not have personal knowledge of that. That is happening, as I said, at a national level between treasurers. Some things that occur in Tasracing require the Treasurer's sign off as well as myself as minister; we are shareholder ministers. As this issue is taxation, it is definitely in the remit of the Treasurer.

Mr ARMSTRONG - I want to touch on workers compensation. Your target was \$517 500, and it was \$1 841 000. Can you explain? There must have been a couple of bad accidents. How long will it take before that reduces or comes in?

Ms ARCHER - We are dealing with a few statistics there. I ask the CFO or the CEO to address that workers compensation issue.

Dr FULLER - Tasracing has a statutory responsibility for workers compensation for licensed jockeys, apprentices and trial riders while they are riding at races, official trials and training and at all venues. That includes privately operated training venues as well as also covering all direct employees of Tasracing. We are all aware that racing is a dangerous sport with inherent risk. A number of injuries have been to the jockeys and trial riders. Although it has been relatively consistent over the last three financial years, we had a very large accident last year. In 2015 23 jockeys and trial riders were injured; in 2016, 22; and in 2017, 18, of which 14 resulted in a claim. In 2018, 20 jockeys and trial riders were injured.

Workers compensation presents the largest single financial risk to Tasracing. Due to the fact jockeys and apprentices are unlicensed, sometimes we do not have complete control of this risk. It has no regulatory control over private training venues either. So, there are a couple of issues there.

Tasracing procures a burner-style policy where the premiums paid vary between a specified minimum amount and an amount set by the insurer, depending on the number and severity of claims in an insurance year, which is why we have had an increase. If we look at the different years, in 2014-15 there was a minimum deposit of \$624 000 and a maximum deposit of up to \$2.3 million.

I will go to the actual costs. In 2014-15, \$676,436; in 2015-16, \$1.416 125 million; in 2016-17, \$609 000; and in 2017-18, where we have this large over-expenditure, \$2.249 639 million.

Tasracing has been successful in reducing its minimum premiums over the three years to 2017-18. However, the premium in 2018 was affected by the large actual cost in 2017-18 due to serious injury. The total cost for financial year 2018 was \$1.3 million more than financial year 2017, due to an unfortunate high cost in jockey injuries. That raised the maximum premium payable for the 2017-18 insurance year. A mechanism has been adopted, whereby the cost of jockey work as compensation is met over time, by the thoroughbred code allocation. Other codes of racing have not been directly financially impacted by the thoroughbred code workers compensation cost. While the thoroughbred code pays for the minimum premium, Tasracing remains exposed to the coverage of the maximum premium. Tasracing continues to action a suite of risk mitigation strategies in place for the short term and long term, incorporating legislative responsibility as a safety racing policy, return to work processes and safety culture.

Ms ARMITAGE - Some more clarification on what those strategies and planned strategies are in place for jockey safety?

Dr FULLER - The review of the injury management practices in 2014 resulted in the development of a comprehensive injury management program focused on early intervention and a safe and sustainable return to work. The structured injury program is reducing the amount of time an injured person is out of the workforce, which has a direct benefit for the workers compensation premiums. We continue to develop the working relationship with the insurers. From an asset safety point of view, this involves our work health and safety policies and making sure our venues are all up to safety requirements.

Ms ARMITAGE - This is more what I was looking at. What you are doing to prevent the accidents, rather than getting them back to work?

Dr FULLER - These are all from an operation aspect. Being very up-to-date with all our work health and safety operational policies, making sure our assets and facilities and racing policies are up to standard.

Ms ARMITAGE - The regular reviews of the tracks.

Dr FULLER - Yes and regular reviews of all our policies for operational staff and operational functions on race days, as well as our training venues, and updates to track rules and operational processes.

Ms ARCHER - It is probably worth mentioning what the stewards also do.

Dr FULLER - Obviously, the Office of Racing Integrity is responsible for the stewards, but the stewards' responsibility on race day is particularly towards the safety aspect of the actual function of race day and the facilities at the time. They constantly review whether they feel tracks and training facilities are safe for those activities to occur.

Ms HOWLETT - Minister, I have been to the Magic Millions sales quite a few times on the Gold Coast and is an enormous amount of fun. How are sales performing here?

Ms ARCHER - I cannot say I have been to the Magic Millions. It might be one of my ambitions one day.

Mr ARMSTRONG - It would be nice to have the money to buy one there.

Ms ARCHER - It would, Mr Armstrong. The 2018 Magic Millions Tasmanian Yearling Sale was the sixth sale to be completed under the direction of the Yearling Sale Working Group. The group was devised as a result of the development of the three-year agreement between Magic Millions, Tasmanian breeders and Tasracing. It is great to be a part of this agreement. Magic Millions, Tasmanian breeders and Tasracing have agreed to enter into a further agreement until after the 2021 sale. The agreement secures ongoing support of one of the nation's leading bloodstock companies, Magic Millions, ensuring national exposure for the Tasmanian breeding industry. That is really the main aim. Tasracing provided \$130 000 towards the operation cost of the 2018 Magic Millions Yearling Sale. Early indications for the 2019 Magic Millions Tasmanian Yearling Sale are strong, with 142 horses already catalogued. I am not sure when the cut-off might be, but with 142 horses catalogued, it is a good sign for our breeding industry.

Mr ARMSTRONG - Do you know how many we normally have there?

Ms ARCHER - That is a question probably for those on my right.

Dr FULLER - The lots have been growing year on year. In 2014, around 96, and we are gradually going up - 2015, 121; 2016, 126; 2017, 133; and then 137 in 2018.

Ms ARCHER - It is already steadily going up.

Mr ARMSTRONG - Would we know how many of those were sold and how many were handed in?

Dr FULLER - It is interesting. Percentagewise on sale, the percentage cleared in 2014 was 87.4 per cent, and last year we decreased to 76 per cent. It has been a steady decrease over the years, although the gross revenue from the sale has increased. In 2014, gross revenue was \$1 million and in 2018, it was \$2 806 500.

Ms ARCHER - We are talking about quality not quantity, are we?

Dr FULLER - Yes.

Mr FARRELL - There is concern at the Brighton training facilities that a few issues they have been raising for quite some time haven't been adequately addressed. One is a footbridge for the pool to help with swimming the horses. There is the treadmill that needs repairing and there was a proposal put forward to move the barriers a couple of hundred metres to help train the young horses away from the ones that are galloping.

They are wondering what is going on with that and why it is taking so long to get this rectified. Is it linked to the decrease in spending on training and racing facilities in the annual report, some \$760 000 less this year than it was last year? Is this the reason behind the issues at Brighton?

Ms ARCHER - Thank you for that question. I am going to ask Dr Fuller to address that, being of an historical nature as well.

Dr FULLER - I will start by saying that these are operational issues. These issues and complaints raised by industry are acknowledged and taken very seriously by Tasracing. We recognise that all these issues need to be resolved and we are currently working with industry to resolve these issues.

The three you raised are regularly communicated with, particularly via the trainers' associations but also at our quarterly shareholder meetings. I can give you a little bit of an operational update on a couple of those issues.

We have had a new treadmill built, and that is due for delivery some time in December, so that is why there has been a bit of time there. With the footbridge, there is an engineering factor that needs to be taken into consideration now the pool is wider, which I believe was to aid with the swimming initially, but it has meant the footbridge being put in place is taking a little bit longer than it would have normally had it been the same width as previously. The operations team are involved in the other issue that you raise. All sorts of workplace health and safety considerations and track rules have to be taken into consideration.

Mr FARRELL - Is that the reason for the decrease in spending?

Dr FULLER - Sorry, I might throw that one to the CFO.

Mr HEALD - Last year, 2017, was also a very good year for us financially. We took that opportunity to clear a backlog of maintenance work that had built up over the years. Last year's spending was particularly high so this year's spending was returning back to normal levels. That is the only reason for the discrepancy there.

Ms ARCHER - So it is not a cap cut as such; it is just going back to what you thought it was.

Mr HEALD - No, especially with items such as pools, these are high priority items that we deal with as soon as we can.

Mr FARRELL - Brighton is no longer in my electorate, Chair, but that was raised when it was.

Ms ARCHER - Is this one of those changes, Mr Farrell? You lost Brighton.

Mr FARRELL - Yes, I think that is in Prosser now.

Dr FULLER - Yes, it is.

Mr DEAN - I want to ask a question in relation to the Off the Track program and I guess I can use the GAP program in this, particularly in relation to the Off the Track program. Why does Tasracing have to engage in that program and what money is put into that? As I understand it, there could be a property that is either being bought or being considered for being bought for the purposes there of the Off the Track program? Surely, if an owner has a horse that is not racing properly or it is too old to race, it should be their responsibility to either use that horse in a proper way or humanely dispose of it. Why Tasracing - is it to please the activists?

Ms ARCHER - Of course Tasracing's primary concern other than running the business side of things is that Tasracing considers the welfare of racing animals across all codes to be of paramount importance. It has therefore in place rules, policies and other strategies to enhance animal welfare outcomes, and that includes on the retirement of animals.

What is equally important in what you have mentioned is the need to responsibly facilitate the exit of animals from the racing industry and promote where possible the successful transition to careers after racing. You mentioned the Greyhound Adoption Program - it is not-for-profit department created by Tasracing. The goal of GAP is to aid in helping greyhounds find a permanent pet home after retiring from their racing career, as well as building the profile of greyhounds as pets. I would not say it is in direct response to activists, but Tasracing should be commended for taking on this type of commitment. We all saw the program that highlighted issues in the New South Wales greyhound industry in 2015. Thankfully, they were not happening in Tasmania after it was thoroughly investigated. It brought to the fore an understanding the welfare of these animals is not only during their racing careers, but post their racing careers.

We have a masters race for greyhounds. Once they are a certain age, they can now continue to race in a master's event. In addition, GAP is also a national program with a specific framework and methodology agreed by all state-based GAP programs. It is good this is being implemented nationally. Again, Tasracing has and should take on that responsibility. Members are probably aware a dog that enters this type of program is temperament tested, desexed, wormed, vaccinated, microchipped and provided with other routine veterinary care procedures.

Mr DEAN - At the cost of?

Ms ARCHER - There is a program cost to Tasracing.

Mr DEAN - So it is a cost to Tasracing, not the owner?

Ms ARCHER - Yes.

CHAIR - The owner does contribute.

Ms ARCHER - Perhaps if I can have the finance side to be explained in this regard.

CHAIR - You might give us an update on where we are with the property purchase.

Dr FULLER - Yes, I can certainly. With these programs, it is really important to note both the Greyhound Adoption Program and the Off the Track program are national programs.

Ms ARCHER - Off the Track is the horses.

Dr FULLER - Off the Track is the horses, yes. It is really important to note the survival of the racing industry is going to revolve around its ability to be responsible for the animals it has within racing and therefore the welfare afterwards is highly important. I agree with you the owners have a responsibility, but as a racing authority and racing integrities, we also have a responsibility to facilitate the rehoming of animals. The industries are certainly now very dedicated to realising they need to assist with rehoming and re-educating their animals into their next sort of career. It is the responsibility of the overriding racing authorities to drive the process.

Mr DEAN - How many horses have been involved in the Off the Track program for the last 12-month period and at what cost to Tasracing?

Dr FULLER - The actual number of horses involved is considerably smaller than in other states, because we run a slightly different program. In the other states, a lot of them just take in ex-racehorses and then rehome them. We have a slightly different strategy, because we have a very limited budget and also putting more responsibility to the owners. We facilitate the rehoming of the correct racehorse with the correct new home, so hopefully have really good outcomes and these horses go into good environments where they are looked after. It is a similar approach to GAP, although that is a much bigger program because the greyhounds have been running a lot longer.

From a financial point of view -

Mr DEAN - The number of horses that have been rehomed?

Mr HEALD - Off the Track is reasonably minimal at the moment as it is starting off. We contributed around \$60 000 in total last year for Off the Track promotions. That is expanding with the introduction of our re-education program we implemented this year. It is an education program for horses and for potential owners. We are matching owners and horses and working together with them to ensure good outcomes. We expect this program will expand significantly. Nationally, it is generally accepted that around 1 per cent of stakes get attributed to these animal welfare programs from thoroughbreds. We are may be a long way from developing a program of that size but that is probably where it will end up at some stage.

Mr DEAN - Have you purchased the property I mentioned in the first place?

Ms ARCHER - I can give a brief overview. If we need any more detail, I can throw to Dr Fuller. The Tasracing Corporate Board, as members may be aware, approved the construction

of a purpose-built greyhound adoption centre. However, council approval was only very recently passed in November - we are only in early December.

Tasracing has also been investigating the alternative option of purchasing or leasing an existing facility throughout 2018. It continues to do so in view of the potential build times on the recently approved site. We have the benefit of other jurisdictions having done something similar or adopting a different approach. We can consider the best possible model. The hold-up until had been council approval issue of the site.

CHAIR - Minister, are you moving forward with your initial GAP facility purchase and that development?

Ms ARCHER - Yes. What has happened to date has been a planning issue, which is not unusual, as we all know. It needs to be built. Tasracing is also exploring other options for leasing other premises so we have somewhere to start the full program.

The other thing Tasracing has been looking at - and as the Minister for Corrections, I have a hand in this, wearing another hat - is to expand the capacity for the GAP foster-care program within Risdon Prison. It is currently in the preliminary planning stages. A lot of things need to be considered, not least of all where to do it, with what types of prisoners, security and otherwise. It is highly successful in other jurisdictions and it also has good prisoner outcomes with rehabilitation.

Mr DEAN - Is there an off-track horse property being considered for purchase? I have been told there is about \$1.4 million set aside for a property. Is that right?

Dr FULLER -. No, there is not a property being looked at for the Off the Track program at this stage. That is something that has been done in other states but it is not part of the Tasracing current strategy and it will not be in the short term.

If possible, I would like to take your question on notice. I cannot answer it accurately at this stage. I have not yet been able to find the exact number of horses in the Off the Track program, unfortunately.

Ms ARCHER - Do you put questions on notice in writing?

CHAIR - We do. I am interested in the number of greyhounds and the cost that sits adjacent to that, including those funded under the Brightside GAP program.

Ms ARMITAGE - I note that there are 116 greyhounds from 2017-18 and you do not have a facility as yet. Did they all go to Brightside or can you tell me where they went? If they went to Brightside, were they funded per dog?

Dr FULLER - I confirm the numbers refer to those rehomed through the Tasracing Greyhound Adoption Program. Currently, we do not have any access to greyhounds rehomed through Brightside, nor any control over its rehoming program.

Ms ARMITAGE - When you say they are rehomed through your own program, is that to individuals?

Dr FULLER - Yes.

Ms ARMITAGE - How do you do that? Do you advertise? How do you find the homes for them if you do not have the facility up and running yet?

Dr FULLER - At the moment, we do not have a front-of-shop facility, which is what we are looking to build. We have a kennel facility, which is on private property. We still run a full fostering program. We also take the dogs out and about in the community. All of those things we currently do would still be in place even if we build a purpose-built facility. A purpose-built facility would enable us to increase the numbers we can hold in a kennel environment at any one time.

Ms ARMITAGE - Have you found a site for that yet?

Ms ARCHER - No, that is what I was talking about with the site, which has had a planning delay.

Ms ARMITAGE - Are they separate sites, the one Ivan Dean is talking about, for horses and dogs, or will they be a combined site?

Ms ARCHER - No, for Off the Track there was no facility, so we clarified that. For horses, no facility.

Ms ARMITAGE - With wagering turnover in Tasmanian racing increasing substantially by 12.4 per cent in 2017-18 to a record \$576 million, does this mean that Tasracing will be less reliant on government funding if turnover continues to rise in the future?

Ms ARCHER - I will start off and any detail, I am sure, will be added to by the CEO or CFO. Wagering turnover in Tasmanian racing is a significant source of industry revenue through race field fees paid by wagering operators. Just for some detail, for the financial year 2018, race field fees are \$13.3 million. We are up 25.8 per cent on the prior year, on top of an increase of 11.5 per cent in the financial year 2017. You are correct, that is increasing. Wagering turnover on Tasmanian racing last financial year increased also by \$63.3 million, bringing it to \$576 million, so this represents a 12.4 per cent increase following a similar increase of 8.6 per cent the previous year, 2016-17. This 12.4 per cent increase was achieved despite no change in the volume of races in the financial year 2018.

There is that improvement in turnover. In my introductory remarks I advised the committee in relation to the first and second increases that were able to be paid to the various codes because of this.

Tasracing has responsibility for the commercial performance of the Tasmanian racing industry, and growing wagering turnover is a key corporate goal. These results are tangible evidence that the commercial strategies developed and implemented by Tasracing are working for the benefit of the industry. Also, it is important to highlight that it is achieved in the face of significant competition from other entertainment options or sources and at a time when there is increasing pressure on consumers' disposable income.

It is also important to note the initiatives now being carried out by Tasracing. I mentioned the Elwick thoroughbred racecourse new track. Tasracing has accounted for \$12.5 million for

that and that is solely being funded on its own cashflows, not going into any debt or relying on any handout from government or anything like that.

I might throw to the CFO or Dr Fuller in relation to that final part of your question. I am sure it is an aim of Tasracing to keep building on those financial gains and at the same time be able to return. I think we have already returned to the pre-Tote sell-off in what goes back to the codes, but I am sure that can be more eloquently explained by those on my right.

Mr HEALD - Unfortunately, the commercial revenues of the organisation are still quite small in terms of our total funding. As you say, we receive about \$13.3 million in race field fees. Our total annual budget is about \$47 million to fund the industry.

We have certainly has been making very strong gains with the race field fees and our commercial incomes; 10 per cent double-digit growth in wagering turnover in an industry which has been around as long as wagering has is really quite outstanding, and we have pushed hard on pricing to constantly perform above that to get our revenues even higher than that.

We would think there is a limit to how much we can charge wagering operators in percentages. We are charging them about 20 per cent of their profit margins at the moment. I doubt there is much more we can actually charge them on that, so there are unlikely to be major price increases into the future. However, our turnover continues to be strong and we will continue to promote this and strongly hope we will continue to see double-digit growth in our race fees, because of that. In overcoming the full funding, we are a long way away from achieving this, but will continue to work on it.

Ms ARMITAGE - Do you find it is difficult getting people to come along to the racecourse? I accept a lot of wagering is online, but people actually coming to the racecourse? Is this declining now and would be disappointing, rather than being there? What are you doing to address this? Even Launceston and Hobart cups numbers are down.

Ms ARCHER - In my introductory remarks you may recall me talking about the initiatives of the televised nature through Sky Channel. Digitisation and all those things are there to attract viewers through other means, because the numbers are down on tracks, which impacts on the local clubs, because they provide catering facilities and is their source of income.

Dr FULLER - We recognise course attendance is down and we would like to increase it, along with the clubs. Providing a facility to cater for them as well, to help them encourage new members and bringing people onto the race course. Realistically we target as a strategy the major race days to try to have good attendance then. We do them by this marketing and by providing a good on-course experience and product when people attend.

Ms ARMITAGE - Numbers are still declining?

Dr FULLER - Yes, still. The other thing we are doing is to partner more with the clubs to try to increase course attendance. There was an extra one-off grant of marketing of \$10 000 made to each of the major clubs this year, to assist them with marketing their larger cup days and whatever they bring to it. It should do. Obviously, we will not be able to assess at this time. Some of our other strategies involve having marketing days with the clubs to try to give them the skills to market their products and membership.

Ms ARCHER - It is important to note many racing clubs run on volunteers and do not have the staff available. Tasracing has taken upon itself to facilitate this with clubs and partner with them, if you like. Not taking over their role, but certainly providing and equipping them with some skills that can help them develop their own websites and Facebook pages. That is the nature of so many things these days. Bringing things in line with how people like to communicate and access what events are on, accessing things live and really putting that sort of marketing out there. It is going quite well with the uptake from clubs, and certainly Tasracing is committed to providing continuing assistance.

Mr FARRELL - Strangely enough, I was on page 4 and my question was about marketing. I notice in 2017, it was \$905 000 and 2018, it is \$1.6 million. Is there was a breakdown of the extra spending incurred and what were the results of the \$700 000 more in the marketing budget?

Ms ARCHER - As for a budgetary issue, I can give a general overview. Marketing activities are obviously undertaken to promote Tasmanian racing and to improve commercial performance in-line with the company's legislative responsibilities. The 2018 financial year sales and marketing spend was \$1.6 million, up 80 per cent on the 2017 financial year, and up \$728 827 from \$905 173 that equates to.

The increase is in line with two of Tasracing's key strategies. First, to grow marketing support to racing clubs in line with growth in revenue earned through wagering. Second, continue to target national wagering customers with market-leading digital products. This expenditure contributed to growth in wagering turnover of 5 per cent from \$512 million in the 2017 financial year to \$576 million in the 2018 financial year. I am advised that Tasracing doesn't normally allocate individual line items by code, but has normally allocated tri-code items to codes for analytical purposes.

As to any further detail on that, to our CFO?

CHAIR - Is the member satisfied with the response?

Mr FARRELL - Yes, that is a great response, but if there were a little bit more detail around it -

Ms ARCHER - I can give you a code breakup. Following on from what I was saying about analytical purposes, this reveals that spending was directed on a code basis as follows: thoroughbreds, \$894 666; harness racing, \$369 667; and greyhound racing, \$369 667.

The increased spending was the result of a revised budget midway through the financial year made possible by above-budget wagering revenue. The revised budget was allocated to other activities as well, each in line with Tasracing's corporate plan. I can run through all those activities; there is quite a list there. It went to -

- a new VIP Hobart Cup Eve cocktail party at Wrest Point; assisting the Tasracing Club to address declining Hobart Cup Day attendances by jointly funding a high-profile live musical act on Hobart Cup Day
- assisting the Tasracing Club and Tasmanian Turf Club to enhance their Cup Day offering through funding the hire of large outdoor screens - the large outdoor screens were used to

broadcast Tasracing's live hosts on cup days to give race day customers constant entertainment throughout the day

- hosting the Australian female jockey championships on a newly created additional race meeting to the 2018 financial year summer thoroughbred carnival
- increased spending on promotion of the 2018 summer thoroughbred carnival to address declining overall attendance figures
- funding contribution to the TRC and TTC owner hospitality on major race days
- increasing the quality of entertainment and food and beverage provided in Tasracing's Young Racing Tasmania marquees on Devonport, Hobart and Launceston cup days - this supports a 2 per cent race field fee premium price, serves to satisfy sponsor expectations and presents the state's best opportunity each year to promote racing to the general public -

CHAIR - Anything for greyhound and harness, minister? They seem to be missing off your list.

Ms ARCHER - No, that was just a summary. There is -

CHAIR - Happy for you to table that.

Ms ARCHER - Do we have any further details on greyhounds? If not, we can provide some further info.

Ms FULLER - Happy to provide further info.

CHAIR - We will take that on notice.

Ms ARCHER - Harness and greyhound?

Ms SIEJKA - My question is on something that was written in the Chairman's foreword. There was a statement in there that said the loss was the direct result of an increased workers compensation liability created by circumstances beyond the company's control. It wouldn't have occurred but for the separation of the Office of Racing Integrity and Tasracing. If it hadn't been for that, they would have been in a position to provide further moneys for capital works and stakes.

Given that statement, do you still support the separation of the two entities and is that being looked at? Are any discussions being held on that? The statement just jumped at me.

Ms ARCHER - The Office of Racing Integrity is doing a fabulous job in what they do in relation to welfare and drug testing, and their remit. It is always good to separate the functions between an integrity body and the other functions of Tasracing.

Having Dr Fuller as the acting CEO at the moment is good as she has also worked in the Office of Racing Integrity so she has very good experience and knowledge in that area. It's good to have an interim CEO who has an understanding of those separate roles and functions. There is

certainly no intent to merge them. It was a deliberate thing to separate them. Perhaps, Dr Fuller, because you have knowledge of that area, you might like to say something further.

Dr FULLER - I will say something on the comment that is in the chairman's report. I do not want to comment on the personal aspects of the situation he refers to directly that resulted in workers compensation. I think it is fair to say that with workers compensation, Tasracing can wear the liability and the risk of the licensing without significant input in the process.

From a point of view of having worked within both integrity and racing authorities, I understand they are separate functions. There are always different models around the state and internationally on how racing authorities and integrity bodies are either merged or separated. There is a lot of deliberation and discussion over exactly what is the best model, but, as the minister said, at the moment there is no intention to merge either body.

Ms SIEJKA - It sounds like a discussion that comes up regularly though.

Dr FULLER - Yes.

CHAIR - Thank you. I have some questions about race fields. On page 84 of the statement of corporate intent, I had some feedback from harness racing. It has been suggested that the number of races does not meet the needs of owners and trainers and their horses. Recently, a trainer who went to the races had 34 horses that could not get a run. In harness racing, the number of races was 687 in 2017-18, and the actual number was 694. There were only seven extra races put on for harness racing, yet the increase in starters was 476. Is harness racing being catered for? They have increased starter numbers and yet they are not able to put their horses into the race field. I cannot tell you where I got that information because they are too frightened to have it on the record. Are we catering for the growth of the industry, particularly harness racing?

Ms ARCHER - The three fewer meetings conducted in the 2017-18 year were due to sustainability measures. In 2017-18, only two meetings were not broadcast on Sky - St Marys on 1 January and Carrick on 17 February.

In 2017-18 there was a 5 per cent decrease in the number of races and a 4.7 per cent increase in the number of starters. They are the statistics I have. In 2017-18, there was a 9.8 per cent increase in average field sizes compared to 2015-16. It went from 9.2 to 10.2 per cent.

CHAIR - Is my information correct? Are there horses that are not able to get a run?

Dr FULLER - These sorts of numbers need to be provided with accuracy, so we would like to take on notice the actual numbers of ballots that occur. I note that the Office of Racing Integrity draws up the harness field. Tasracing is responsible for the programming, but the accuracy of the fields being put together and then the horses that are billeted per number concerns me.

We recognise that one way to grow the harness industry and to grow wagering is to have good field sizes which has shown with the growth. The fact they have an increased number of starters in the races held is actually a bonus. It is a beneficial thing for the industry.

With the concerns of the industry being raised around programming, we are putting in place a programming subcommittee. Once the programs have been formulated we will be consulting

with the main clubs and the stakeholder groups to get input and to look at what sort of harness populations we have and how we can maximise the number of people getting a run for their horses.

CHAIR - My information is correct - there are plenty of horses missing out on a race?

Dr FULLER - I would like to say using the word 'plenty', I would like accurate figures before I do that.

CHAIR - There are a significant number of horses not getting a race?

Dr FULLER - That could be up for debate, but I would like the accurate numbers, before I set myself to that.

CHAIR - You will come back to us with that?

Dr FULLER - Yes.

CHAIR - It was suggested that in the good old days, a particular person within the organisation always managed to accommodate the horses and that does not happen any longer.

Dr FULLER - Commenting further on the previous employees of Tasracing that have retired, I think the good old days were reference rather than fact, and I always like to base my comments around whether we are meeting the needs of the industry now on actual factual numbers rather than the loss of one person.

CHAIR - In recent years there has not always been a strong communication between Tasracing and stakeholders as in the other codes. Where do you see that relationship at this time? Would you like to share this with the committee? I am not sure whether the minister, the chair of the board or the acting CEO can answer it.

Ms ARCHER - I accept certainly that in the past there were some difficulties with the relationship. As I indicated, in the last four-and-a-half years, significant things have been done and some difficult things have been done not only to reset how things are done but reset those relationships.

I accept it is difficult. As with anything, they are three different and quite distinct codes, and it is up to Tasracing to try to manage and please everyone's interests, which is very difficult at times.

CHAIR - That is communication. You will not always get what you want, but it is the communication channels that have been lacking.

Ms ARCHER - Mr Phair is a very newly appointed chair, hence I have not thrown him in the deep end too much today until he finds his feet, but I am sure his aspirations into the future include ensuring there is a culture of listening and communicating.

As to that, I know our interim CEO would also like to address that.

Dr FULLER - I would like to add further to what the minister has already said. Tasracing engages with full and constructive consultation with stakeholders on all issues. The current industry lines of communication we have open on a constant basis are direct correspondence through calls and emails directly to Tasracing staff. We provide a contact list based on who is the most sensible to contact for your particular concern.

We still maintain the quarterly stakeholder meetings for all three codes in which agenda items are brought from industry, all the stakeholders and Tasracing for open discussion. We also communicate through the industry bodies of the Owners and Trainers Associations and suchlike.

Tasracing has also recently put in place a complaints policy and procedures to allow people to know where they can forward their complaints to and how we can deal with them effectively and in an efficient time frame.

CHAIR - We can expect some improvement, I believe.

Mr DEAN - This is a question coming from a major stakeholder within the industry on exactly this point. I will read the question exactly as it was given to me -

TBC

Industry participants ring Tasracing with questions but nobody rings them back.

What steps are you taking to improve your public identity with the industry?

Ms ARCHER - That has largely been addressed in the last answer, but as to if people are not being responded to, I am sure it can be taken on notice and improved in future.

Dr FULLER - I certainly feel we should have very open communication with the industry at all times. I do instruct all the staff at Tasracing that they should respond in an efficient time frame to calls and also, if it is not responding and if it is actually more suitable for it to come somewhere else, to come somewhere else. Certainly my mobile number is freely held within industry and I always answer or return all of my calls and emails.

Mr DEAN - Thank you for that because I will tell the industry now when it happens to ring me to get straight on to your mobile number.

Ms ARMITAGE - Minister, just checking with regard to superannuation, I am assuming the defined benefits plan on the bottom of page 52 is no longer? It is just previous provisions?

Ms ARCHER - That sounds like something for the CFO, doesn't it?

Ms ARMITAGE - I was certainly hoping it was not continuing. I did not think so, but I thought it was worth asking.

Ms ARCHER - It might be one of those ongoing liability things.

Mr HEALD - Yes, it is.

Ms ARMITAGE - I noticed that the risk of pensioner mortality will be lower than expected resulting in pensions being paid for longer. Obviously, we are living longer.

Mr HEALD - What a wonderful risk.

Ms ARCHER - Those involved would be very pleased to hear that they are going to live longer.

Mr HEALD - Entry to the plan is obviously closed and has been for quite a while, so these are tail-off endings that are still on our books and liabilities that we still have.

Ms ARCHER - That you have to plan for still.

Mr HEALD - We still have the liabilities on our books. The movement in the assets is actually recognised in the below-the-line comprehensive changes in other comprehensive income. We have actually been making money off it in recent years [inaudible] in improved assets, but it is still there and we think some of those will still be there for quite a while yet, which is lovely.

Ms ARMITAGE - At least that is still there for the people, so that is good.

One last question - I note when you gave your overview at the beginning, you mentioned StrathAyr had the tender for Elwick. Did you give the tender amount, or are you able to give the tender amount for the work?

Ms ARCHER - The actual tender - and I know you have accounted for \$12.5 million, but was the tender \$11 million? Am I correct?

Mr HEALD - Yes.

Ms ARMITAGE - So it has come in under? Any idea at this stage when it is likely? Was it going to be after the Hobart Cup?

Ms ARCHER - Yes, after the Hobart Cup is run in 2019, the work will be done and the track will be reopened in time for the 2020 Hobart Cup.

Ms ARMITAGE - Do we know how long the work will take?

Ms ARCHER - That is 12 months.

Ms ARMITAGE - It will take the full 12 months?

Ms ARCHER - Yes. We are lucky in that we have other racing facilities around the state. It can be inconvenient, and no doubt will be, but if anyone has attended a race day when it is wet or has been wet or the track is not in great condition, those people will realise that it can only be a good thing, and also for the welfare of the horses racing.

Ms ARMITAGE - I am sure Launceston will be happy to accommodate them.

Ms ARCHER - I was sure you would say that as the member for Launceston.

Ms ARCHER - It is ensuring safety as well.

Mr DEAN - So that would just be shared between Launceston and Devonport, would it?

Ms ARCHER - As to the race meets?

Dr FULLER - Yes, I can confirm. At the moment the programming is within Tasracing, then to the board and then goes out for consultation with industry as well. The race meetings that are usually held by the Tasmanian Racing Club will be reallocated to the Launceston and Spreyton sites.

Mr ARMSTRONG - On 30 June this year in the *Mercury* it was reported that there is a real shortage of jockeys in Tasmania. The article says -
[TBC]

These are rules that need to be relaxed to allow more foreign apprentice jockeys to ride here and women should be encouraged to become jockeys.

Have things improved since June or has anything been achieved as far as relaxing visa rules? Is there any work being done on that?

Ms ARCHER - There is always work being done to try to attract more people.

Dr FULLER - We definitely still have a shortage of jockeys and a shortage of riders coming into the industry as well. We are certainly addressing the issue. We are looking at international apprentices. We have apprentices coming from Hong Kong and also Singapore. It is having some relationships with international jurisdictions to get riders in quickly.

We always try to encourage jockeys from interstate to ride as well. At the grassroots level, where we really want to increase our jockey numbers and apprentices from, is actually Tasmanian grown. We are looking into how we can encourage people into the industry. This maybe initially through encouraging them in as trackwork riders. In recent months, while I have been acting, we are looking along the lines of how we can start some trackwork rider programs and encourage more young people into the industry as a career.

Mr ARMSTRONG - Is there a shortage of senior jockeys or only apprentices?

Dr FULLER - Yes, there is a shortage of both, unfortunately, and especially when we have a set number. If we have a number of suspensions or injuries, we can very quickly fluctuate in the number of jockeys available to ride.

Mr ARMSTRONG - Has it ever happened you had a full field and not enough jockeys?

Dr FULLER - Yes, and that happened recently. We do not always have a full set of Tasmania jockeys or jockeys based in Tasmania to ride, if we had a full field. That, then relies on the trainers engaging an interstate jockey to come down. Ideally, if we can improve the numbers of riders we have based here in Tasmania, it will help to alleviate the issue into the future. We always rely on interstate jockeys coming in particularly for our major cups and big races.

Ms ARMITAGE - Regarding the number of female to male jockeys?

Ms ARCHER - Do we have the statistic? I cannot remember sighting them.

Ms ARMITAGE - I noticed that one of the articles in the *Mercury* says female jockeys have lighter frames and kinder natures.

Ms ARCHER - No comment.

Ms ARMITAGE - It was a *Mercury* comment. I wonder whether it is 50/50 or one in four.

Ms ARCHER - It has increased dramatically to what it was traditionally but I am not sure if we are at 50/50 . For an accurate figure we need to take that on notice. Through attending race meetings, I have noticed there are quite a few female jockeys. Certainly, when I was growing up, you would not see any and you are now seeing some very good ones. I am not sure of the statistics and will take that on notice.

Ms ARMITAGE - The article states Australians are getting bigger and the jockeys have to diet continually to get their weight down, which is not such an issue for women.

Mr DEAN - Again this question is coming from an important person within the industry.

CHAIR - He has some very good contacts, Mr Dean.

Mr DEAN - I will read it directly again -

[TBC]

Tasracing pushed for the introduction of trotting races into the state. This has been to the detriment of the existing pacing, breeding and racing industry. What has been the total financial outlay for this push and what has been the betting turnover on these races, the return to the industry and how many pacing races have been lost due to the introduction of these trotting races? Would you agree that it was a mistake to introduce a trotting program or trotting races?

CHAIR - Trotting versus the pacers.

Ms ARCHER - As to the financial aspect, I will pass this.

Mr HEALD - I do not think we have any answers on this at this stage, especially on turnover. I will say the trotting races, in particular, are highly prized by Sky Channel and have priority in publications, both domestically and internationally. Trotting racing is an international product, much more so than pacing. A lot of the European is solely on trotting. I will probably switch over to Alicia to cover the rest, but it is certainly receiving priority. We are obviously in very early stages. We have only had our first races during last year, so there is a lot more to go, before we can have any sort of real program and benefits coming from this. At this stage, we are looking at one race every second meeting has been allocated for trotting racing. It is a minimal entry level at the moment, but it is a start.

Ms ARCHER - I have here trotting races were reintroduced on 1 July this year and are now scheduled three to four times a month in Tasmania, with 13 trotting races conducted so far. Tasracing is committed to continue the programming of trotting races until at least July next year, with a review of the initiative to be undertaken in April 2019.

Mr DEAN - There were a number of questions there, though. You will take them on notice, will you?

Ms ARCHER - Yes, certainly. If you feed those in, we will attempt to have those figures.

CHAIR - The dollar figure being spent on promoting trotting is probably one we can answer, even if we cannot quantify the value as yet. That is the important question.

Mr DEAN - It is.

Dr FULLER - I wanted to add something on the strategy around trotting. It is a strategy that was implemented before my time in Tasracing and before my time in this role. It is important to note that the harness industry as a whole is under threat nationally. Diversification is important to consider. Although these things take time to bring into the sport, there has been some uptake and support within trotting. It also has an ability to bring new sponsors that only sponsor trotting races from other states to Tasmania.

It has the potential to open up another revenue stream for the harness industry that they are not utilising if they continue to concentrate purely on pacing.

A quick comment on animal welfare and amount of gear harness horses wear. Trotting horses wear considerably less. In the future, when we are looking at the potential of public perception, trotting horses may be considered more welfare-friendly.

CHAIR - Is that in regard to the gear and the gait? They have a different gait, don't they?

Dr FULLER - The gaits are both natural.

Mr DEAN - Trotter go like this and pacers go like that.

CHAIR - Is that a welfare issue?

Dr FULLER - No, the gaits are natural to those breeds of horse and done regularly. It is important to note that having another gait within the harness industry is potentially a very good thing.

CHAIR - Some of them do not pace as well as they should but they might trot better.

Dr FULLER - Yes.

CHAIR - Are there any celebrations to celebrate the tenth year of Tasracing? Did you forget it was coming up to 10 years?

Mr PHAIR - I was aware it was 10 years but there is no plan at the moment, having been in the chair for 13 days, to plan parties, as yet.

CHAIR - Can I suggest there might be a good opportunity at either St Marys on harness day or the North East Pacing Club to celebrate the tenth anniversary? Most of those are participants and would have been around. It would be fantastic for the Chair of Tasracing to be at one of those small harness racing days.

Ms ARCHER - I would love to get to some, my schedule permitting. If people let me know early enough, I will make every effort.

CHAIR - New Year's Day for St Marys and I think 19 January - I will confirm that with the minister at a later time.

Ms ARCHER - I am sure I will get email, thank you.

Ms SIEJKA - Mine might see a bit left-field, but it is about reconciliation access plans - RAPs.

I have noticed that in other jurisdictions there is a move towards government department and business enterprises developing reconciliation access plans. They provide a greater commitment for Aboriginal and Torres Strait Islander employment, land use and so on. Given there are a number of properties you manage and considering women's employment and diversity, this is another area of employment to consider.

I wondered whether a RAP was something that had crossed the board's path, whether it had been considered or something it would be interested in considering.

Ms ARCHER - When we think of diversity we automatically go to the male: female gender split. I am not sure if Dr Fuller has anything else to add. I know they have been working diversification of the workforce, specifically to ensuring we get a 50:50 male:female split. The board at the moment is 3:4, with four males. The board is more reflective.

Ms SIEJKA - We recognising the cultural diversity bringing people over. and I guess it is another element to consider.

Ms ARCHER - Definitely worth considering and building into policies that exist at Tasracing. So, I am sure they will take that on notice. Unless anything you would like to add that has already been done in this regard?

CHAIR - Thank you.

Mr DEAN - I had a couple of questions. What were the number of resignations from Tasracing in the last 12 months?

Mr HEALD - We have already mentioned three, which are probably the [inaudible]

Mr DEAN - Given the number of resignations and the reasons for those?

Ms ARCHER - Do you mean across the board at all levels, Mr Dean?

Mr DEAN - Yes, right across the board at all levels. Right across Tasracing, and the reasons for the resignations. The other one was stress leave: did any involve taking stress leave?

The other one is a separate question altogether. The last time we had Tasracing, we were told employment in the industry was dropping. My information now suggests that has probably turned and it might be increasing. Do we have employment figures now? Racing is a very important industry to Tasmania, and a number of people engage in it. Can we have an idea of where those numbers are now going?

Ms ARCHER - As to whether they are improving, I do not have those figures. I will pass to Dr Fuller.

CHAIR - We used to always be able to receive a figure of the quantum, or the number of direct jobs and indirect jobs. But I am not sure whether that is still available.

Ms ARCHER - I have the figure of around the state. Approximately 5500 are involved in the racing industry, out of which 1000 are full-time equivalents. Does this assist?

CHAIR - That very much assists.

Ms ARCHER - I can give gender splits in each of the different sections and levels, but as to comparative figures from previous years, I do not have those with me. I think we had better take that question on notice so we can have the figures for you.

Mr DEAN - The other one on notice about stress leave is on notice, as is the question on gaining licences. I will read through the whole question again, but it comes from people involved in the industry -

[TBC]

It is difficult for people to have licences in the racing industry. Some trainers are waiting up to six weeks to get people into the industry. The day they walk into the job, why can they not start work. Too much red tape. That is track work, medicals, police checks and so on. People are leaving before they start work, due to the extended timeframe and delay in getting a licence.

I am being told that is causing people not to want to pursue racing careers and get the licences to move into the industry. Is that red tape? What is going on there?

Ms ARCHER - I suppose it is one of those things where we have to have balance. We do not want to have too much red tape, but at the same time when you have an industry like this, where you have animal welfare concerns, safety concerns for jockeys and anyone using the track, we have to take a balanced approach. That is the reason for licences in the first place.

As to the more specifics -

Dr FULLER - The actual processing of licences and the administrative side sits with the Office of Racing Integrity, so I cannot comment from a Tasracing point of view on the time it takes for the licences to be issued. That would be a question for the Office of Racing Integrity.

Mr DEAN - Wouldn't you talk to racing integrity, if you thought it was deterring people coming in to the industry?

Dr FULLER - Under the Act it sits with their jurisdiction that the Director of Racing consents to licences and is in charge of the processing of the licences. So, I feel it would be inappropriate for Tasracing.

Mr DEAN - Right, so you would go to your minister, and the minister would take it up?

Dr FULLER - Yes, exactly. From the licensing requirement point of view, it sits with Tasracing. Again, we take into consideration all the factors the minister mentioned, and also do a

review yearly to look at those licence requirements and how relevant they are. Also, how they relate to other states also licensing similar jockeys and trainers.

Ms ARCHER - I am sure we can advise of the issue been raised here today, to the Office of Racing Integrity.

CHAIR - Last question, thank you.

Ms ARMITAGE - My question is regarding marketing. I note on page 42 of the annual report, \$1 335 635. Things may be in different spots, I am assuming, because the comparison with last year was \$560 000, so there is a huge difference. Does it include any overseas trips? Haas any of the board or any of the staff - in the past they taken overseas trips, gone to France and Mumbai and -

CHAIR - I feel sure that new Chair would not have had time in 13 days to take any overseas trips.

Mr PHAIR - St Marys is as far as I go.

Ms ARMITAGE - But there have been overseas trips in the past. I am wondering, have there been overseas trips in the past financial year? Or is it simply a change in the way it is being reported? I know you are up with your marketing, but \$560 000 to \$1.335 million is a big jump. If it is factual, where are the benefits?

Mr HEALD - In 2017-18, we took advantage of the stronger-than-budgeted race field fee returns to invest in a number of tactical on-course marketing initiatives.

CHAIR - They were the list the minister read out?

Mr HEALD - We spoke about these before. They were a one-off event. We are doing quite well.

Ms ARMITAGE - And the measurable outcomes?

Mr HEALD - Yes, we think so. We mentioned before that we had the sellout of the young racing marquees at the three cups around the state. That is the first time we have seen that. I think we definitely saw an increase in attendance at the Hobart Cup, and I thought we saw a big improvement in the quality of the presentations.

Ms ARMITAGE - A financial outcome, though, rather than just a few extra people there that might not balance with the money. We do not want to pay people to go. It is all very well to say there were more people there, but we are not paying them to go if it is going to be an extra \$200 for every person who is there to make it look good.

Ms ARCHER - It is communicating with them on the level that people are actually engaged in and social media is a -

Ms ARMITAGE - It is, but \$1.33 million is a lot of money.

Ms ARCHER - It is, but it is because of a broader -

Ms ARMITAGE - When you are funded by the Government.

Ms ARCHER - It is because a broad approach has been taken to the issue of marketing. You have to have a multi-pronged approach rather than a single approach, but I will throw back to Mr Heald to answer.

Mr HEALD - We are dealing with this declining attendance at these major cups, which is a major issue for the clubs and for the industry.

Ms ARMITAGE - I understand that, but an extra \$800 000?

Mr HEALD - It was a one-off year. We had some money in the bank to do that and we had good returns from race field fees so we took the opportunity to take that initiative. We certainly will not be seeing that again this year - I will let you know that.

Ms ARMITAGE - Any overseas trips?

Mr HEALD - We saw a significant increase in track visitor numbers and it generated significant media coverage in racing and mainstream media, particularly around the work we did with the female jockeys and the female drivers championships we held.

Ms ARMITAGE - Did we get more than \$800 000-worth back?

Mr HEALD - No, we certainly would not pretend that. However, we think we have made an investment for the longer term benefit of the carnivals here.

Mr DEAN - The summer carnival would have eaten a lot of that up, wouldn't it?

Mr HEALD - We will see how we go.

Ms ARMITAGE - This is extra money, not the money that we have had every year?

Mr HEALD - Yes, this was a one-off for the one year to promote and try to turn around those declines. We saw the declines turned around for that year. Whether we can actually build on that, and that is what we are building and working now with the clubs to try to build on that, I suppose a breaker -

Ms ARCHER - It is getting clubs to participate.

Ms ARMITAGE - And were there any overseas trips?

Mr HEALD - There were. We spent \$36 000 on overseas trips last year.

Ms ARMITAGE - Where were they to?

Mr HEALD - On page 31, we have the details there. Health and safety, welfare of jockeys in Dubai; international racing in Hong Kong, to discuss ongoing sharing resources and -

Ms ARMITAGE - You were right, Ivan.

Mr DEAN - There you go.

CHAIR - Thank you, now we know Mr Dean was right. The perennial question for Tasracing is: what happens when there is no more \$31 million from the Government? This is probably something the board will address their minds to because 2029 is not that far away. I know that is probably unfair to have to ask Gene that question today -

Ms ARCHER - It is board strategy question. I think you are quite right; I do not think Mr Phair is able to answer that specifically himself at this time, but I am sure the board has a strategy to move forward. I am not sure if anyone else at the table can enlighten on such a strategy.

Dr FULLER - I am not able to enlighten the committee on the strategy at the moment, having only been acting CEO for six months, but I know the board was waiting, and will be now that Gene Phair has been appointed, to do some serious strategy days. I know that the issue of the funding deed ending in 2029 is at the forefront of both Tasracing's mind and the racing industry in Tasmania as a whole.

Ms ARCHER - It is important to note that a corporate plan is taking the board through to 2020. I am sure that, prior to that, the planning for the next corporate plan will be directly focused at that issue.

Again, it is a board issue that I can't really answer. I think people will understand that with only 13 days in the job, Mr Phair can't answer it directly, but I highlight that there is a 2020 corporate plan and I am sure it will be built into the next one.

CHAIR - Thank you, minister.

Ms ARMITAGE - Chair, with regard to marketing, how many people are employed in the marketing area now? I think Mr Dean thought it was three previously.

Mr DEAN - It was three senior people at one stage. That is going back a few years.

CHAIR - Members do have a number of other questions. Minister, is it possible that we put a couple of those into the system for those answers to be provided?

Ms ARCHER - I am sure if they can be provided, they will be provided. As long as it is not an inordinate lengthy list.

CHAIR - We will make sure they are to the point. In regard to the comment made around the 2020 corporate plan, all being well in two years' time, this committee will be back here because the other House has the opportunity in 2019, so we will look forward to having those more in-depth discussions. I acknowledge that 13 days in the job would not have given you enough time, Mr Phair, to be able to answer some of our questions. We acknowledge that. We are also very pleased with the responses we received to the questions the committee asked. Some of those questions and answers are still to come.

Ms ARCHER - In the marketing and digital area, eight people are employed.

CHAIR - So it is an increase of five from the previous number?

Dr FULLER - Sorry, we would have to take on notice the number previously because we wouldn't be able to be accurate at this stage.

Ms ARCHER - A significant number are involved in race day operations being at 26.

CHAIR - Thank you. On behalf of Committee B of the Legislative Council, we sincerely thank you for your time today. We know that everyone has a very busy schedule, and we appreciate the opportunity to provide this scrutiny. We wish the board of Tasracing all the best in the future and you, Alicia, as well, wherever you end up in Tasracing in the future. We will see you back here in a couple of years.

Ms ARCHER - Thank you and thank you all.

CHAIR - Minister, it would be lovely to see you in two years sitting there as Minister for Racing.

Ms ARCHER - I am planning on going nowhere.

Mr DEAN - We will not see any more changes in ministers for a while?

Ms ARCHER - I am planning on going nowhere. I think the racing industry knows I have an interest in racing. I have been attending many races for years.

CHAIR - Except for north-east pacing or St Marys, which is at Scottsdale.

Ms ARCHER - I will get there. I will get there!

CHAIR - Thank you very much, Deb, for your efforts today. We very much appreciate that and I would like to put on the record my thanks to all committee members and particularly our secretary, Natasha Exel, who does an amazing job.

The committee adjourned at 3.39 p.m.