

**THE LEGISLATIVE COUNCIL COMMITTEE ON GOVERNMENT  
ADMINISTRATION 'A' MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE,  
HOBART, ON MONDAY, 2 AUGUST 2011.**

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**PERFORMANCE OF TASRACING INQUIRY**

**Mr TONY MURRAY**, DIRECTOR OF RACING SERVICES, RACING SERVICES TASMANIA, WAS CALLED MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** (Ms Forrest) - You are probably aware of parliamentary privilege and that you can request something to be in camera.

**Mr MURRAY** - I would ask if I may be given that opportunity. There are some very specific integrity matters which are still current and if I were to give evidence in public then that could compromise particular cases. It would only be a very small part of my evidence.

**CHAIR** - We did write to you see if you wanted to make a comment in relation to previous proceedings of the committee and you have elected to come along and have a chat to us.

**Mr MURRAY** - I thank you for the opportunity. I will firstly say that I certainly respect the right of people to appear before this committee and give full and frank information to the committee because that is what makes the process a good process. I did speak to the secretary of the committee in relation to a couple of matters raised previously. I thought it important to set matters straight on the public record so I will lead off with them.

During the evidence of Tasracing I spoke about race fields which members are well aware of. Part of the evidence given was that in terms of Racing Services they were going to take 5 per cent for the cost of collecting race fields. By Tasracing taking it over there was going to be a saving of \$250 000 to the industry. For absolute clarity, the legislation before being changed stated that the Director of Racing through the secretary of DIER may take up to 5 per cent of the money collected in terms of race fields, which at the upper limit would be \$250 000. At all stages I made the absolute statement on the public record that we would only be recovering actual costs, which would never be anywhere in the vicinity of \$250 000. It was never put in the Racing Services budget or in the DIER budget as any revenue from race fields. In fact, when it was handed over through the legislation to Tasracing and they are now able to collect \$5 million a year, whilst there was the ability for Racing Services to recover some of the costs that that incurred over the last two or three years I choose not to exercise that right because I believe that the money should go in its entirety to the racing industry. Any thought that there was a saving of \$250 000 by Tasracing taking over race fields is simply not true. There would have been a small cost should Racing Services and DIER continue to be in charge of that process.

**CHAIR** - You are still in charge of it at the moment?

**Mr MURRAY** - Tasracing has assumed responsibility for it.

**CHAIR** - What were they alleging you would take the 5 per cent for?

**Mr MURRAY** - For the administration costs. Under the previous legislation before it was changed, DIER could keep up to 5 per cent, which equates to the \$250 000. On the record in their evidence, Tasracing said this was an immediate saving of \$250 000 to the industry. That was never going to be taken by DIER.

**CHAIR** - So you never took it anyway previously?

**Mr MURRAY** - The biggest cost in race fields was actually setting it up. We had to make contact with every wagering operator in Australia - every on-course bookmaker, every corporate bookmaker, betting exchange, totalisator. We had to go through that process even before the fees were collected to make contact with them and seek information as to whether they would be operating on Tasmanian racing. We then set up the model with the knowledge of who wanted to bet on Tasmanian racing, so all the work was done basically before we handed that to Tasracing and now their role is to collect the fees.

**CHAIR** - There is no cost?

**Mr MURRAY** - They have absorbed that into their organisation but I just wanted to make it clear that there would not have been a \$250 000 cost if DIER had continued to undertake the role.

**CHAIR** - So Racing Services does not get any income at all from race fields; it all goes to Tasracing?

**Mr MURRAY** - That is right. Should we have continued to undertake the role of collecting the fees and passing it on to Tasracing, as per the previous legislation, the cost to the racing industry or to Tasracing would have been extremely minimal.

There have also been a number of submissions about the separation of Racing Services and Tasracing and just for the committee's benefit I will explain the model. The model is based on the Westminster model, where Tasracing assumes responsibility for the making of the rules, the making of various policies, the licensing requirements and they review race club budgets. What Racing Services does is undertake the role of the police of the industry. We enforce the rules. We review licences and see if they meet the guidelines. We review whether people should be licensed within the industry. I, in my statutory role, register race clubs and register bookmakers. So you have Tasracing - which undertakes the role of the controlling body, makes rules, makes policies, makes licence requirements - and we are the police of the industry. We independently enforce the rules and the policies and the requirements set by Tasracing.

Why is that a good model? Because the police, which we are, are independent and we can enforce those rules free of any conflicts of interest, free of any commercial considerations - and quite often there is a conflict. When we are enforcing a rule there is a conflict between the integrity and enforcement of that rule and commercial interests. I can give you an example. We are charged to determine field safety limits at race meetings.

**CHAIR** - The size of the field, you mean?

**Mr MURRAY** - The size of the field. In the last week we and the stewards have reviewed night racing field limits and we've increased them. The stewards and myself as director of racing review the field limits. We talk to interstate bodies and local stakeholders and make a determination on the limit we think is the safest maximum amount in terms of that field. Of course, on a commercial side generally you will told more is better. Whereas with night racing we might put a restriction of 12 per race because of safety factors, a commercial body might say, 'We'd rather have 14-16 because the more we have the more turnover and revenue we'll get.' So there is no doubt there are conflicts between the commercial side of it and our enforcement of those rules. Our ability to do that independently without any bias makes our system, in this State, in my opinion, the best anywhere. Tasracing still has a great deal of power and control as the controlling body to make all those types of decisions. Our role is to enforce them without bias, independently and with contemporary integrity methods.

**CHAIR** - So in the jurisdictions where they are both managed by the same organisation, it seems to work. Obviously the big States like New South Wales and Victoria can't afford to have their industry damaged in a way that would see them lose credibility or their integrity compromised, so how does it work there if you think this is a much better model?

**Mr MURRAY** - It comes down to the Tasmanian model. The Tasmanian culture is a smaller pond, if you like, and there are a lot more conflicts of interest, a lot of people who know people, so there is that interaction which does not occur in other States. I was fortunate to work in New South Wales where they were together. The difference in working in New South Wales when they are together, is that when you look at New South Wales as a whole, how big racing is, and how big the communities and the society are, you don't get that interaction which is in place in Tasmania because of the smallness of the State and the interaction between people. There are conflicts of interest within the racing industry most places you turn.

**CHAIR** - So have there been examples that you could demonstrate? I think we would all pretty much agree that in a small industry like Tasmania's everyone will know everybody else. I haven't been intimately involved at all with the racing industry in either New South Wales or Victoria, but in Victoria, which is a bit smaller than New South Wales population-wise but probably not industry-wise, wouldn't most of the players know each other?

**Mr MURRAY** - The players would possibly know each other but the interaction between those making the decisions and the players is considerably less than what occurs in a smaller jurisdiction such as Tasmania. If I can give you an example, when we were formulating this model and consulting with the industry at one stage we had a model which combined the two. We went to the industry and said, 'Okay, if the two are combined what we'll need is a board free from any conflicts of interest. We need a board consisting of people who don't own horses, who don't bet, who don't breed, who don't have siblings or close relations who do any of the above because it has to be an independent board because they are charged with the integrity of the industry as well as the commercial side of the industry'. Nearly unanimously the industry came back to us

and said, 'You'll have people on the board who have no knowledge of racing and it won't work. That model is flawed because the people on the board will not know the racing industry.' So you have that situation where you could formulate a model to try to minimise the conflicts of interest but at the same time you may well compromise the delivery on the commercial side by not having people charged with the commercial side who understand racing or are involved in racing.

I would say to that committee that the model we have very much suits the Tasmanian environment. It recognises a number of conflicts of interest that are in place in Tasmania. They can be managed but what we have to do is minimise the risk. If your integrity is compromised your whole product is compromised. Without 100 per cent integrity recognised by those people wanting to wager on our product, without integrity being in place to the highest level, confidence is lost so therefore the revenue back to your industry is lost.

There have been some comments about savings if the two were merged. I do not think that would eventuate and I will tell you why. Of the racing services budget approximately 47 per cent goes on stewards and steward-related areas. We are talking about stewards attending race meetings, attending trials, taking swabs across the three codes. All stewards' functions amount to about 47 per cent of the RST budget. With any merger you couldn't reduce the stewards' part of it. You couldn't have fewer stewards at race meetings, you couldn't take fewer swabs; if anything we should be taking more swabs and have more stewards. So straight away I would say that 47 per cent of our budget is non-negotiable.

About another 4 per cent of our budget relates to the software systems we use which are owned by interstate jurisdictions. We have a harness national system which we have to pay an annual licence fee for. We have a greyhound software system linked to Greyhound Racing Victoria, which we are currently under negotiation about. We have a thoroughbred system which is linked to Racing Victoria. We obviously have to buy licences for them. We are not big enough to maintain our own racing software so we have to link ourselves. About 4 per cent of our budget goes on that software, so before we start there is 51 per cent, which if it was merged, those costs are still there.

If you then look at where the rest of our costs go to, we undertake all the handicapping of the harness races and the grading of greyhound races. We do 85 harness race meetings and 162 greyhound meetings a year. In round figures that is 250 race meetings we must do each year. There is no real area for savings there because they are strict deadlines. Nominations will close one day, we have to process all those nominations and we have in general 24 hours to get those race meetings out to be able to meet the deadlines of interstate form guides, TABs and whatever. So there are 250 race meetings that we have to do each year and they are non-negotiable. You cannot change the timeframe; they are very strict timeframes that have to be turned around in 24 hours.

We then do licensing. We do about 1 650 licences per year across the three codes. Our performance indicators as per estimate papers show that 100 per cent of those licences not requiring formal interview are turned around within 14 days, so the service to the industry is there, they expect it and it is delivered. When you are dealing with licences there are a whole range of checks you have to do. Quite often we have to get criminal checks. If anybody is applying for a licence for the first time they have to get a police

check. There are medicals, depending on the type of licence, and there are competency checks. So each licence that we process has a very strict format in terms of how we check it. A number of those licence applications have to attend the Licensing Panel for interview, and I chair the panel with the stewards. That is a formal process and out of that there are appeal rights.

If we are talking of the remaining 49 per cent of our budget, we are dealing with things that have to be done within strict time frames, with absolute accuracy, and that there is a service there second to none to deliver to the industry. So if you were to merge the two bodies and say that there are going to be savings, I would question where those savings would be.

**CHAIR** - Just stopping on those points, Tony, if, for argument's sake, they were merged and the handicapping, grading and licensing responsibilities were placed with Tasracing, would they have the expertise within the current structure to do all those things or would they have to employ additional people to do it or take the people from Racing Services Tasmania and pay them out of Tasracing's bucket of money?

**Mr MURRAY** - Well, there is some expertise there, without a doubt, because some of those staff come from previous code councils. Of course to do 250 race meetings and 1 650 licences per year, one would assume - and I think quite rightly - that Tasracing could not do it within their current structure. One would question their current level of activity if they could assume even a reasonable proportion of those tasks because they are significant tasks to do. One would assume that they would have to employ people or take people from Racing Services to do it. If they are fully employed in their current positions, I could not see how they could undertake that. They are high level, volume-type tasks with strict deadlines.

The other issue in terms of savings is that in accordance with the evidence given by Tasracing, there were three executives taken on board and their salaries would be in the region of \$113 000 to \$177 000. We take it from that that they are numbers two, three and four within their ranks. Those salaries are considerably greater than salaries currently paid to Racing Services staff. The salaries paid to Racing Services staff are Tasmanian-oriented and specific and, I think, appropriate.

**CHAIR** - Are you able to provide the range of salaries of people who do the licensing and handicapping?

**Mr MURRAY** - Absolutely and I will give you an example. I have just advertised and appointed a chairman of stewards in the harness code. Look at the level of responsibility to run harness racing from an integrity viewpoint, to run race meetings and make decisions which affect punters who are betting hundred of thousands of dollars on a particular race. So the responsibility of a chairman of stewards is at the upper level. That person is being appointed on a package which would include a vehicle and super of about \$105 000. In the evidence given for Tasracing - not their CEO but below their CEO - we are looking at packages of \$177 000 down to \$113 000. I would suggest that if there was a merger between the two, something would have to happen in terms of either the salaries of Tasracing coming down to meet the salaries of Racing Services or vice versa.

**CHAIR** - The people on those salaries in Tasracing, what level of responsibility do you see them as holding?

**Mr MURRAY** - They obviously have responsibilities to deliver commercial outcomes. If you look at their budget, they are given \$27 million per year. They get race fields per year of \$5 million, so that is \$32 million. I assume they have responsibilities to effectively manage that budget, albeit prize money levels are set at a minimum level through the funding trust deed. There does not appear to be any real room to negotiate that because they have to be at certain levels. They have various commercial responsibilities. I am not able to say exactly what they do. What I am saying, though, is that we are comparing them with a chairman of stewards running a race meeting. I will give you an example. Last night in Hobart it rained. Stewards had to make a decision whether to call the meeting off, whether it was safe to conduct the race meeting or not, and after the first race they made that call. You might have a feature race and you might have a protest on that. You might have \$200 000 wagered throughout Australia or probably more on that race and there is a protest. Stewards have to make the decision which is going to affect the outcome of that race. They have to do it within a deadline. They have 20 to 25 minutes between races. So the level of responsibility for a chairman of stewards is so high because they are dealing with the integrity of the racing on the day or night, the safety and welfare of those participating, as well as looking after those betting on the race. That is their level of responsibility and the package that I have just paid to a chairman of stewards here was around \$105 000 to \$107 000.

**Dr GOODWIN** - When you say the salaries are Tasmanian-oriented, do you mean that they are lower than mainland jurisdictions to reflect the smaller size of the industry and just the fact that Tasmanian salaries tend to be low?

**Mr MURRAY** - I think Tasmanian salaries tend to be low. I know that Tasracing has said in their evidence that they are responsible for the three codes, and they are. But look at the level of activity of the three codes. I can draw on personal experience just to give the committee an overview. The number of race clubs in Tasmania is 15. The number of race meetings is 322, based on last year's figures. That's what we are looking at across the three codes of racing. I was in harness only in New South Wales and I was responsible for the funding model, the race stakes, programming and the handicapping of 38 race clubs and 550 race meetings. It is all right to compare and say that we are dealing with three codes and so we have to be paid accordingly, but look at the level of activity of the racing industry in Tasmania. Compare it only with the harness industry in New South Wales, and I can quote that because I worked there for seven years - 38 race clubs and 550 race meetings for one code. Then you add the level of activity in the thoroughbreds and greyhounds and you have astronomical figures compared to the level of racing in Tasmania.

It is not up to me to say whether the salaries being paid are appropriate but it is up to me to compare the salaries being paid, which the CEO stated to this committee, as compared to what we are being paid at Racing Services. I think we are appropriately and fairly paid. I'm not sitting here saying anything else; I think for the level of racing in Tasmania the integrity side is appropriately and fairly paid for what they do.

**CHAIR** - I was reading through some of the figures we got from Tasracing recently. Could you provide some information about the salary levels of the key personnel in Racing Services Tasmania?

**Mr MURRAY** - Absolutely. I am the only SES officer - SES2 as Director of Racing. All the rest are lower down. The three chairmen of stewards are the equivalent of the old level 10s and there is an assistant general manager who is the equivalent of the old level 11.

**CHAIR** - So when it was all managed within DIER, did you have a marketing manager and people like that?

**Mr MURRAY** - DIER never undertook the commercial side of it. Previous to this structure there was a code council for each code of racing and they looked after their own code. There were crossovers between the commercial side and the integrity side, so there were a number of conflicts. That is why the separation occurred, to make the separation more defined. They individually were looking after the commercial side of the respective codes under TOTE, which was in charge for the commercial side of the industry. By creating Tasracing it was creating a commercial body which was charged with the commercial side of the three codes, with the view that it would provide economies of scale and a far more effective way of managing the commercial side of the industry. Your negotiating power, if you are going to a Sky channel and you have under your banner the three codes of racing, is far greater than if you're trying to negotiate individual codes of racing. If you're trying to negotiate sponsorship or commercial arrangements, given the size of the industry, you are far better being able to negotiate on behalf of the industry rather than a respective code of the industry.

The savings that people are promoting may occur but in reality probably won't. Even if it did, it would be very minor. Our budget is around \$2.8 million. I have already said that 50 per cent of that is non-negotiable, so that is \$1.4 million. Even if you were to achieve a 10 per cent saving - and I seriously doubt you would - you're looking at \$140 000 for compromising the integrity, safety and welfare of the industry. That is what we deliver: integrity, safety and welfare. I would say you couldn't put a price on that. To achieve a small saving would potentially compromise integrity, safety and welfare.

**CHAIR** - Aside from the cost savings, and that is one aspect of potential benefit, even though you identify it is probably quite small, are there other benefits that are not financial?

**Mr MURRAY** - In terms of bringing them together?

**CHAIR** - Yes.

**Mr MURRAY** - In my opinion, no. In the three areas that we look after, integrity is about having a level playing field for participants and those betting on the product, the punters. We need to be able to do that independently and free of commercial interests. The safety of racing is paramount. If stewards determine that a racetrack is unfit for racing they must be able to make that decision. If you are combined you compromise that decision because the commercial interests would say that that race meeting should go ahead.

**Dr GOODWIN** - Or you would be prepared to take the risk.

**Mr MURRAY** - You would be more inclined to take the risk. In terms of the welfare of the participants in the racing industry, I spoke about field limits that the stewards determine, and the commercial and integrity units often have differing views on that. We need to be able to undertake that role independently. To put them together may create a few efficiencies but it would be at the expense of integrity, safety and welfare. I have been in this industry for 25 years and I am more than happy to put on the record that I believe if the two bodies were merged in Tasmania there is a very real potential to compromise integrity and/or safety and/or welfare of the racing industry in Tasmania.

**Mr HARRISS** - That leads to the obvious question then, Tony. Given that to some extent there was the combined process in years gone by, the obvious observation then would be that integrity has in the past been compromised?

**Mr MURRAY** - I think there are two ways of answering that: Number one, integrity is a moving feast and it is not only in racing but across all forms of sport or government or whatever you see the integrity requirements continue to increase. What is a requirement today was not necessarily a requirement previously. You could get away with more previously in terms of having conflicts of interest. Now in terms of people taking legal action, various insurance requirements, your responsibility under occupational health and safety, everything has moved so much forward that something that was once okay is no longer okay.

There were conflicts of interest out there previously but I am really hesitant to criticise those who came before me because those who were on code councils were doing the very best they could for the racing industry and I have nothing but admiration for them. They were only paid a very small amount and put in a lot of hours, but in a lot of cases in a couple of the codes they had siblings and close relatives who were licensed persons and were some of the leading people. If they are also dealing with integrity it was probably okay back then, but it is not okay in today's environment.

Again, I can give you an example that is very close to Mr Hall's heart. I remember a day at Deloraine a couple of years back when we inspected the race track there and closed it. My words there - and it was in the *Examiner* in bold print - were 'What was once okay is no longer okay.'

**Mr HARRISS** - I still haven't gotten over it.

*Laughter.*

**Mr MURRAY** - What that meant was that the safety issues at Deloraine had not really changed and for years and years, centuries or whatever, that was okay to race, but the way the racing industry has moved in terms of safety, integrity and welfare meant that it was not okay any more. To answer your question, Mr Harriss, what was possibly okay even a few years ago, the way that the industry has moved, would not be okay now.

**Mr HARRISS** - Can you explain to use then on the integrity side, once field nominations are closed, what is the process for reopening the field nominations? The reason I ask that question is that I heard of instances years ago that if there weren't enough ponies in the



race, someone could get on the phone to a few of their mates and say, 'I reckon your pony has a good chance in this one - we'll reopen the nomination.'

**Mr MURRAY** - There is a policy that if you get a particular number of horses or greyhounds in a field you progress and you draw that race and if there is not enough you have the ability to extend. Whereas in the past you might ring a few of your mates, now that we have taken over from an integrity viewpoint, what we do is send out an SMS to the industry and put it on our website where the time frame allows us to do so. The critical part is to make sure that everyone who is able to be contacted is aware of it. The minute you only allow a select few that knowledge that it has been extended is when you compromise integrity, and that is a situation which occurred in the past.

**CHAIR** - Are you saying that you send out a group SMS and put it on the website so that everyone has access?

**Mr MURRAY** - That's right. That is the only way to do it and the time frames don't always allow you to do it as well as you want to but the general point of view is that you get it out there to as many people as you can. If there is a necessity to ring people, and from time to time there is, we say to the conducting club, 'You're on the commercial side, you're running the race meeting, so you make the phone calls to a couple of people if conditions have changed', for example. We don't want to be making those calls because we might call you this week and say, 'That condition has changed, do you mind going into that race?', and next week you will ring us and say, 'Hey, Tony, I did you a favour last week, I need you to give me a run this week'. That's why you have to be so careful and, again, it is another example of the way integrity has moved so much in recent times.

**Mr HARRISS** - Doesn't that shift that possibility down the line, though, if the clubs are doing it? Isn't there the possibility that they can do just what happened in the past?

**Mr MURRAY** - Yes, but it is very minor if it is done and that is when the time frames don't allow you to do it. You might have half a dozen horses, you might have had to change the conditions of that race and so you just have to make contact with those people to make sure they are still happy to go in that race, so it's only done on a very minor scale.

**CHAIR** - What sort of conditions are we talking about?

**Mr MURRAY** - It might be a condition which made you eligible for that race. In a harness race it might be a mares-only race or something for a particular class and you haven't got enough mares so you might open it up to mares and male horses, that type of thing. If something changes in the advertised conditions probably 95 per cent of the time we send out an SMS but sometimes it's just not possible to advise of that.

**Mr HALL** - Tony, you mentioned 47 per cent of your budget is spent on stewards and compliance and I recognise all that but sometimes you get hearsay, if you like, from the industry that stewards are overzealous and there are probably some make-work situations and over-compliance compared to other jurisdictions. How would you answer that?

**Mr MURRAY** - I would answer that by saying that was the way of stewarding a number of years ago but it is not the way of stewarding now. The way we have overcome that is that I set up advisory groups in the three codes, a thoroughbred advisory group, a harness

advisory group, and we did have a greyhound group but we've had to change that a little bit. Those groups meet with myself as director and the chairman of stewards every couple of months to discuss issues and what we have found is that through those groups there has been a complete change in the way we interact with the industry and they interact with us. There is a lot more collaborative approach to all those issues now and I think if you were to ask the industry across the three codes you would find that that was the case.

**Mr HALL** - Sometimes, though, those issues come from, maybe could I say, trainers or some owners or whatever who have an interest?

**Mr MURRAY** - We are the regulators; we are policing and we do fine people, suspend them, disqualify them et cetera. To be quite honest, we don't get too many Christmas cards, however a primary focus of our operation is to interact with the industry and I think we do that very well.

**Mr HALL** - Yes, and I recognise that. Do you think you would be on a parity with other jurisdictions in terms of what you do in compliance?

**Mr MURRAY** - Yes, certainly.

**Mr HALL** - Do you measure that at all?

**Mr MURRAY** - We do. Obviously there are some benchmarks there but I think it's about our interaction with the industry and the way we discuss these matters with them. If we are going to have any significant change in penalties, for example, we will go to the industry first and most times you will find the industry saying to us, 'Be hard. If someone is going to interfere make sure the penalty fits the crime because if they're going to interfere it is affecting the integrity, safety and welfare of our racing, so make sure you're doing it'. If I go to the industry and say, 'I'm going to do more swabs in the next 12 months', the response is usually, 'Can you do more because we want you to catch those ones that are trying to use prohibited substances?'. I think the interaction with the industry, as in any regulatory sense - and I suppose it is similar with the police and whatever - you will always get complaints that they're overzealous. But I think our interaction, our communication with the industry, as it has been put to me from the industry itself, is at the best level it has ever been in the way we interact with the industry.

**CHAIR** - Tony, taking you back over the separation issues, when you go to other jurisdictions where is not a separation, you commented there could be conflicts, if Tasracing and Racing Services Tasmania were put together, between commercial aspects and the safety, integrity and welfare issues. How do the other jurisdictions not have those issues? It is not just about knowing who is who in the zoo. The commercial side would be, yes, more horses or more dogs in any one race means better commercial return, but what about the safety issues. How is that not a problem in those jurisdictions?

**Mr MURRAY** - I will probably upset a few people with my next comment, but I think other jurisdictions have a more mature model and a more mature way of approaching those conflicts. They are able to do so because they have, besides obvious commercial revenues available to them, other opportunities in terms of sponsorship and selling the

product into bigger markets. If you look at Tasracing, for example, their revenue at the moment is purely, from what I can see, the \$27 million indexed over 20 years and the race fields fees. At this stage it does not appear that the product has been sold overseas. At this stage the level of sponsorship and that type of activity is quite small. I would say that in a bigger jurisdiction you are less reliant, if you like, on trying to grow a product through matters which may compromise integrity because there are other areas in which you can grow your product.

**CHAIR** - That is an interesting comment. When we debated this legislation and even when we have had Tasracing in front of us, it has been very clear that the intention was that \$27 million indexed is a substantial amount of money for an industry of this size, but there was also the expectation and requirement that they would sell their product and market their product broadly and also that they would raise revenue through sponsorship. It is questionable as to how effective that has been, I accept that. We have not talked to other jurisdictions yet about this. If New South Wales received the equivalent funding from the Government coffers of our \$27 million, and I am not sure what that equates to in New South Wales but it would be a fair whack of money for the industry, they would smiling and as happy as anything. Their having to work hard to get extra sponsorship or market their product would not be such an issue either. I cannot really see why, in your explanation, if the commercial interests are an issue as opposed to safety, integrity and welfare in Tasmania if they were brought together, why they would not be in those bigger jurisdictions, because we hear anecdotally that they also have financial challenges and particularly in the current climate.

**Mr MURRAY** - Take selling of the product, firstly. One of the arguments, as you are well aware, during the debate on the legislation was that to sell the product into the key markets of Asia, having integrity separate would be paramount. I know that Mr Coleman, CEO of TOTE, in his side of the development of the model and with his relationship with Asia, said that a government-run, independent integrity model was paramount to the value of your product in selling it into Asia, especially when you are dealing with a product which is small by comparison. I still would say, in response to your question, that the smallness and closeness of the Tasmanian Racing Industry would put those conflicts of interest at a higher level than what occurs in interstate jurisdictions.

**CHAIR** - Yes, the conflicts of interest are one thing but the negative impact on safety, as opposed to commercial gain, how is that addressed? If there are imperatives to make a commercial return, which I am sure there are in New South Wales just as well as there are in Tasmania, when push comes to shove if the same people are looking at integrity and safety issues as they are looking at the commercial return in New South Wales, wouldn't those challenges still be there? We do not seem to hear about any great compromise in that area. Maybe it happens and we do not hear about it; I do not know.

**Mr MURRAY** - I can give you an example at the moment in terms of field limits for night racing. In our reviewing field limits we spoke to new South Wales and Victoria, who have been undertaking night racing for a considerable period of time. They both have field limits of a maximum of 12. In the last week that we spoke to them they were both of the view not to increase their field limits because they believed that was an appropriate level of racing. Previously when we have spoken to Tasracing they have insisted that we need field limits of more than 12. They have drawn comparisons with Queensland, with racing in the UK and in other cold jurisdictions. I believe that Victoria

has just made the decision to stay with 12 and New South Wales is going to stay with 12. So they have looked at it and they have been able to come to the determination that 12 is enough. In terms of the safety and welfare, they will stick with 12.

However, Tasracing has continued to lobby us as those making the decisions to go beyond 12. Why is that? One would assume that they are more needing, wanting, desirous of getting bigger fields to get more revenue back from the industry. The bigger the industry the less likely it is to be compromised, as opposed to a smaller jurisdiction who may be focusing on getting more revenue for the industry. The industry is saying the prize money needs to go up, so how can we do this. One way to do this is to increase the field limits. I think the closeness of the industry can bring about more pressure than a bigger jurisdiction which has more facility to sell their product and to earn additional revenue outside of the turnover side.

**CHAIR** - Do you know what drove the key considerations in Victoria and the New South Wales not to increase night fields?

**Mr MURRAY** - They believed that the safety was to the extent that it should stay at 12. That was my understanding. You also have to remember that they have multiple opportunities to race. The night racing is not their A meeting, whereas down here night racing is our A meeting and jockeys do not have to back up the next day to ride, whereas in New South Wales and Victoria they will ride on a Friday night and then they have to ride on a Saturday as well. Here they can ride on a Thursday night and then they do not have to ride the next day. They are the types of things we took into account, as well as our tracks and local conditions. Your point is a valid one but I am just saying that the maturity of other jurisdictions, the ability for them to have other sources of revenue, as well as the traditional ones that are available to Tasracing, mean that they can put more emphasis on that and not put as much pressure on in terms of wanting to do such things which may compromise safety and integrity and welfare.

**CHAIR** - You are saying the bigger jurisdictions have other access to revenue, including things like marketing and product sponsorship. Are there other things that Tasmania does not have the capacity to do that are sources of income for other jurisdictions?

**Mr MURRAY** - I think that is the main thing. They have access to wider markets, being bigger jurisdictions. The value of their product is greater than the value of the Tasmanian product just through the standard of their horses, the standard with their jockeys, through the fact that they are bigger jurisdictions. The value and the ability to value-add to their product is greater in a bigger jurisdiction. Their ability to source sponsorship and marketing is greater in a bigger jurisdiction than in Tasmania.

**Mr HARRISS** - Tony, you differentiated administration and integrity and said that essentially RST is the policeman. Do you have any flexibility or discretion in applying rules or is it hard and fast? If there is a minor indiscretion, for instance, what sort of flexibility do you have in administering these?

**Mr MURRAY** - In terms of a rule, generally someone is guilty or not guilty of a breach of the rule. The flexibility is in terms of the penalty. So if it is a minor offence or a first offence you may just give them a reprimand, whereas the second or third offence may result in a fine or ultimately a suspension. Your flexibility lies in the penalty which is

imposed. It is fairly absolute in terms of whether you breached that rule or not. If there is any doubt we nearly always give the benefit of the doubt to the participant, as should occur, but the flexibility comes in the penalty to be imposed.

**Mr HARRISS** - Does Racing Services have jurisdiction over apprentice jockeys or novice drivers in terms of what qualifies them to ride or drive in a race?

**Mr MURRAY** - Stewards assess the ability of people through trials and trackwork as to whether they have reached the level of competency to drive or ride in races.

**Mr HARRISS** - So it's entirely up to the stewards?

**Mr MURRAY** - With the apprentices there is an apprentice board, which is chaired by Tasracing. The apprentices have to be indentured and Tasracing has that responsibility. They formulate a determination on the apprentice, albeit the chairman of stewards is on that committee and they will have assessed the apprentice on his trackwork, spoken to the trainer and all those types of things. Generally the stewards will make a determination as to whether they believe they are ready to start riding in races.

**Mr HARRISS** - Is that a prerequisite?

**Mr MURRAY** - Yes, it is.

**Mr HARRISS** - They can't ride or drive before they get the imprimatur of the stewards?

**Mr MURRAY** - Yes. To give you an example, a driver in harness has to complete a minimum of 20 satisfactory drives prior to being able to drive in races, and those satisfactory drives are assessed by stewards.

**Mr HARRISS** - Is that all trackwork?

**Mr MURRAY** - It is trials. In terms of harness, there are official trials on most weeks so the person wanting to achieve that standard has to source drives at those trials. We have a steward at all official trials who makes an assessment on that person. As I said, it is a minimum of 20 drives or rides. Recently we had somebody who we made do a lot more than 20 because stewards weren't satisfied and until they are satisfied they have reached a particular level, they won't grant them a licence to drive or ride on race day.

**Mr HARRISS** - Earlier you mentioned you have just appointed a chief steward in harness. How difficult is it with any departure to replace a person?

**Mr MURRAY** - Very difficult in terms of salaries. Our salaries are Tasmanian salaries and if you align our salaries for stewards with interstate salaries it makes it very difficult. What we can sell is Tasmania: the standard of living, the cost of houses and all the things that come with the attractiveness of living in Tasmania. Ideally, you'd have stewards coming through the system who are Tasmanian who want to stay in Tasmania. We have a chairman of stewards in the thoroughbred code, Wade Hadley, who I would rate in the top three stewards in Australia. I wouldn't want to guess where he would be in terms of level of salary because it is probably down in the hundreds, but Wade is a local

boy who has no doubt been offered opportunities elsewhere. This industry can't afford to lose the likes of Wade because he is so good at what he does.

We have recently appointed a greyhound steward, a local Tasmanian, and he is very good. The steward we have been able to source for this latest position comes from Victoria and when he inquired about the job he said he and his family come down and visit Tasmania on most of their holidays; he loves the place and can't wait to move here. That is the attractiveness but we can't compete salary-wise. We pay Tasmanian salaries on the integrity side but there are other attractions and, similarly, when I came down here it was the attraction of coming to Tasmania and working the three codes. Salary-wise, from the person in charge of integrity in other jurisdictions, the salary is considerably more, but that's not all there is to life.

**Dr GOODWIN** - Presumably the workload is a bit lower as well, from the example you gave earlier about harness racing with all the clubs and race meetings and whatever?

**Mr MURRAY** - From an integrity side, I would say to the contrary. A person in the position of director of racing or any of the chief stewards has to be absolutely knowledgeable of the rules across three codes of racing. We must keep contemporary standards which are in place in any other jurisdiction nationally or internationally, so we have to be across the highest level of best practice, regardless of the level of activity that we have here because the delivery of integrity, your knowledge of integrity and all the practices have to be at the highest level regardless of whether you have 20 race meetings or 200 race meetings. So in effect we have to be at the same level as anyone in interstate jurisdictions.

**Dr GOODWIN** - So when you get to that level of knowledge and expertise, how onerous is it to keep up-to-date? Is it changing regularly?

**Mr MURRAY** - Yes, it is changing regularly. The chairman and stewards go to the national conferences every year. I have a steward exchange program, which I implemented a couple of years ago where our stewards go to the bigger jurisdictions and spend some time. That is invaluable, but quite often they come back and say, 'Actually, we do it better down here,' which is always good. I have a Victorian steward coming across from Racing Victoria to work for us for 10 days in the next couple of weeks because I have a couple of stewards on leave. That interaction of stewards enables you to make sure that your knowledge and expertise maintains itself at a high level. I am on both the Harness Racing Australia and the Greyhound Australasia rules committees and so you keep up your knowledge through those types of avenues. You must keep an up-to-date knowledge and you must have input into the changing environment.

**CHAIR** - Any other questions? There was a matter you wanted to discuss in camera - is that still the case, Tony?

**Mr MURRAY** - Yes.

**CHAIR** - Do you just want to clarify the reasons again?

**Mr MURRAY** - To further emphasise the reason why I believe that integrity, safety and welfare will be compromised if there was a merger between the two or, more importantly, the reason Racing Services should stay independent, I would like to give a

couple of practical examples which incorporate current inquiries which, should I say that in the public arena, would compromise those inquiries, but I think it adds to the reasons and to the discussion.

**CHAIR** - The committee needs to deliberate briefly on that.

*Evidence taken in camera.*

**CHAIR** - Thank you very much, Tony, for that; it has been helpful to get a broader picture. We had a discussion earlier today whether there would be any value in the committee coming and looking at what you actually do, or is it a difficult thing to do?

**Mr MURRAY** - I have a PowerPoint presentation of all our structure and our provision of services. You are more than welcome to come to our office and boardroom where I can show you the presentation of what we do and you can interact with the staff and ask them questions.

**CHAIR** - Your chief steward and people like that?

**Mr MURRAY** - For the committee to meet with the chief stewards I think would be absolutely invaluable so I certainly extend the invitation for you to attend our offices and undertake that.

**CHAIR** - The committee will discuss it further but we wondered if there might be some value in it.

**Mr MURRAY** - I think it is an excellent idea, especially with the chairman who is on the ground at race meetings and undertaking the role that I said previously.

**CHAIR** - Thanks for your time today, we appreciate it.

**Mr MURRAY** - Thank you.

**THE WITNESS WITHDREW.**