

2013

(No. 30)



PARLIAMENT OF TASMANIA

**SELECT COMMITTEE INTO THE
ROLE AND FUTURE VIABILITY OF TOTE TASMANIA**

Report

*Brought up by Mr Booth and ordered by the
House of Assembly to be printed*

MEMBERS OF THE COMMITTEE

Mr Booth (Chairperson)

Mr Best

Mr Rockliff

Mr Shelton

Mr Sturges

Table of Contents

1	APPOINTMENT & TERMS OF REFERENCE.....	3
2	CONDUCT OF THE INQUIRY.....	4
3	PROGRESS REPORT.....	4
4	CONCLUSION.....	5
5	RECOMMENDATIONS.....	6
6	APPENDIX 1 – MINUTES OF PROCEEDINGS.....	8
7	APPENDIX 2 – WITNESSES.....	27
8	APPENDIX 3 – SUBMISSIONS RECEIVED.....	28
9	APPENDIX 4 – DOCUMENTS RECEIVED.....	29

1 APPOINTMENT & TERMS OF REFERENCE

- 1.1 The Honourable Member for Bass, Kim Booth M.P., the eventual Chair of this Committee, on 25 May 2011 proposed an amendment to the motion that the Sale of TOTE Tasmania Repeal Bill (No. 28 of 2011) (the Bill) be read a second time.
- 1.2 Such amendment, having been moved was debated and resolved in the affirmative. The final resolution of the House was as follows:-

Resolved, That: -

- (1) The Sale of TOTE Tasmania Repeal Bill 2011 (No. 28) be referred to a Select Committee of the House of Assembly for investigation and report thereon; and that:
-
 - (2) The appointed Select Committee have the power to send for persons and papers, have leave to sit during any adjournment of the House exceeding 14 days, with leave to report from time to time and to adjourn from place to place, to inquire and report upon the Sale of TOTE Tasmania Repeal Bill 2011 (No. 28), including the following matters:
 - (a) to investigate and examine the potential impacts should the TOTE Tasmania (Sale) Bill 2009 be repealed;
 - (b) to examine the role of TOTE Tasmania within the racing industry, and to advise on options regarding the future of TOTE Tasmania within a modern and viable racing industry;
 - (c) other matters incidental thereto; and
 - (d) provided, if the House is not sitting, the report may be presented to the Speaker and then the contents of the Committee report may be made public.
 - (3) The Committee shall consist of 5 members being 2 from the Government nominated by the Leader of the House; 2 from the Opposition nominated by the Leader of Opposition Business in the House; and 1 from the Tasmanian Greens nominated by the Leader of the Greens.
 - (4) The committee report by Tuesday, 22 November 2011.
- 1.3 On 26 October 2011 the House resolved to vary the Order of the House

establishing the Select Committee into the Role and Future Viability of TOTE Tasmania as follows:

That the Select Committee into the Role and Future Viability of TOTE Tasmania investigate and report upon:

- (a) the potential impacts should TOTE Tasmania be sold;
- (b) the role of TOTE Tasmania within the racing industry, and to advise on options regarding the future of TOTE Tasmania within a modern and viable racing industry; and
- (c) other matters incidental thereto.

2 CONDUCT OF THE INQUIRY

- 2.1 The Committee resolved at its first meeting, to invite by way of advertisement on the Parliament of Tasmania Internet page and in the three daily regional newspapers, interested persons and organisations to make a submission to the Committee in relation to the Terms of Reference.
- 2.2 The Committee has, to date, met on 17 occasions and heard from 20 witnesses.

3 PROGRESS REPORT

- 3.1 The Committee was established to examine the consequences that may arise should the *TOTE Tasmania Sale Act 2009* be repealed.
- 3.2 As the evidence before the Committee indicated that the Treasury were undertaking an evaluation process which would advise the government on the sale of TOTE Tasmania, the Committee felt that the Parliamentary debate on the *Sale of TOTE Tasmania Repeal Bill 2011* should not be hindered by the ongoing inquiry. On 25 October 2011 the Committee tabled an Interim Report recommending that the inquiry be decoupled from the *Sale of TOTE Tasmania Repeal Bill 2011*(No. 28)
- 3.3 The House agreed on Wednesday 26 October 2011 to vary the Committee's terms of reference.
- 3.4 The Select Committee into the Role and Future Viability of TOTE Tasmania would now investigate and report upon:
 - (a) The potential impacts should TOTE Tasmania be sold;

- (b) The role of TOTE Tasmania within the racing industry, and to advise on options regarding the future of TOTE Tasmania within a modern and viable racing industry; and
- (c) Other matters incidental thereto.

- 3.5 On 23 November 2011 the Committee tabled a second Interim Report as it appeared that the sale of TOTE Tasmania was imminent. The majority report of the Committee recommended that TOTE Tasmania not be sold until the Committee had concluded its inquiry.
- 3.6 On 2 December 2011 it was announced in the media that TOTE Tasmania had been sold to the TATTS Group for \$103 million.
- 3.7 Subsequent to the sale of TOTE Tasmania the Committee felt that its work was still relevant as the varied terms of reference asked for the examination of potential impacts should TOTE Tasmania be sold.
- 3.8 After allowing sufficient time for the effects of the sale of TOTE Tasmania to materialise on 13 January 2013 the Committee advertised for public submissions in the three daily newspapers with a closing date of 22 February 2013.
- 3.9 On 22 February 2013 the Committee received a letter from Mr John Devereux, CEO, Tasmania Pacing Club on behalf of a number of racing organisations explaining that whilst the industry wanted to make a submission to the Committee more time was needed as they were awaiting a response from the Minister in relations to their demand for an independent review of the racing industry in Tasmania.
- 3.10 In April 2013 the Committee wrote to Mr Devereux to again try to arrange a meeting with the racing industry.
- 3.11 Having had no response on the 11 July 2013 letters were sent to racing clubs from all codes asking for their input.
- 3.12 On 18 July the Committee received a letter from the Friends of Tasmanian Racing Industry (FTRI) a recently formed organisation representing all three codes of racing from all regions of the State. The FTRI expressed their interest in bringing a submission before the Committee, but indicated that more time was needed to finalise their submission.
- 3.13 On 31 July the FTRI wrote to inform the Committee that a written submission was not forthcoming but that they would be pleased to give oral evidence on the devastating effect the sale of TOTE Tasmania had inflicted on the racing industry. The letter further informed the Committee that a detailed written submission had been forwarded to the Standing Committee on Public Accounts.

3.14 After several unsuccessful attempts to find a mutually agreeable time, a meeting was arranged for Friday 11 October 2013.

3.15 On 2 October 2013 the Committee received a letter from Friends of Tasmanian Racing Industry stating that:

At a meeting on Monday 30 September, Friends of Racing decided for two reasons not to proceed to give further verbal evidence to the Sale of TOTE Committee on Friday 11 October. Firstly we have nobody available on that date. Secondly, and more importantly, the group has formed the view that we do not see the possibility of anything of any substance coming from the Committee's deliberation prior to the March election ... the group has therefore decided to pursue the issue of concern via other avenues with particular emphasis on the policies that various parties already in Parliament, and more particularly those who may be in the new Parliament, are prepared to pursue ...

Needless to say in conclusion, that all the things that those who attended earlier sessions of the Sale of TOTE Committee predicted would occur regarding the sale are now coming to pass and time will show what a disaster this was. By removing the primary source of funding for the racing industry and, unlike in the other states, allowing the new license operator Tatts Group to operate without any taxation or other way of generating income for the industry has set it on a path which will reduce it to cottage industry status.

That the public are now to fund the industry is an indictment on the Government and the public servants who advised them to introduce this model is a further issue that requires a fully independent inquiry.

4 CONCLUSION

4.1 Given that sectors of the racing industry lack faith in the Parliamentary process and are unwilling to participate further in consultations with the Committee, there is little more that the Committee can do to progress this matter.

4.2 The Committee recognises the concerns of the racing industry in Tasmania - that it cannot be considered self-sustaining due to the sale of TOTE Tasmania and other changes in the industry - and that a new approach is required for the industry to grow.

5 RECOMMENDATIONS

- 5.1 The Committee recommends that the government establish a working group with appropriately qualified professionals and industry stakeholders to advise on the changes that are needed to transform the entire racing industry into a viable, self-sufficient, contemporary enterprise.

**Parliament House
HOBART
20 November 2013**

**Kim Booth M.P.
CHAIR**

APPENDIX 1 – MINUTES OF PROCEEDINGS

MONDAY, 18 JULY 2011

The Committee met in Committee Room 2, Parliament House, Hobart at 12.00 noon.

Members Present:

Mr Best (via telephone)
Mr Booth (via telephone)
Mr Brooks (via telephone)
Mr Shelton (via telephone)
Mr Sturges (via telephone)

ORDER OF THE HOUSE

The Secretary took the Chair and read the Order of the House of Assembly appointing the Committee.

ELECTION OF CHAIR

The Secretary called for nominations for the position of Chair of the Committee, Mr Sturges nominated Mr Best, who consented to the nomination and Mr Brooks nominated Mr Booth, who consented to the nomination.

A ballot was conducted, the result of which was three votes for Mr Booth and two votes for Mr Best, the Secretary therefore declared Mr Booth elected as Chair.

Mr Booth took the Chair.

ELECTION OF DEPUTY CHAIR

The Chair called for nominations for the position of Deputy Chair of the Committee, Mr Brooks nominated Mr Shelton, who consented to the nomination.

There being no other candidates nominated, the Chair declared Mr Shelton elected as Deputy Chair of the Committee.

PARLIAMENTARY RESEARCH OFFICER

Resolved, That unless otherwise ordered Officers of the Parliamentary Research Service be admitted to the proceedings of the Committee whether in public or private session. (Mr Sturges)

NOMENCLATURE

The Committee discussed the nomenclature of the Committee.

Resolved, That the Committee be known as the “Select Committee into the Role and Future Viability of TOTE Tasmania”. (Mr Sturges)

ADVERTISEMENT OF INQUIRY

The draft advertisement was circulated by the Secretary and taken into consideration by the Committee.

The Committee deliberated.

A closing date of Friday, 19 August 2011 was agreed to.

Ordered; That the advertisement be placed in newspapers on Saturday, 23 July next

**INVITATIONS TO PROVIDE
SUBMISSIONS**

The Committee considered the question of whether organisations and individuals should be directly invited to provide submissions to the Committee.

Resolved, That Members would further consider this matter and forward the names of prospective witnesses to the Secretary.

COMMITTEE SPOKESPERSON

Resolved, That the Chair be the spokesperson in relation to the operations of the Committee. (Mr Best)

MEDIA RELEASES

Resolved, That any Media Releases be circulated to members of the Committee prior to distribution. (Mr Best)

At 12.39 p.m. the meeting was adjourned until a date to be fixed.

Monday 17 October 2011

The Committee met in Committee Room 1, Parliament House, Hobart, at 9.30 o'clock.

Members Present:

Mr Booth (Chair)
Mr Best (via telephone)
Mr Brooks (via telephone)

Correspondence

The Chair circulated a letter entitled 'Background Briefing By Treasury' received from the Premier and Treasurer Lara Giddings MP in response to the Committee's request for a briefing from Treasury on the background of recent reforms to the Tasmanian racing industry and TOTE Tasmania.

The Chair noted that contrary to the assertion in the letter no agreement had been made to hear such evidence in-camera as this was the prerogative of the Committee.

**Extension of Time for
Report**

Resolved; That the Committee seek the agreement of the House to extend the date for bringing up of the Committee's Report to Friday, 30 March 2012. (Mr Brooks)

Witnesses

Mr Martin Wallace, Secretary, Department of Treasury and Finance

and Mr Derek Ingis, Director, Property Projects, Department of Treasury and Finance were called. The witnesses made the Statutory Declaration and were examined by the Committee in public.

Suspension of Sitting

Due to the absence of a quorum the meeting was suspended at 9.45 am until 9.50 am

The Committee continued its examination of Mr Wallace and Mr Ingis.

Suspension of Sitting

Due to the absence of a quorum the meeting was suspended at 10.40 am until 10.45 am

The Committee continued its examination of Mr Wallace and Mr Ingis.

The witnesses withdrew.

Witnesses

Mr Noel Salter, President, Mr John Devereux, Chief Executive Officer, Mr Steven Devereux, Treasurer, Tasmanian Pacing Club; Mr Phillip Young, President, Light Harness Tasmania and Vice President, Tasmanian Pacing Club, Mr Mike Jones, Secretary, Light Harness Tasmania, and Director, Tasmanian Pacing Club, and Mr Eric Jacobson, Executive Member, Light Harness Tasmania, were called. The witnesses made the Statutory Declaration and were examined by the Committee in public.

Papers

The following papers were tabled by Mr Salter:

1. A copy of the Opening Statement or the Tasmanian Pacing Club and Light Harness Tasmania submission.
2. Letter dated 12 October – To John Devereux, Tasmanian Pacing Club from Chris Brookwell, Chief Financial Officer, Tasracing
3. Letter addressed to the Chief Executive, Tasmanian Pacing Club (Anonymous)
4. Copy of supplementary submission.
5. Letters dated 23 August 2011, 1 September 2011, 7 September 2011, 12 September 2011, 13 September 2011 and 26 September 2011- exchanged between Neil Readett, Clark Walker Barristers & Solicitors and Mr John Devereux, CEO Tasmanian Pacing and Mr Gary Lottering CEO, Tasracing.

Mr Shelton took his seat.

Mr Brooks withdrew.

The witnesses withdrew.

Witness

Mr Terry Clarke, Former Chief Executive Officer of TOTE Tasmania was called. The witness made the Statutory Declaration and was examined by the Committee in public.

Paper

Mr Clarke tabled a written submission.

The witness withdrew.

Minutes

The minutes of the meeting held on Monday, 18 July 2011 were circulated read and confirmed as a true and accurate record. (Mr Shelton)

At 2.15 pm the meeting was adjourned until a date to be fixed.

Monday, 24 October 2011

The Committee met in the office of the Clerk-Assistant, Parliament House, Hobart, at 2:05 o'clock p.m.

Members Present:

Mr Booth (Chair)
Mr Best
Mr Brooks
Mr Shelton
Mr Sturges

**Management of
Committee Meetings**

Mr Sturges raised a number of matters relating to the organisation and management of meetings of the Committee.

Mr Best circulated a paper outlining suggested protocols for the future conduct of meetings of the Committee.

**Consideration of
Minutes**

The Minutes of the meeting held on Monday, 17 October last having been previously circulated were considered.

Resolved; That further consideration of such Minutes be held over until the next meeting of the Committee. (Mr Booth)

Interim Report

The Chairperson brought up a draft Interim Report.

Document Received

Ordered, That the transcript of evidence heard on Friday, 14 October last be received and taken into evidence. (Mr Brooks)

The Committee deliberated upon the inquiry process.

The meeting was suspended at 3:05 p.m. until 3:27 p.m.

Suspension of Sitting

Interim Report

The Committee resumed its deliberations upon the inquiry process.

The meeting was suspended at 3:45 p.m. until 6:00 p.m.

**Suspension of Sitting
Interim Report**

The Chairperson reported the details of his meeting with the Premier and Treasurer.

Motion made and Question proposed – That the draft Interim Report be the Interim Report of the Committee. (Mr Booth)

The Committee deliberated.

Question put;

The Committee divided.

AYES

Mr Booth
Mr Brooks
Mr Shelton

NOES

Mr Best
Mr Sturges

It was resolved in the Affirmative.

At 6:52 p.m. the meeting was adjourned until a date to be fixed.

Tuesday, 1 November 2011

The Committee met Committee Room 2, Parliament House, Hobart, at 1.30 o'clock p.m.

Members Present:

Mr Booth (Chair)
Mr Best
Mr Brooks
Mr Shelton
Mr Sturges

Consideration of Minutes

The minutes of meetings held on Monday 17 October 2011 and Monday 24 October 2011, were circulated, read and confirmed as a true and accurate record. (Mr Brooks)

Witnesses

The Committee discussed the need to hear further evidence from the TOTE Tasmania and Tasracing.

Resolved; That the Chair of the Board, the CEO and other available Board members from TOTE Tasmania and Tasracing be invited to give evidence before the Committee. Additional names of any further organisations or individuals to be supplied in due course to the Secretary. (Mr Sturges)

Documents

Resolved; That the Committee request the following documents from Treasury:

- Provide details on the advice received by TOTE Tasmania from the specialist advisors it had engaged to assess its

business.

- Provide the Treasurer's note giving approval for the informal process undertaken by Treasury to value TOTE Tasmania.
- Provide the letter of engagement, that is the instructions, given by Treasury to the consultants Investec and Clayton Utz.
- Provide to the Committee with any advice from Government or the Treasurer to engage in the process of valuing TOTE Tasmania and indicate what is the formal understanding between the Treasurer and Treasury with regard to the sale of TOTE Tasmania.
- Provide the report produced by Investec for TOTE Tasmania and any advice from Investec in respect to what should happen to TOTE, whether it should be sold or kept.
- Provide details on whether the advisers and the parties they negotiating with in respect to the sale of TOTE Tasmania were aware of the Parliamentary Committee inquiry.
- Provide details on the new funding model for the Tasmanian racing industry.
- Provide a comparison between the new funding deed and the funding that would have been provided under the old system with TOTE Tasmania supporting the industry.
- Provide details on any modelling done to justify the \$27m over 20 years and the appropriateness of the \$40m capital expenditure provided for under the new funding deed.
- Provide details of Treasury's performance review of Tasracing.

Recall Treasury

These documents are to be provided at least two days prior to the Committee's hearings on Friday 18 November next. (Mr Brooks)

The Committee discussed whether to recall Treasury after hearing from TOTE Tasmania and Tasracing.

Resolved; That the Committee will write to the Secretary of Treasury and Finance to invite him to reappear before the Committee as the last witness on Friday 18 November next. (Mr Brooks)

At 2:15 p.m. the meeting was adjourned until Friday 18 November next.

Wednesday, 16 November 2011

The Committee met in the Legislative Council Ante-Chamber, Parliament House, Hobart, at 6.20 o'clock p.m.

Members Present:

Mr Booth (Chair)

Mr Best

Mr Gutwein (replacing Mr Brooks)

Mr Shelton

Mr Sturges

**Consideration of
Correspondence**

The Committee discussed a letter from Mr Martin Wallace, Secretary, Department of Treasury and Finance, dated 9 November 2011 in response to the Committee request for documents and information.

Mr Wallace requested that the documents requested by the Committee be kept confidential and not published on the grounds that they are commercial-in-confidence.

Furthermore Mr Wallace requested that when he is recalled to appear before the Committee on Friday 18 November next his verbal evidence be kept confidential.

The Committee also considered a letter from Mr Paul Lam-Po-Tang of Investec dated 15 November 2011 requesting that the evidence to be presented before the Committee by Mr Ben Smith at the forthcoming meeting be heard in camera.

TOTE Tasmania Chair, Mr Michael Kent also wrote to the Committee requesting that the Committee treat as confidential evidence to be presented before the Committee that is commercial-in-confidence including trade secrets.

The Committee deliberated.

Resolved; That the Committee agrees to Mr Wallace's request to prohibit the publication of the information requested from Treasury by the Committee, on the basis that it is commercial-in-confidence in accordance with Standing Order 364. (Mr Gutwein)

Resolved; That the Committee will decide on a case-by-case basis which evidence will be heard in public and which evidence will be kept confidential at the forthcoming hearings in response to requests from witnesses on the day. (Mr Gutwein)

Resolved, That the Committee write to the Mr Wallace, Mr Kent and Mr Lam-Po-Tang to explain the Committee's position. (Mr Booth)

At 7.15 p.m. the meeting was adjourned until Friday 18 November next.

Friday, 18 November 2011

The Committee met in the Committee Room 2, Parliament House, Hobart, at 9.30 o'clock a.m.

Members Present:

Mr Booth (Chair)
Mr Best
Mr Gutwein
Mr Shelton
Mr Sturges

Witness

Mr Ben Smith, Managing Director, Consumer, Retail Gaming and Property, Investec Bank (Australia) Limited was called. The witness made the Statutory Declaration and was examined by the Committee.

In camera evidence

Mr Smith requested that part of his evidence be given in camera to which the Committee agreed.

The witness withdrew.

Witnesses

Mr Michael Kent, Chairman and Mr Craig Coleman, Chief Executive Officer, TOTE Tasmania were called. The witnesses made the Statutory Declaration and were examined by the Committee.

Mr Coleman committed to provide the Committee with the following papers:

- Letter signed by the Treasurer in relation to TOTE Tasmania's investment in Sports Alive.

Mr Kent requested that part of TOTE's evidence be given in camera to which the Committee agreed.

In camera evidence

The witnesses withdrew.

Witnesses

Mr Brian Speers, Chairman, Mr Dean Cooper, Vice Chairman and Mr Garry Lottering, Chief Executive Officer, Tasracing, were called. The witnesses made the Statutory Declaration and were examined by the Committee.

The witnesses asked that part of their evidence be given in camera to which the Committee agreed.

In camera evidence

The Committee further examined the witnesses in public.

The witnesses withdrew.

Witnesses

Mr Terry Clarke, Former CEO of TOTE Tasmania, Mr Noel Salter, President, Tasmanian Pacing Club, Mr Mike Jones, Secretary, Tasmanian Light Harness, and Mr John Devereux, Chief Executive Officer, Tasmanian Pacing Club were re-called. Ms Denise Fysh, President, Hobart Grey Hound Racing Club, Mr Geoff Harper, President, Tasmanian Racing Club and Mr Merv Hill, Principal, Racing Admin Solutions were called. The witnesses made the Statutory Declaration and were examined by the Committee.

The witnesses tabled the following paper:

- Submission including a petition against the sale of TOTE Tasmania.

Paper

The witnesses withdrew.

Suspension of Sitting

At 2.15 pm the meeting was suspended until 2.38 pm.

Witnesses

Mr Martin Wallace, Secretary, Department of Treasury and Finance and Mr Derek Ingis, Director, Property Projects, Department of Treasury and Finance were re-called and examined by the Committee.

In camera evidence

Mr Wallace asked that part of Treasury's evidence be given in camera to which the Committee agreed.

Papers

Mr Wallace tabled the following papers:

- A letter dated 17 November 2011 addressed to Mr Booth from the Treasurer.
- Paper entitled – Briefing Note to House of Assembly Committee into the Role and Future Viability of TOTE Tasmania; and
- Paper entitled – Opening Remarks

Mr Wallace asked that papers which fall into the categories of 1. The current process, 2. Independent advice to Treasury or Government and 3. Commercial-in-confidence, only be provided to the Committee with the agreement that they remain confidential.

Resolved, That the following documents:

- The advice received by TOTE from the specialist advisors it had engaged to assess its business;
- The Treasurer's note giving approval for the process undertaken by Treasury to value TOTE Tasmania;
- The letter of engagement, that is the instructions, given by Treasury to the consultants Investec and Clayton Utz;
- Any advice from Government or the Treasurer to engage in the process of valuing TOTE Tasmania and the formal understanding between the Treasurer and Treasury with regard to the sale of TOTE Tasmania;
- The report produced by Investec for TOTE Tasmania and any advice from Investec in respect to what should happen to TOTE, whether it should be sold or kept;
- Details on whether the advisers and the parties they are negotiating with in respect to the sale of TOTE Tasmania were aware of the Parliamentary Committee inquiry;
- Details on any modelling done to justify the \$27m over 20 years and the appropriateness of the \$40m capital expenditure provided under the funding deed; and
- Details on Treasury's performance review of Tasracing;

provided to the Committee by Treasury on a confidential basis be taken into evidence as confidential documents. (Mr Sturges)

Mr Best withdrew.

Evidence

Resolved; That all papers tabled this day be taken into evidence. (Mr Shelton)

At 4.30 p.m. the meeting was adjourned until Monday 21 November next.

Monday, 21 November 2011

The Committee met in Committee Room 2, Parliament House, Hobart, at 11.40 o'clock a.m.

Members Present:

Mr Booth (Chair)
Mr Best
Mr Gutwein
Mr Shelton
Mr Sturges

Consideration of Findings

The Committee discussed the evidence presented thus far and evaluated the reasons for selling or not selling TOTE Tasmania.

The Committee agreed that the immediate sale of TOTE Tasmania was premature.

It was agreed that more work was required to fully understand the ramifications of selling TOTE Tasmania and the flow on effects that may ensue to the Tasmanian racing industry and allied occupations.

The Committee agreed that a viable racing industry in Tasmania must be self-supporting in the long term and a funding mechanism other than public funding through the 20 year deed currently in place is required.

The Committee also agreed that the sale of TOTE Tasmania should not proceed whilst the Committee is still conducting its inquiry as the Terms of Reference require the Committee to advise on options for TOTE Tasmania within a modern and viable racing industry.

The Chair noted the need for an Interim Report to inform the House of the Committee's concerns.

Draft Interim Report

The Chair also noted the need for the Committee to ask the Treasurer for a written assurance that TOTE Tasmania would not be sold prior to the conclusion of the Committee's inquiry.

Assurance from the Treasurer

Resolved; That the Chair provide an Interim Report. (Mr Booth)

Resolved; That the Committee write to the Treasurer seeking a written assurance to the House that TOTE Tasmania will not be sold without the Committee's recommendation at the conclusion of the inquiry. (Mr Booth)

At 1.30 p.m. the meeting was adjourned until Tuesday 22 November next.

Tuesday, 22 November 2011

The Committee met in the Long Room, Parliament House, Hobart, at 1.00 o'clock p.m.

Members Present:

Mr Booth (Chair)
Mr Best
Mr Gutwein
Mr Shelton
Mr Sturges

Minutes

The Minutes of meetings held on 16 November 2011, were circulated read and confirmed as a true and accurate record. (Mr Gutwein)

The Minutes of meetings held on 18 November 2011, were circulated read and confirmed as a true and accurate record. (Mr Best)

The Minutes of meetings held on 21 November 2011, were circulated read and confirmed as a true and accurate record. (Mr Shelton)

Submissions

The following submissions were taken into evidence:

- Mr Phillip Young, President, Light Harness – Tasmania
- Mr Robert Biffin, CEO, Tasmanian Turf Club
- Mr John Devereux, CEO, Tasmanian Pacing Club
- Mr Alwyn Shaw AM, Aceland Stud
- Mr Terry Clarke, Aware Strategy (Mr Booth)

Chair's Draft Interim Report

The Committee considered the Chair's Draft Interim Report. Mr Gutwein suggested an amendment to paragraph 5.2 in the Recommendations section:

That the words "*and that such written assurance be provided to the House by 12 noon on Wednesday, 23 November 2011*" be inserted after the word 'honoured'.

The Committee divided.

AYES

Mr Booth
Mr Gutwein
Mr Shelton

NOES

Mr Best
Mr Sturges

The question was resolved in the affirmative.

Adopting the Chair's Draft

A motion was moved by Mr Gutwein that the Chair's Draft Interim Report as amended be adopted as the Report of the Committee. The Committee divided.

AYES

Mr Booth
Mr Gutwein
Mr Shelton

NOES

Mr Best
Mr Sturges

The question was resolved in the affirmative.

Dissenting Statement

Having opposed the adoption of the Chair's Draft Interim Report the Government Members of the Committee provided a dissenting statement to be appended to the majority report.

At 1.30 p.m. the meeting was adjourned until a date to be fixed.

Wednesday, 23 November 2011

The Committee met in the Long Room, Parliament House, Hobart, at 1.00 o'clock p.m.

Members Present:

Mr Booth (Chair)
Mr Best
Mr Gutwein
Mr Shelton
Mr Sturges

Motion to publish the minutes of proceedings

Mr Gutwein moved that the minutes agreed to by the Committee prior to the tabling of the Committee's Interim Report No.2, be tabled in the House at the first available opportunity.

Discussion arose.

Amendment Proposed

Mr Sturges proposed the following amendment:– That the minutes of today's meeting (22 November 2011) be included.

The Committee divided.

AYES

Mr Bes
Mr Sturges

NOES

Mr Booth
Mr Gutwein
Mr Shelton

The question was resolved in the negative.

On the substantial motion the Committee divided.

AYES

Mr Boot
Mr Gutwein
Mr Shelton

NOES

Mr Best
Mr Sturges

The question was resolved in the affirmative.

**Motion Proposed by
Mr Best**

Mr Best moved the following motion:

Members of the Committee who have dissented from the Interim Report tabled in Parliament today 23rd November move a motion to re-examine the minutes of the Committee meeting of Monday 21 November 2011 – specifically the ‘Consideration of Findings’ contained in the minutes we disagree with;

- “The Committee agreed that the immediate sale of TOTE Tasmania was premature”;
- “It was agreed that more work was required to fully understand the ramifications of selling TOTE Tasmania and the flow on effects that may ensue to the Tasmanian Racing Industry and allied occupations”;
- “The Committee also agreed that the sale of TOTE Tasmania should not proceed whilst the Committee is still conducting its inquiry as the terms of reference require the Committee to advise on options for TOTE Tasmania within a modern and viable racing industry”.

Amendment Moved

Mr Gutwein moved the following amendment:

That debate on Mr Best’s Motion be adjourned until another time.

The Committee divided.

AYES

Mr Booth
Mr Gutwein
Mr Shelton

NOES

Mr Best
Mr Sturges

The question was resolved in the affirmative.

No Confidence Motion

Mr Best sought to move a motion of no confidence against the Chair.

On the question of allowing the motion to be debated the Committee divided.

AYES

Mr Best
Mr Sturges

NOES

Mr Booth
Mr Gutwein
Mr Shelton

The motion was lost.

Minutes

The Minutes of meetings held on 22 November 2011, were circulated read and confirmed as a true and accurate record. (Mr Sturges)

At 1.30 p.m. the meeting was adjourned until a date to be fixed.

Wednesday, 14 December 2011

The Committee met in Henty House, Level Four Conference Room, Launceston, at 12.30 o’clock p.m.

Members Present:

Mr Booth (Chair)
Mr Gutwein
Mr Shelton

Apology Mr Sturges

Minutes

The Minutes of meetings held on 1 November and 23 November 2011, were circulated read and confirmed as a true and accurate record. (Mr Gutwein) (Mr Shelton)

Witnesses

Mr John Devereux, CEO, Tas Pacing Club and Mr Mike Jones, Secretary, Light Harness Tasmania were recalled and re-examined by the Committee in public.

The Witnesses withdrew.

Correspondence

The Chair tabled emails dated 8th and 13th December 2011 from Mr Best and Mr Sturges, which were received and noted.

A discussion arose in relation to the assertions made by Mr Best in relation to the Chair and the conduct of the Committee and Mr Best's behaviour at the meeting of the 23 November 2011.

Resolved; That the Committee absolutely rejects the assertions contained within the email of 8 December 2011. The Committee finds the statements to be false and utterly baseless and the Committee found that Mr Best's behaviour at the meeting of 23 November 2011 unacceptable and not befitting a Member of Parliament. (Mr Shelton)

Resolved; That unless Mr Best:

1. withdraws unreservedly the allegations contained within the email of the 8th December 2011 and apologise for the offensive and false statements;
2. Apologies to the Chair and the Committee for his behaviour at the meeting of the 23 November 2011; and
3. Correct the record of Parliamentary proceedings on 23 November 2011 to reflect the true position of the Committee as reflected in the minutes.

The Committee will refer Mr Best to the Privileges Committee. (Mr Gutwein)

Resolved, That the Chair write to Mr Best to correct the record and inform him of the Committee's deliberation. (Mr Gutwein)

Witnesses

Resolved; That Treasury and TOTE Tasmania be recalled to provide further information on the sale of TOTE Tasmania and that Tatts Group be also called to the next meeting of the Committee. (Mr Shelton)

Media Release

Resolved; That the Chair produce a media release to inform the public of the Committee's future program. (Mr Gutwein)

Next Meeting

The Committee discussed possible meeting dates and agreed that a meeting should be arranged for sometime between 16 January and 6 February 2012.

At 2.45 p.m. the meeting was adjourned until a date to be fixed.

Friday, 24 February 2012

The Committee met in Committee Room 2, Parliament House, Hobart, at 2.30 p.m.

Members Present:

Mr Booth (Chair)

Mr Gutwein

Mr Shelton

Mr Best (via telephone)

Mr Sturges

Minutes

The Minutes of the meeting held on 14 December 2011, were circulated read and confirmed as a true and accurate record. (Mr Gutwein)

Mr Sturges asked that it be noted that he was not in a position to confirm the minutes as he was absent at the last meeting.

Witnesses

Mr Michael Kent, Chair, and Mr Craig Coleman, CEO, TOTE Tasmania were recalled and re-examined by the Committee in public.

The Witnesses withdrew.

Witnesses

Mr Martin Wallace, Secretary, and Mr Derek Inglis, Director, Property Projects, Department of Treasury and Finance were recalled and re-examined by the Committee in public and in-camera.

In-camera

The witnesses asked if part of their evidence be taken in-camera to which the Committee agreed.

The witnesses withdrew.

Evidence

Resolved; That the Committee write to the Mr Wallace to see if there are any objections to the Committee using certain documents in its report which were deemed to be 'commercial-in- confidence' prior to the sale of TOTE Tasmania which had been tabled as confidential documents. (Mr Gutwein)

Future Witness

Resolved; That the Committee write to the Chair of Tatts Group to request his attendance before the Committee at his earliest opportunity. (Mr Booth)

Correspondence

An e-mail letter date 24 February 2012 was tabled by Mr Best in response to the matters raised at the meeting of 14 December 2011 in

relation to Mr Best's comments and behaviour on 23 November 2011.

A discussion arose

The Chair accepted Mr Best's gesture of withdrawing unreservedly any comments made at that time that may have been considered offensive.

The Committee also Resolved; That at the meeting of 23 November 2011 all votes cast were in accordance with Standing Orders. (Mr Best)

Resolved; That having agreed that the conduct of the votes cast at the meeting of 23 November last were in accordance with Standing Orders and that Mr Best had withdraw any offensive comments, that this matter is now finalised.

At 5.45 p.m. the meeting was adjourned until a date to be fixed.

Friday, 9 March 2012

The Committee met in Committee Room 3, Parliament House, Hobart, at 9.30 a.m.

Members Present:

Mr Booth (Chair)
Mr Gutwein
Mr Shelton
Mr Sturges

Apology Mr Best

Minutes

The Minutes of the meeting held on 24 February 2012, were circulated read and confirmed as a true and accurate record. (Mr Sturges)

Witness

Mr Tom Lynch, Union Tasmania, was called. The witness made the Statutory Declaration and was examined by the Committee in public.

Papers

The witness tabled the following papers:

- Letter from Tom Lynch, CPSU, General Secretary dated December 22, 2011 to Premier Lara Giddings.
- Premier's reply to above dated 7 February 2012

The Witnesses withdrew.

Correspondence

A letter was received from Mr Martin Wallace, Secretary, Department of Treasury and Finance dated 5 March 2012 providing some clarification on the evidence he presented before the Committee on 24 February 2012 in relation to TOTE Tasmania employment details.

A discussion arose.

Resolved; That the Committee forward Mr Wallace's letter of 5 March to Mr Craig Coleman, CEO, TOTE Tasmania and ask for a precise account of staff numbers at TOTE Tasmania. (Mr Gutwein)

At 11.05 a.m. the meeting was adjourned until a date to be fixed.

Tuesday, 27 March 2012

The Committee met in the Long Room, Parliament House, Hobart, at 6.25 p.m.

Members Present:

Mr Booth (Chair)
Mr Gutwein
Mr Shelton
Mr Sturges
Mr Best

Minutes

The Minutes of the meeting held on 9 March 2012, were circulated read and confirmed as a true and accurate record. (Mr Gutwein)

Extension for Reporting to the House

Mr Shelton moved that the Committee seek the agreement of the House to amend its reporting date to Thursday 22 November next.

The Committee Divided.

AYES

Mr Booth
Mr Gutwein
Mr Shelton

NOES

Mr Sturges
Mr Best

The question was resolved in the affirmative.

At 6.30 p.m. the meeting was adjourned until a date to be fixed.

Wednesday, 2 May 2012

The Committee met in the Committee Room 2, Parliament House, Hobart, at 1.20 p.m.

Members Present:

Mr Booth (Chair)
Mr Shelton
Mr Sturges

Apology Mr Gutwein, Mr Best

Minutes

The Minutes of the meeting held on Tuesday 27 March 2012, were circulated read and confirmed as a true and accurate record. (Mr Shelton)

Witness Mr Bruce Houston, General Manager TOTE Tasmania, was called. The witness made the Statutory Declaration and was examined by the Committee in public.

Paper The witness tabled a paper entitled – TOTE Tasmania / TattsBet.
The witness withdrew.

At 2.40 p.m. the meeting was adjourned until a date to be fixed.

Thursday, 15 November 2012

The Committee met in the Committee Room 3, Parliament House, Hobart, at 1.45 p.m.

Members Present:

Mr Booth (Chair)
Mr Gutwein
Mr Shelton
Mr Sturges

Apology Mr Best

Minutes The Minutes of the meeting held on Wednesday 2 May 2012, were circulated read and confirmed as a true and accurate record. (Mr Shelton)

Future witnesses The Committee discussed the need to gather more evidence on how the of the sale of TOTE Tasmania has affected the Tasmanian racing industry.

Resolved; That the Committee advertise for submissions in late January 2013 with a view to holding hearings in early February 2013. (Mr Gutwein)

Extension for Reporting Resolved; That the Committee seek the agreement of the House to extend its reporting date to 29 August 2013. (Mr Gutwein)

At 2.00 p.m. the meeting was adjourned until a date to be fixed.

Thursday, 22 August 2012

The Committee met in the Long Room, Parliament House, Hobart, at 1.00 p.m.

Members Present:

Mr Booth (Chair)
Mr Rockliff
Mr Shelton

Apology Mr Sturges

New Member The Chair welcomed Mr *Rockliff* who replaces Mr *Gutwein* on the Committee the Chair thanked Mr *Gutwein* for his service.

Minutes The Minutes of the meeting held on Thursday 15 November 2012, were circulated read and confirmed as a true and accurate record. (Mr *Shelton*)

Extension for Reporting Resolved; That the Committee seek the agreement of the House to extend its reporting date to 21 November 2013. (Mr *Shelton*)

At 1.06 p.m. the meeting was adjourned until a date to be fixed.

Wednesday, 20 November 2013

The Committee met in the Long Room, Parliament House, Hobart, at 9.45 a.m.

Members Present:

Mr Booth (Chair)
Mr *Gutwein*
Mr *Shelton*
Mr *Best*

Apology Mr *Sturges*

Minutes The Minutes of the meeting held on Thursday 22 August 2013, were circulated read and confirmed as a true and accurate record. (Mr *Shelton*)

Draft Report The Committee considered the Chair's draft report.

Mr *Shelton* move the following amendment:

That paragraph 4.2 be deleted and that the following be inserted:

Amendment The Committee recognises the concerns of the racing industry in Tasmania - that it cannot be considered self-sustaining due to the sale of TOTE Tasmania and other changes in the industry - and that a new approach is required for the industry to grow.

Evidence Resolved; That the submissions as listed in appendix 3 of the draft report be taken into evidence. (Mr *Best*)

Resolved; That the documents as listed in appendix 4 of the draft report be taken into evidence. (Mr *Best*)

Committee's Report Resolved; That the draft report as amended be the report of the Committee. (Mr *Shelton*)

At 10.00 a.m. the meeting was adjourned *sine die*

APPENDIX 2 – WITNESSES

1. Mr Martin Wallace, Secretary, Department of Treasury
2. Mr Derek Ingis, Director, Property Projects, Department of Treasury
3. Mr Noel Salter, President, Tasmanian Pacing Club
4. Mr John Devereux, CEO, Tasmanian Pacing Club
5. Mr Steven Devereux, Treasurer, Tasmanian Pacing Club
6. Mr Phillip Young, President, Light Harness Tasmania
7. Mr Mike Jones, Secretary, Light Harness Tasmania
8. Mr Eric Jacobson, Executive Member, Light Harness Tasmania
9. Mr Terry Clarke, former CEO of TOTE Tasmania
10. Mr Ben Smith, Managing Director, Consumer, Retail, Gaming and Property, Investec Bank (Australia) Limited
11. Mr Michael Kent, Chair, TOTE Tasmania
12. Mr Craig Coleman, CEO, TOTE Tasmania
13. Mr Brian Speers, Chair, Tasracing
14. Mr Dean Cooper, Vice Chair, Tasracing
15. Mr Garry Lottering, CEO, Tasracing
16. Ms Denise Fysh, President, Hobart Grey Hound Racing Club
17. Mr Geoff Harper, President, Tasmanian Racing Club
18. Mr Merv Hill, Principal, Racing Admin Solutions
19. Mr Tom Lynch, CPSU, General Secretary
20. Mr Bruce Houston, General Manager, TOTE Tasmania

APPENDIX 3 – SUBMISSIONS RECEIVED

- | | | |
|----|-----------------------------|---|
| 1. | Mr Phillip Young, President | Light Harness – Tasmania
25 Edge Avenue, Lenah Valley 7008 |
| 2. | Mr Robert Biffin, CEO | Tasmanian Turf Club
The TOTE Racing Centre
P.O. Box 340
Mowbray Heights TAS 7248 |
| 3 | Mr John Devereux, CEO | Tasmanian Pacing Club
P.O. Box 71
New Town TAS 7018 |
| 4. | Mr Alwyn Shaw AM | Aceland Stud
776 Whitemore Road
Whitemore TAS 7303 |
| 5. | Mr Terry Clarke | Aware Strategy |

APPENDIX 4 – DOCUMENTS RECEIVED

1. Paper entitled: Background Briefing by Treasury – Tabled by Treasury Secretary Mr Martin Wallace
2. Papers Tabled by Mr Noel Slater, President, Tasmanian Pacing Club
 - a) Opening Statement to Select Committee Hearing
 - b) Letter dated 12 October 2011 from Mr John Devereux to Mr Chris Brookwell
 - c) Letter addressed to Chief Executive Tas Pacing Club - anonymous
 - d) Copy of presentation to the Committee
 - e) Letter dated 23 August 2011 from Mr Neil Readett to Mr John Devereux
3. Submission to the Select Committee on the Role and Future Viability of TOTE Tasmania – tabled by Mr Terry Clarke
4. Petition against the proposed sale of TOTE Tasmania
5. Letters tabled by Mr Tom Lynch, General Secretary, CPSU dated 22 December 2011 from the Premier and his reply dated 7 February 2012
6. Supplementary Submission – Mr John Devereux on behalf of the Racing Industry Group
7. Paper tabled by Mr Bruce Houston, General Manager TOTE Tasmania – TOTE Tasmania / Tattsbet
8. Tasracing Sustainability Paper No.1 – 28 November 2012
9. Letter dated 22 February addressed to Mr Kim Booth MP from Mr John Devereux on behalf of the Tasmanian Pacing Club
10. Letter dated 18 July 2013 addressed to Mr Kim Booth MP from Friends of the Tasmanian Racing Industry
11. Letter dated 31 July addressed to Mr Kim Booth MP from Friends of the Tasmanian Racing Industry (attached letter to Ms Jennifer Austin, Secretary, Public Accounts Committee)
12. Letter to Committee from Mr Mike Jones, Secretary, Friends of Tasmanian Racing – dated 2 October 2013