

Drive our Economy Forward

Tasmanian
Liberals



Reinvigorating our Racing Industry

A Hodgman Liberal Government will...

Reinvigorate the racing industry which is in crisis after years of Labor neglect, mismanagement and betrayal.

The Racing Industry injects about \$90 million into the Tasmanian economy annually.

It is Tasmania's fourth largest industry employer, employing about 3000 Tasmanians. Importantly, about half of these jobs are in rural and regional areas.

Tasmania has a proud Racing Industry with incredible potential for future growth. Tasmania's ideal suitability as a breeding, training and racing location has until now been a fairly well kept secret. There will be, over coming years, significant opportunities to promote Tasmania as a Racing Industry paradise and lure new players, investment and jobs, from interstate to here.

But after years of Labor mismanagement betrayal and neglect, Tasmania's racing industry is under significant stress.

The Tasmanian Liberals understand the importance of racing to the State. We understand that the grassroots level of racing is the heart and soul of the industry, as well as many rural and regional communities.

We also understand that the racing industry has huge potential to grow in Tasmania and increase its contribution to the community.

A Hodgman Liberal Government will implement a range of policies to reinvigorate Tasmanian racing, to put it back in control of its own destiny, and to ensure it can achieve its huge potential for the future. Central to this is self-funding the racing industry through TOTE Tasmania, not providing it with an annual hand-out from the consolidated fund.

A Hodgman Liberal Government will deliver real change for the racing industry.

A Hodgman Liberal Government will NOT sell TOTE Tasmania

TOTE Tasmania was established in 1999, pioneering in Australia the unique combination of providing wagering services and financial support for the racing industry.

Thanks to this arrangement, Tasmania's racing industry had control of its destiny and incentives to grow. TOTE's success was reflected in increased funding for the racing industry.

Leadership and vision for the future

Authorised by Will Hodgman MP, Parliament House, Hobart TAS 7000

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Structural changes in 2008 resulted in the creation of Tasracing to run the administration and governance of the racing industry, so that TOTE could concentrate on its highly successful wagering business.

Despite concerns from the industry that the restructure was designed to pave the way for TOTE to be sold, the Labor Government provided repeated guarantees that it was not on the market.

The government callously betrayed the industry in January 2009 when it announced that TOTE was for sale. A new funding stream that would see funding for racing come out of the consolidated fund – and compete with vital services such as health and education – was negotiated.

The Tasmanian Liberals opposed the sale and were not surprised when the government failed to find a buyer.

Given that the Labor Government has previously looked the racing industry in the eye and promised TOTE was not for sale – only to put it on the market a few weeks later – Tasmanians cannot trust the Labor Party not to again seek to plug a budget black hole by selling off this asset.

The Liberals provide the unequivocal commitment that a Hodgman Liberal Government will not privatise the TOTE. We believe the TOTE should be allowed to do what it had been doing so successfully for many years – developing the Tasmanian racing industry, and where appropriate, delivering a return to government.

A Hodgman Liberal Government will return TOTE Tasmania to the racing industry.

Under a Hodgman Liberal Government TOTE will provide funds directly to Tasracing for use by racing industry. TOTE will be given back to the industry to ensure that the racing industry can once again be the masters of their own destiny.

We will tear up the racing deed and will allow TOTE profits to be used to fund the industry. The adequacy of this arrangement will be reviewed on a three yearly basis.

The government will ensure funding to the industry via TOTE is underpinned at a minimum of the \$27 million deed currently in place and in addition the \$5 million product fee guarantee the industry currently receives.

We will not require a dividend from TOTE for the next three years, and will if necessary top up funding to the minimum requirement of \$32 million index per annum. It is our view that the returns from TOTE will overtime be more than sufficient to meet the needs of the industry.

In three years time under our plan two-thirds of TOTE profits over the minimum funding amount will be retained by the racing industry with one-third to be paid as a community dividend to the consolidated fund.

Writing in the 2008/09 annual report, when TOTE Tasmania recorded an after tax profit of \$6.5 million and distributed a record \$30.8 million to the Tasmanian Racing Industry, TOTE Tasmania chairman Michael Kent noted that the organization has *“extremely sound future growth potential.”*



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TOTE Tasmania Chief Executive, Craig Coleman, also said: *“There is no question we have enjoyed spectacular growth. And there is the potential for this to improve further beyond the financial year covered in this report. For example, there are substantial growth opportunities in Asia for TOTE Tasmania and other wagering businesses.”*

A Hodgman Liberal Government will return to a self-funded racing industry with the incentive to grow under a strong performing TOTE Tasmania, while under Labor racing will continue to compete under the Consolidated Fund with other budget pressures, such as health and education.

Support for capital infrastructure

The Tasmanian Liberals believe that the most important racing infrastructure is race tracks, training tracks and allied facilities.

This infrastructure is in an inappropriate state thanks to Labor neglect and mismanagement, for example spending most of a \$27 million Elwick upgrade on the grandstand, not the track.

We acknowledge that the Tasman Park course at Mowbray has been upgraded to a first class facility. But there are significant track infrastructure needs at Spreyton and Elwick, amongst others.

The racing industry was promised \$40 million for much needed capital infrastructure if TOTE was sold.

In light of the failed sale process, the Government has committed to provide a loan to Tasracing from Tascorp, and to cover the debt servicing costs associated with the loan until Tasracing can do so from its own revenue stream.

While the Tasmanian Liberals feel a different approach could have been possible, above all we believe the racing industry should have stability and certainty and we will honour this commitment made by the Government.

We will assist Tasracing until such time as Tasracing’s strategy of growing its interstate and international racing product fee revenue - and growth funding from TOTE - is sufficient to enable it to contribute towards these costs. The Consolidated Fund will meet interest on the loan until it can be supported from payments directly from TOTE. Our plan means racing will have the capacity to pay off the debt in the future, rather than be saddled with a perpetual debt.

Under a Hodgman Liberal Government Tasracing can commence a capital works program and upgrade and improve key racing infrastructure around Tasmania.

The Tasmanian Racing Board would decide the priority areas for investment through its five year capital expenditure program. A Hodgman Liberal Government supports the upgrade of the Spreyton Park racecourse as a matter of urgency. We recognise the need to upgrade the Elwick track, as well as the Brighton Training Centre.



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There is also potential to develop a harness training venue at Carrick and capital requirements are needed at all three greyhound venues with particular focus on the construction of a distance start at Tattersalls Park.

Stakes

The Tasmanian Liberals recognise that race stakes are the key driver of the racing industry and under a Hodgman Liberal Government all three codes of the racing industry will benefit from the growth in TOTE Tasmania. We will also review the Tasmanian Racing Board, to ensure greater stakeholder input and consultation with the industry, on important issues such as stakes.

Thoroughbred

While we recognise that it is a matter for the clubs and the Tasmanian Racing Board to decide, the Tasmanian Liberals believe that Tasmanian racing will benefit from redistribution in stakes across all thoroughbred races.

The effect of such large prize money for the Hobart and Launceston Cups has only been to ensure that the races increasingly attract interstate raiders, and the money leaves our shores to the detriment of other race meetings throughout the year and lack of funds flowing through the Tasmanian industry.

A Hodgman Liberal Government would like to see the stakes for the Hobart and Launceston Cups reduced to a realistic level that will still attract competitive fields but the money saved be redistributed for the benefit of local racing participants. We will hold discussions with the Tasmanian Racing Board to this effect. We will also review the Tasmanian Racing Board, to ensure greater stakeholder input and consultation with the industry, on important issues such as stakes.

Careers in the equine industry

The Tasmanian racing industry is suffering a huge shortage of appropriately skilled workers, and particularly young workers and apprentices who are the future of the industry.

As it currently stands, the industry relies on jockeys from Victoria for Tasmanian race days to proceed – such is the reliance on interstate jockeys that it would take only delays or fog to prevent a race meeting from going ahead. There are now only a handful of registered Tasmanian jockeys, when a few years ago it was unusual if one or two Victorian jockeys were present for a race meeting.

It is a similar story for stable hands, farriers, harness drivers and other workers that are so crucial to the industry's livelihood.

There are good career prospects, especially in regional areas, for young Tasmanians in the racing industry and a Hodgman Liberal Government will ensure that racing is promoted as a career to young Tasmanians.



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There are numerous successful equine industry training courses that operate in other states – the Equine Studies on offer at the TAFE NSW Hunter Institute are an excellent example.

We will work with the racing industry and Skills Tasmania to develop equine study opportunities in Tasmania, from Certificate II to Diploma level.

There is a great opportunity to give young Tasmanians skills and career paths in a strong regional industry and help safeguard the future of the industry.

The cost of this initiative will be met from within existing resources, and a \$500,000 allocation over two years from 2011-12, when the first new equine training opportunities in Tasmania will be opened to students.

Greater consultation with industry and review of the Tasmanian Racing 2008 Reforms

Tasracing was formed as a result of reforms to the racing industry in 2008.

It took over the powers and functions of TOTE Tasmania in relation to administration and governance and abolished the three former industry councils.

While there is general acceptance that these reforms were required, there is growing concern in the industry about a lack of process and a lack of an appropriate feedback and consultation mechanism for participants in the industry itself.

The current malaise in the racing industry is a direct result of government being out of touch with its participants – the very heart and soul of this proud Tasmanian industry.

The Labor Government rejected Liberal moves to ensure that there was a review of the new structure within 2 years to ensure it was operating in the best interests of the racing industry.

If elected, a Hodgman Liberal Government will ensure that a full independent review of the Tasmanian Racing Structure within twelve months. The review's terms of reference will include ensuring that Tasracing is operating according to best practice when it comes to cost structures and accountability to the industry it is designed to serve. In addition, it will ensure Tasracing has the appropriate plans in place to provide growth and therefore a prosperous future for the state's racing industry. It will also look at ensuring that maximum stakeholder input is applied to its operations, and mechanisms for ensuring greater consultation with industry participants.

We are fundamentally committed to ensuring there is a greater connection and better consultation between government, Tasracing and the grassroots industry level which has according to participants in the industry been lacking, to the detriment of the industry.



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Sky Channel

The Tasmanian Racing industry needs a government that will stand up for it when it comes to the crucial role that Sky Channel plays in its survival.

For example, there are grave concerns that Sky Channel wants to remove Tasmanian thoroughbred racing from Sundays in favour of a perceived more marketable product. If Tasmanian thoroughbred racing was to move to a Monday or Tuesday, many industry players believe this could sound the death knell for the industry.

We commit that if elected, the Premier and relevant Ministers would meet with Sky Channel executives to present a strong case for continued coverage of Sunday meetings and to ensure there is a strong working relationship and that the needs of both Sky Channel and the all three codes of the racing industry can be met.

Why this policy is needed

The Tasmanian racing industry is currently under significant stress after years of Labor neglect, mismanagement and betrayal.

Grassroots industry players – the heart and soul of the industry – are hurting and they're worried for the future of the industry, and a dearth of participants from the next generation coming through.

The botched TOTE sale particularly destabilized the industry and has caused significant repercussions for the industry through the changed funding arrangements that have been implemented that deprive the industry of incentive to grow and now have it competing for funding against health and education.

Meanwhile, a \$40 million capital injection promised by Labor has mutated into a loan that Labor has given that racing industry no capacity to pay back.

The industry cannot trust Labor assurances not to sell TOTE into the future, because it has been so badly burned in the past.

The potential loss of Sky Channel coverage of Sunday race meetings - needs to be tackled head on by a government that will stand up and fight for the Tasmanian racing industry's needs.

Racing infrastructure is a mess. While the TOTE Racing Centre at Mowbray has been fixed, the Elwick and Spreyton courses are in an inadequate state thanks to years of Labor neglect and mismanagement. Under Labor, more than \$27 million was spent redeveloping Elwick, and most of it went to the grandstand, not the track.

The Brighton training centre is far from the first class venue the industry was promised.



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The distribution of stakes money is another area of concern. The Tasmanian Liberals don't believe that Tasmanian racing can afford a \$400,000 Hobart Cup and \$300,000 Launceston Cup that now invariably ends up lining the pockets of interstate racing participants.

Reducing the stakes money and redistributing it to the benefit of local racing participants would not detract from the quality of these big ticket races, but it could make a real difference to the sustainability of Tasmanian racing at grassroots level.

After 12 years of Labor...

Labor has turned its back on the Tasmanian racing industry and it is now experiencing significant stress.

The industry needs the real change a Hodgman Liberal Government will deliver to put it on a strong growth path for the future and to achieve its extremely bright potential.

Costings

	2009/10 \$'000s	2010/11 \$'000s	2011/12 \$'000s	2012/13 \$'000s
Courses for careers in the equine industry	0	0	250	250

* Does not include costings for capital infrastructure loan repayment as this is already included in the forward estimates.



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