

13 December 2024

Email: governmentbusiness@treasury.tas.gov.au

To Whom It May Concern

Submission to Government Business Governance Reform

Tasracing welcomes this review of governance arrangements around State Owned businesses and appreciate the opportunity to contribute to the discussion.

Tasracing is the Principal Racing Authority for Tasmania and provides the strategic direction and funding for the three codes of racing in the state – thoroughbred, harness and greyhound. We are responsible for the development of racing, breeding and welfare, the funding of clubs as well as providing stakes, negotiating media rights, and managing and investing in racing and training venues.

We are a State-Owned company that operates under specific legislative guidance from Corporations Law, the *Racing (Tasracing Pty Ltd) Act 2009*, the *Racing Regulation Act 2004*, the *Racing (Miscellaneous) Regulations 2015*, the *Racing (Race Fields) Regulations 2019* as well as the Treasurers instructions.

Tasracing is committed to the highest standards of governance. We take compliance and governance matters extremely seriously and are proud of our record in these matters. Tasracing welcomes being involved in the proposed reform and the opportunity to contribute to Team Tasmania.

Tasracing maintains a continuous reporting attitude to communication with stakeholder ministers for any issues or developments that may be of interest. Structured meetings occur monthly with the CEO and Chair. Tasracing also maintains quarterly reporting and follow up meetings with Treasury on performance matters.

In relation to the specific reform items, Tasracing makes the following comments:

Accountability for Placing Tasmania First

Tasracing welcomes a review of Ministerial Charters and Statement of Expectations. These form a critical part of the strategic consideration of the company. Having clear and unequivocal objectives from shareholders ensures management is operating in the best interests of all stakeholders.

Tasracing notes the possibility for conflict of obligation between a Director being expected to act in the interests of Team Tasmania where such expectation may be at odds with the best interests of the GBE/SOC to which the Director holds a fiduciary responsibility under the Corps Act 2001. Any reform would need to consider and clarify this matter.

Tasracing undertakes a number of activities that are clearly non-commercial but highly supportive of the industry and/or the broader Tasmanian community. We would welcome the opportunity to clarify and document requirements and expectations on these matters.

Improving Governance

Tasracing is fully sportive of Directors and Chairs being limited to two terms so long as the exceptional circumstances clause remains. We have been compliant with this requirement for some time.

Tasracing does not see any circumstances where the Board would be any less than 50% Tasmanian based Directors and as such fully support the 50% Tasmanian minimum

Expanding Performance Monitoring

Tasracing undertakes regular independent board performance review and would support an appropriate framework for this to include reporting directly to Shareholding Ministers.

Government businesses already have extensive reporting requirements. These requirements take significant time and resources to prepare. Tasracing would welcome a review of these requirements to improve their effectiveness however we would not like to see a significant increase in total reporting due to the effort and resources that would be needed.

Legislating for Shareholder Ministers to require Govt business to request performance reviews by the AG – Tasracing is not supportive of this reform being at the expense of the business given it is the Shareholders requesting the review. Further such expenses, particularly for a smaller business, can be significant

Levers to manage and/or rectify poor performance

Tasracing supports the development of appropriate mechanisms to ensure the early identification and effective intervention of poor performance.

We have concerns that some measures may open up the possibility of unreasonable ministerial intervention particularly around potential threats to dissolve the Board and appoint an administrator. We urge that any reforms should clearly articulate



what circumstances would warrant such drastic and de-stabilising action by Shareholders.

In closing, Tasracing welcomes this review as a means to strengthen Governance arrangements and clarify the objectives and requirements placed on Tasracing by the Shareholders. We also welcome the opportunity to improve the efficiency and effectiveness of current procedures.

Yours sincerely

A handwritten signature in black ink, appearing to read "Gene Phair".

Gene Phair
Chair

A handwritten signature in black ink, appearing to read "Andrew J Jenkins".

Andrew Jenkins
CEO