

# Herald Sun

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## Tatts' \$100m men

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THE wealthy bosses of Tattersall's want \$100 million for the "pain and trouble" of running the secretive company part-time.

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Court documents seen by the Herald Sun list stress and anxiety suffered by the four highly influential Tattersall's trustees, who each earn more than \$1 million a year plus director's fees, superannuation and two free cars.

David Jones, Raymond Hornsby, William Adams and Peter Kerr are seeking a 5 per cent cut of the expected \$2 billion float of Australia's largest private company, which turned a handsome \$70.7 million profit last year.

The 115-page affidavit, lodged with the Supreme Court by Mr Jones, tries to justify the trustees' claim of \$25 million each from the share float, expected next year.

The trustees said they:

PROTECTED the identity of 2630 secret beneficiaries, some of whom abused them.

USED charitable donations to gain favour with the public, politicians and business partners.

ENDURED intense public and media scrutiny.

USED their political connections to influence government policy.

The four men claim that, having overseen the growth of Tattersall's from a successful lottery company to a hugely profitable poker machine giant, they deserve a \$100 million slice of the expected sharemarket bonanza.

They have offered the court a blow-by-blow account of their work with Tattersall's, including numerous moments of stress and anxiety. They say they have endured "significant pain and trouble".

A dispute with the Victorian Gaming Commission in 1992 "caused considerable anxiety to the current trustees over the five or six-week period".

Another episode involving a failed real estate deal in 1994 is offered as evidence of the pressure placed on the men.

"The falling through of the sale caused considerable stress and anxiety to the current trustees."

Other duties included entertaining a politician from Britain, where Tattersall's tried to break into the lottery market.

The affidavit contains a letter from the MP "thanking Kerr for entertaining him at Kerr's family farm and showing him around the Melbourne Cricket Ground".

Elsewhere, the affidavit said trustees had visited "most" Tatts pokies venues in Victoria

and "made both daytime and night-time tours of venues".

Public and media scrutiny of the Tatts empire has apparently taken its toll on the four directors, two of whom -- William Adams and Peter Kerr -- have not been quoted in a major Melbourne newspaper for at least 10 years.

"As the public face of the business . . . the trustees are subject to intense public and media scrutiny," the document stated.

The current trustees . . . are personally identified with a controversial business and have on occasions suffered personal attacks in relation to Tattersall's participation in the gaming industry." Referring to a TV interview last year, Mr Jones said: "Hornsby and I were questioned in detail and at length for about half a day and the process was a stressful one."

Newspaper coverage of the Tattersall's secret society and poker machine empire has been taken personally by the trustees.

"Being the public face of Tattersall's, the current trustees incur anxiety when such criticism is made," the document said.

The document repeatedly refers to the political connections of the trustees, who have lobbied the State Government on gaming issues for the past 14 years.

"The political networks and reputation of the current trustees were crucial to the Victorian State Government's agreement to the corporatisation proposal," the document read.

Among several victories in dealing with the Government, the trustees claimed their "around the clock" negotiations saved the estate from paying a potentially expensive poker machine licence.

Despite the huge profits made by the private company since winning a pokies licence, some beneficiaries are still not satisfied with the trustees' performance and often offer written advice.

"These requests and concerns have, on occasion, been accompanied by personal insults," Mr Jones said. "On occasions, the current trustees have also incurred considerable anxiety in dealing with certain beneficiaries of the estate."

Tattersall's made a \$70.7 million profit last year, with the vast bulk of income coming from its 13,750 poker machines licences. It has a pokies permit until 2012.

The gambling empire will be floated on the share market next year after operating for the past 100 years as a secret society.

More than 2500 Tatts beneficiaries have reaped hundreds of millions of dollars as descendants of company founder George Adams, who died in 1904.

Supreme Court Justice Philip Mandie will decide in coming months what percentage of the Tattersall's fortune should be given to the trustees.

They are lawfully entitled to 5 per cent of a trust's value after it is wound up. But some beneficiaries have previously said they would oppose such a large sum.

Mr Jones did not return the Herald Sun's calls yesterday, while a spokesman for Tattersall's said it would not comment on the affidavit.