

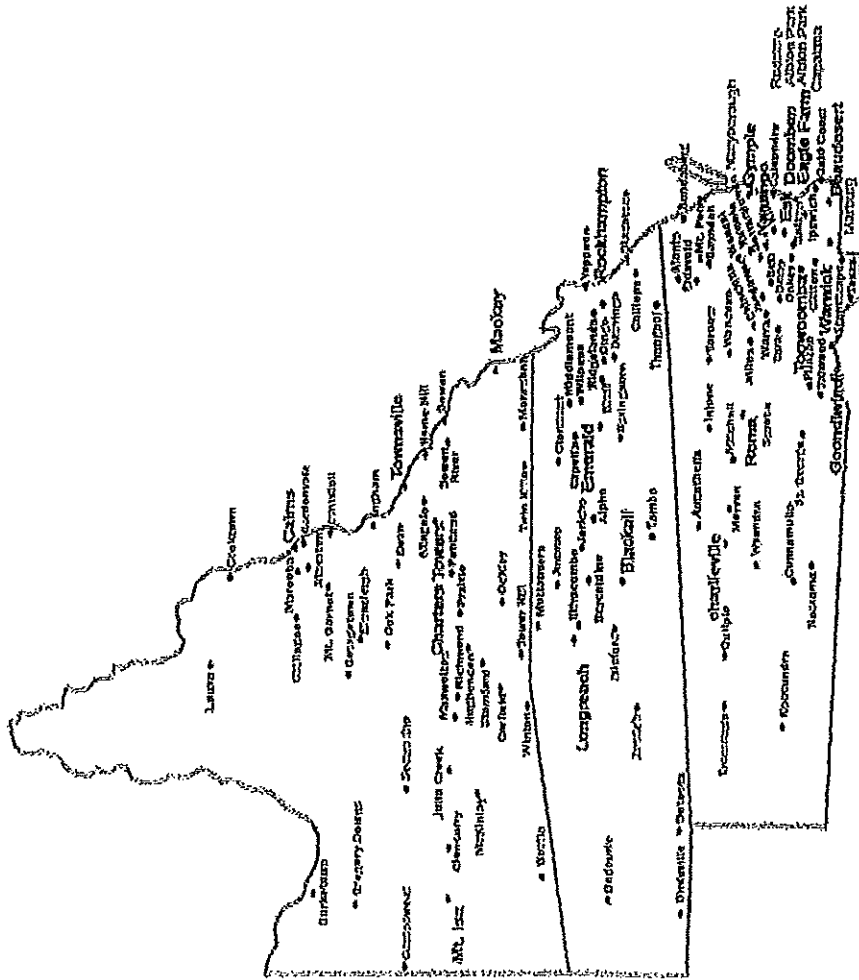
RACING QUEENSLAND LIMITED
PRESENTATION TO TREASURY

AB13A

Strategic Asset Plan
For Queensland All Codes

10 September 2010

DISTRIBUTION OF RACE TRACKS





The asset plan is predicated on the multi use of venues operating at the greatest possible capacity with modest facilities

RATIONALISATION OF THE NUMBER OF VENUES

- DEAGON Multi use Harness & Greyhounds 2 Code Primary Venue and full training for both codes
- IPSWICH Multi use 3 Code racing facility. (Training for Greyhound & Harness only)
- CAIRNS Multi use Greyhounds & Thoroughbreds, including training
- TOWNSVILLE Multi use Greyhounds & Thoroughbreds, including training
- ROCKHAMPTON Multi use Greyhounds & Thoroughbreds, including training
- BEAUDESERT Thoroughbred Racing & training and conversion to TAB status

THE ABOVE RATIONALISATION

- Compensates for the loss of Parklands Greyhounds
- Compensates harness and greyhounds for the loss of Parklands Harness – tax redirection for 6 years compensates for any perceived loss to the racing industry of Parklands
- Gives both harness and greyhound codes a Parklands style venue with back to back grandstands and racing on trackside in the metro area
- Vacates the Ipswich Show Grounds for proposed hospital use
- Redcliffe ceases as TAB harness racing venue and reduced reliance by the industry.
- Sale of Albion Park to contribute to the asset plan funding
- Returns the Logan land to Government for other allocation
- Allows Queensland industry to maintain its position in Australian Racing as part of the Big 3

PROPOSED CONSULTANTS

Project Manager	RQL will employ on a full time basis a experienced Project Manager to manage projects. Expected engagement 1 st October, 2010
Civil Engineer	RQL will contract a Civil Engineer to oversee all projects in the field
Media	Sequel Communications <i>Please note media strategy is in draft form</i>
Other Consultants	Professionals will be hired when required

FINANCIAL MANAGEMENT

- Tax direction paid directly into a special purpose account on a monthly basis.
- Compensation funds from Logan Greyhounds paid to the special purpose account on 1st November, 2010.
- Albion Park negotiated commercial bank loan funds will have a draw down facility to the special purpose account providing the Government's agreement to underwrite the value of Albion Park. It will be required to be finalised by the 1st November, 2010 with commercial facility to allow the start of the Gold Coast development for completion January, 2012.
- Financial Management – RQL will appoint a sub-committee to review all invoices prior to payment against each infrastructure project.
- RQL provides project plans for each project.
- Government approves expenditure total per project as per plan.
- RQL pays all project costs as per government approved expenditure guidelines.
- RQL will provide 6 monthly reports for treasury audit.

FUNDING FLOW

- State Government to underwrite \$100m loan facility
Commercially underwritten by Government to an approved lender on the sale price of Albion Park (\$100m) to commence operations and begin to deliver projects by second half of 2011. Valuation of Albion Park included in report.
- Tax redirection:

» Year 1	2010/11	50%
» Year 2	2011/12	50%
» Year 3	2012/13	50%
» Year 4	2013/14	50%
» Year 5	2014/15	50%
» Year 6	2015/16	50%
- Redirection of \$10m Logan project compensation from Parklands cessation of racing.
- The State Government to agree to redirect \$10m allocated to Logan Greyhounds to be used in overall asset development plan.
- Stamp duty relief on any assets transfers from clubs and RQL to the joint partnership company to facilitate the partnership agreement with clubs. Prior to commencement of the strategic asset plan development a duty free transaction of assets will need to be facilitated to the new partnership company, from the club.



FINANCIAL TIME LINES

ACTION	EXPECTED COMPLETION DATE
Submission of Albion Park valuation to the Treasurer	COB 10 th September, 2010
Submission of Cash Flow analysis and concept drawings of projects	COB 10 th September, 2010
Decision of Treasurer on <u>underwriting</u> Albion Park land and approval of the asset plan	ASAP by 30 th September, 2010
Confirmation of extended tax direction 2010	ASAP by 30 th September, 2010
Negotiation of Commercial Loan on Albion Park covenants with financier	During October, 2010

POTENTIAL PROJECT TIMELINES

Beaudesert	November 2010 to July 2011
Cairns	December 2010 to April 2011
Gold Coast	January 2011 to November 2012
Rockhampton	January 2011 to June 2012
Townsville	April 2011 to November 2011
Deagon Greyhound & Harness Primary Venue & associated works	May 2011 to May 2012
Ipswich	June 2011 to May 2012
Mackay	July 2011 to May 2012

Gold Coast development is urgent due to workplace safety concerns and a completion for the 2012 Magic Millions Carnival.

Deagon development is critical for the ongoing viability of metropolitan harness and greyhound racing and the requirement to provide disabled access to facilities (currently 3 outstanding complaints).

CURRENT GREYHOUND / HARNESS LOCATION

	AREA	GREYHOUNDS	HARNESS
GOLD COAST	Oxenford to NSW Border	76	147
WEST	Canungra to Ipswich	1504	849
SOUTH	Oxenford to Brisbane	695	296
NORTH	Brisbane to Gympie	496	384
	TOTAL	2771	1676

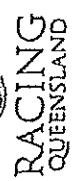
This slide is provided to show that the greyhound and harness population is best managed from Deagon and Ipswich and is critical when explaining the non replacement of Parklands.



PROJECTS FUNDED FROM PROPOSED SALE OF ALBION PARK

\$57.69m

- DEAGON DEVELOPMENT (Greyhound & Thoroughbred)
 - Primary venue for the Greyhound & Harness codes racing
 - Administration facilities for the Harness & Greyhound Clubs
 - Multi use facility operating minimum 5 days
 - Training & trial infrastructure for Harness & Greyhounds
 - Oncourse stabling for harness horses to alleviate loss of Parklands
 - Training centre for industry apprentices – all codes
 - Rehabilitation facility for jockeys
 - Relocated Science Centre for drug testing all codes
 - Continuing Head Office for all codes Racing Queensland
 - Maintain approx 60% green space on completion of these works



DEAGON - CURRENT

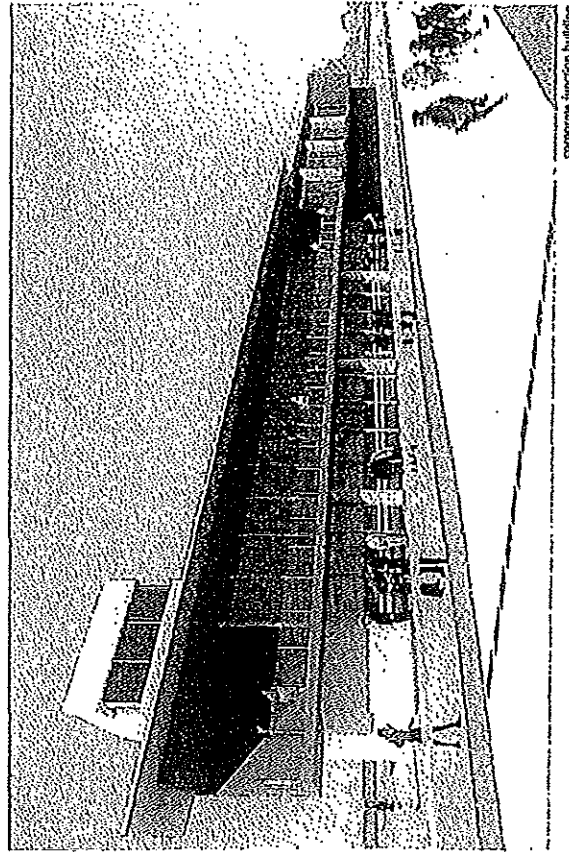
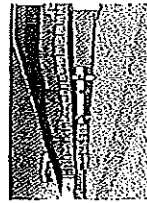




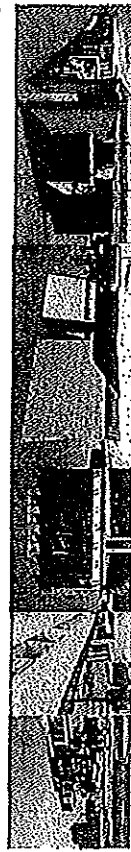
DEAGON – PROPOSED DEVELOPMENT (ARTISTS IMPRESSION)

Racing Queensland

function building concept



corporate function building



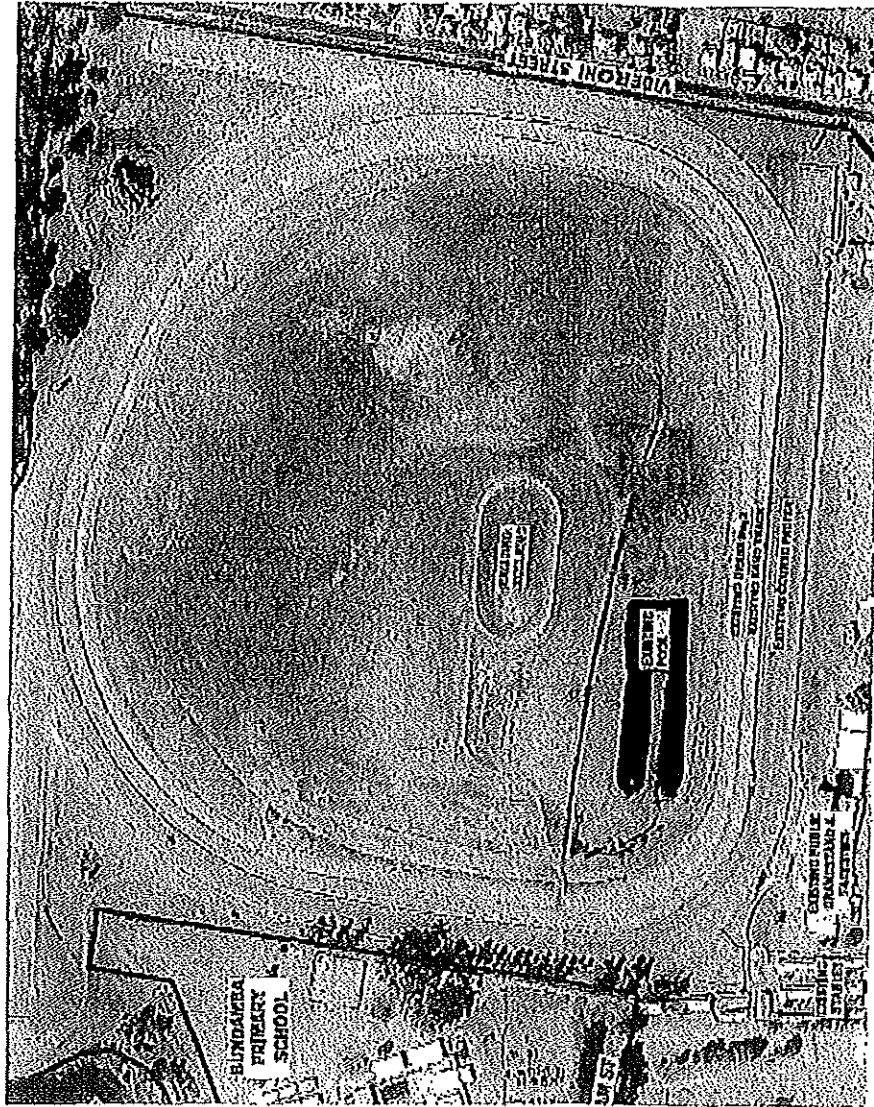
concept images



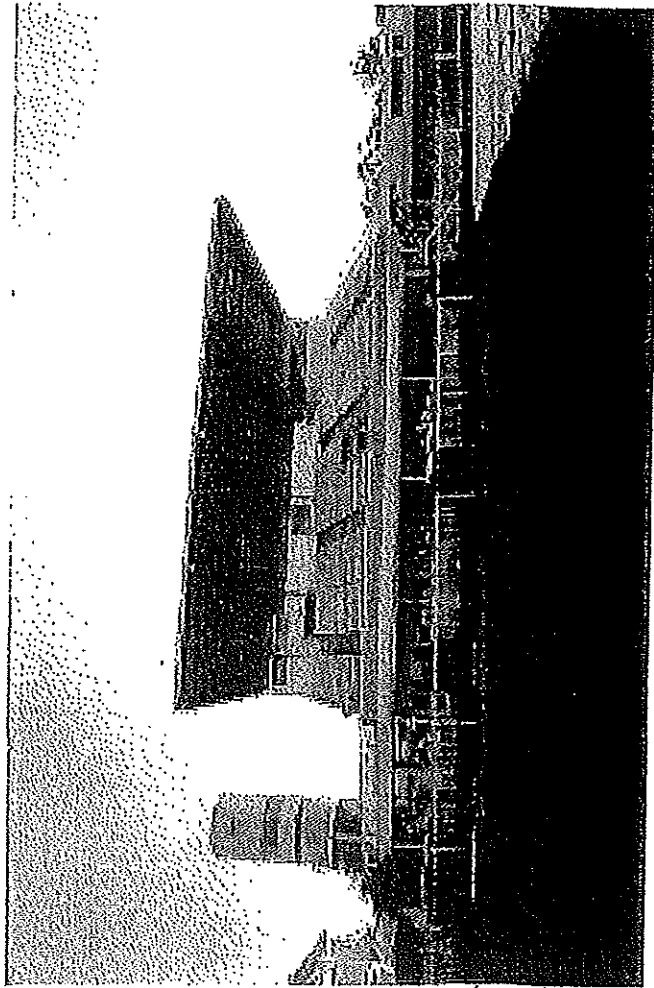
\$28.6m

- IPSWICH DEVELOPMENT (Thoroughbred, Greyhound & Harness)
 - Provincial Greyhound track with lights
 - Provincial Harness track with lights
 - Training track Greyhounds
 - Training track Harness
 - Tunnels for off road parking
 - Conference centre (400 capacity) and Harness & Greyhound race day
 - Approx 5.24 hectares grassed and contoured green space for community fields
 - Continuing use as a Thoroughbred race course

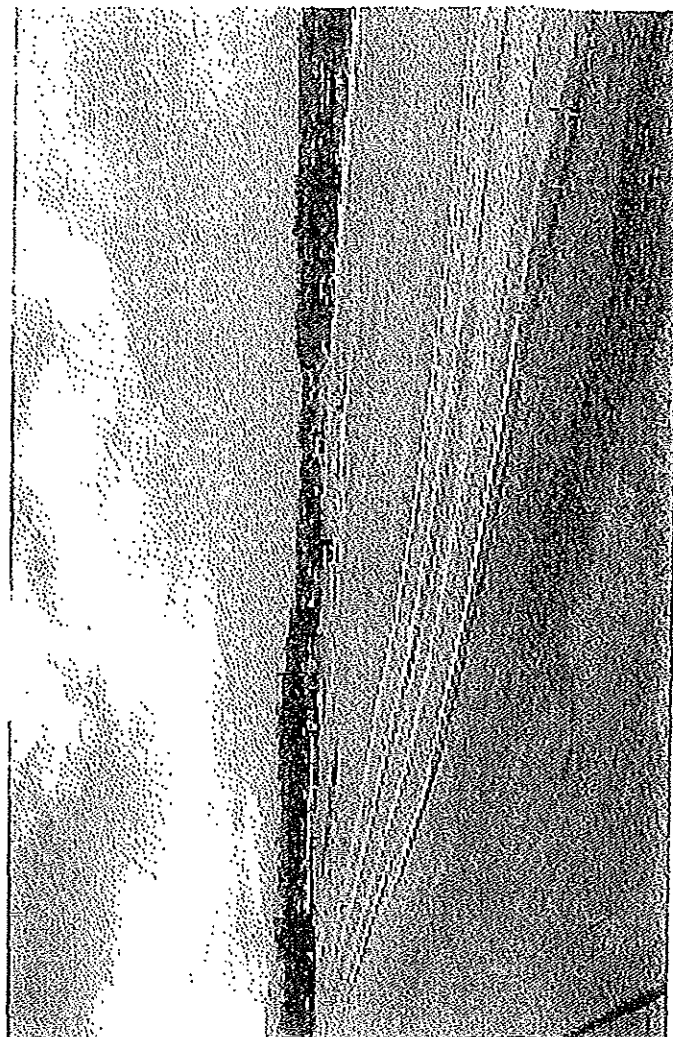
IPSWICH – CURRENT



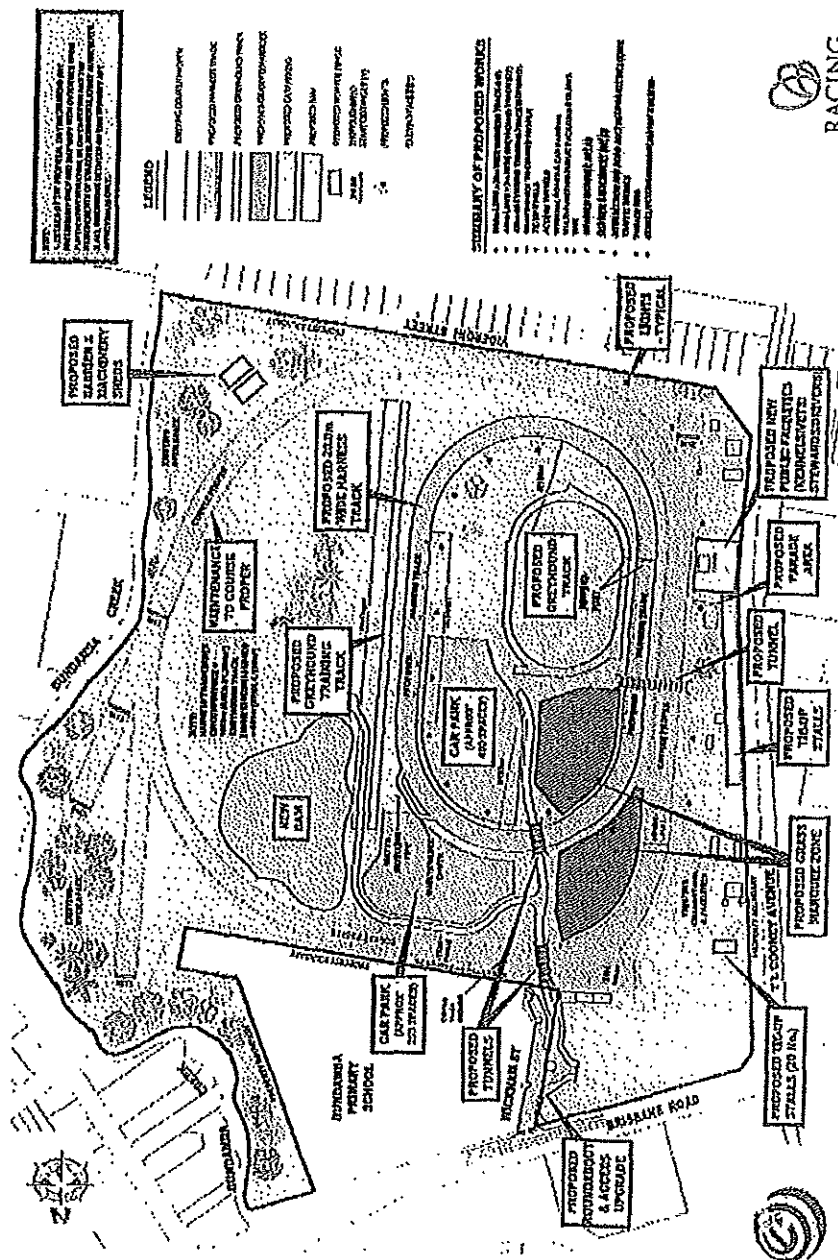
IPSWICH – CURRENT



IPSWICH – CURRENT



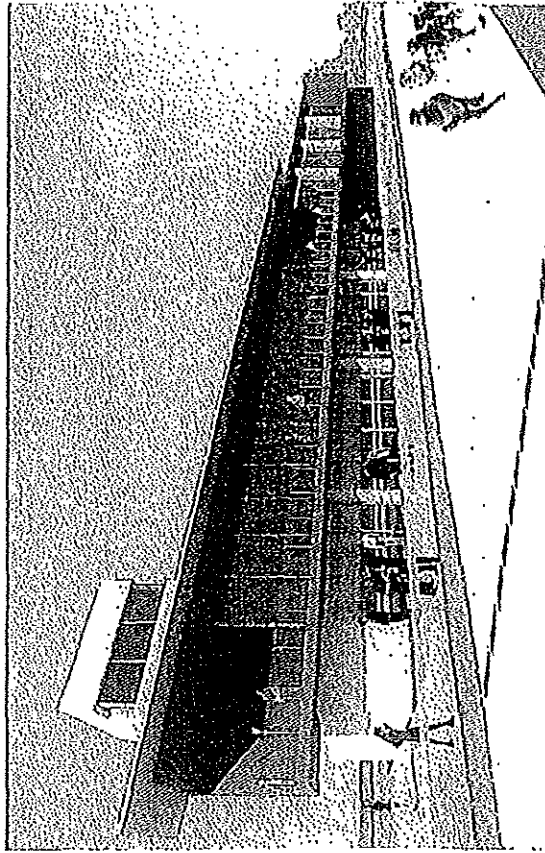
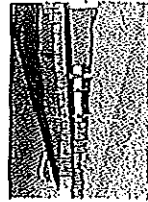
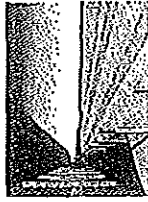
IPSWICH – PROPOSED DEVELOPMENT



IPSWICH – PROPOSED DEVELOPMENT (ARTISTS IMPRESSION)

Racing Queensland

function building concept



concept images

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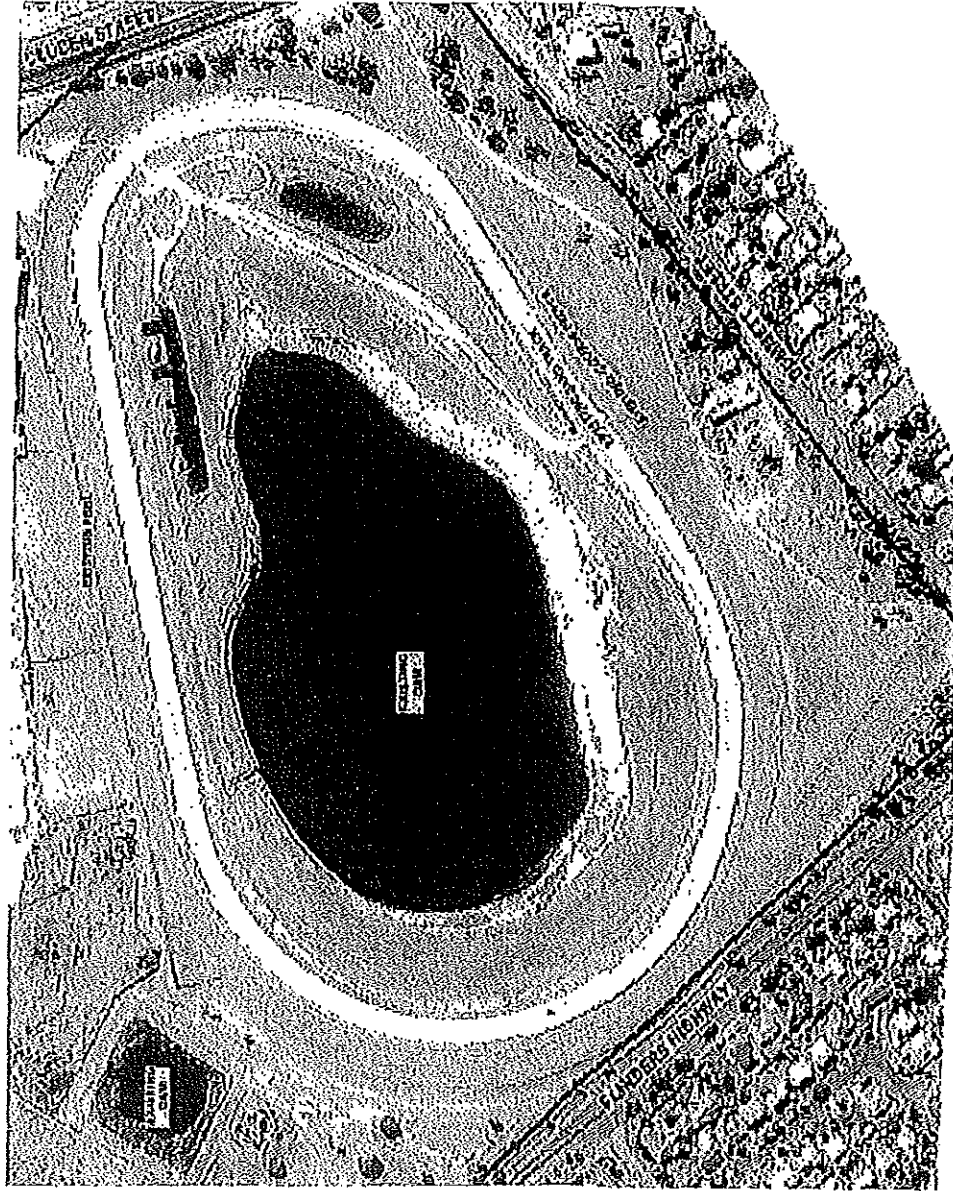
\$14.5m

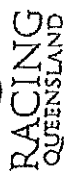
- TOWNSVILLE (Thoroughbred & Greyhound)
 - Transfer of Greyhound track and facilities to Cluden Park for multi purpose venue.
 - Renovation of the course proper, irrigation and drainage.
 - 100 stables and associated infrastructure, new swab stall.
 - Townsville Turf Club Machinery

TOTAL PROJECTS FUNDED BY ALBION PARK **\$100.79m**

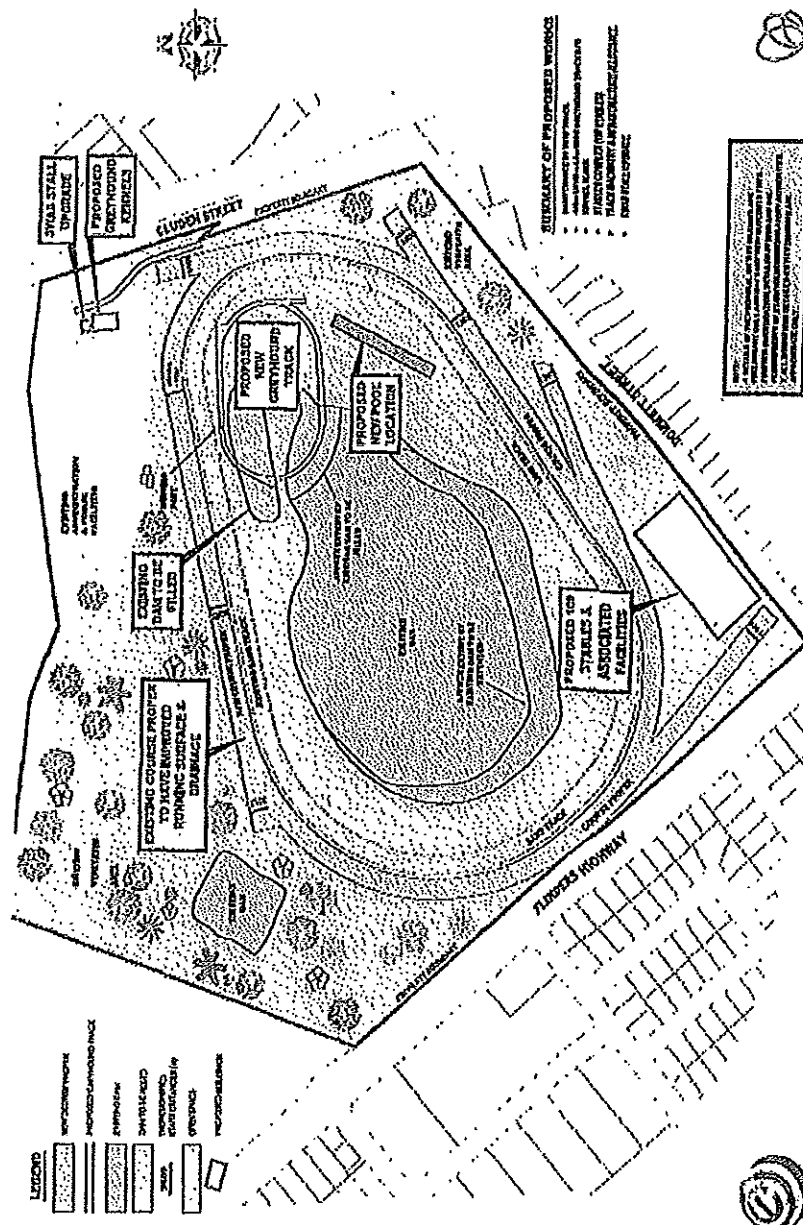
Interest component will be accounted for in the combined cash flow

TOWNSVILLE – CURRENT

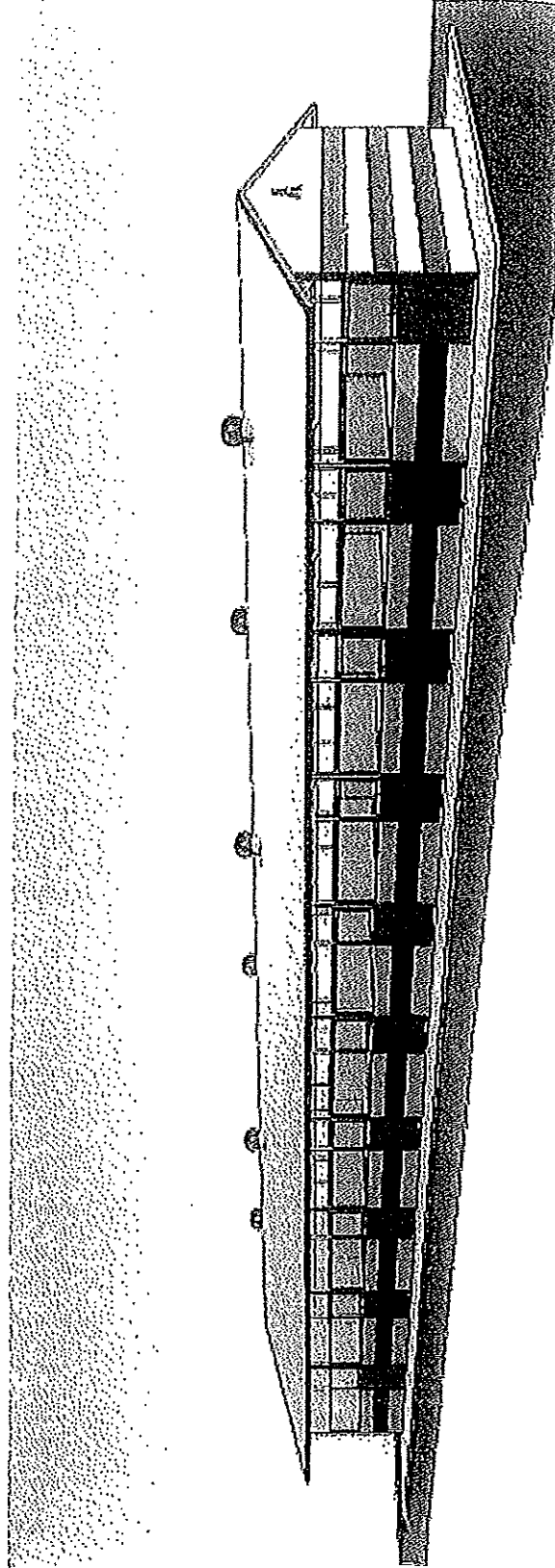




TOWNSVILLE – PROPOSED DEVELOPMENT



TOWNSVILLE – PROPOSED STABLE DEVELOPMENT



20 Module Stable Building

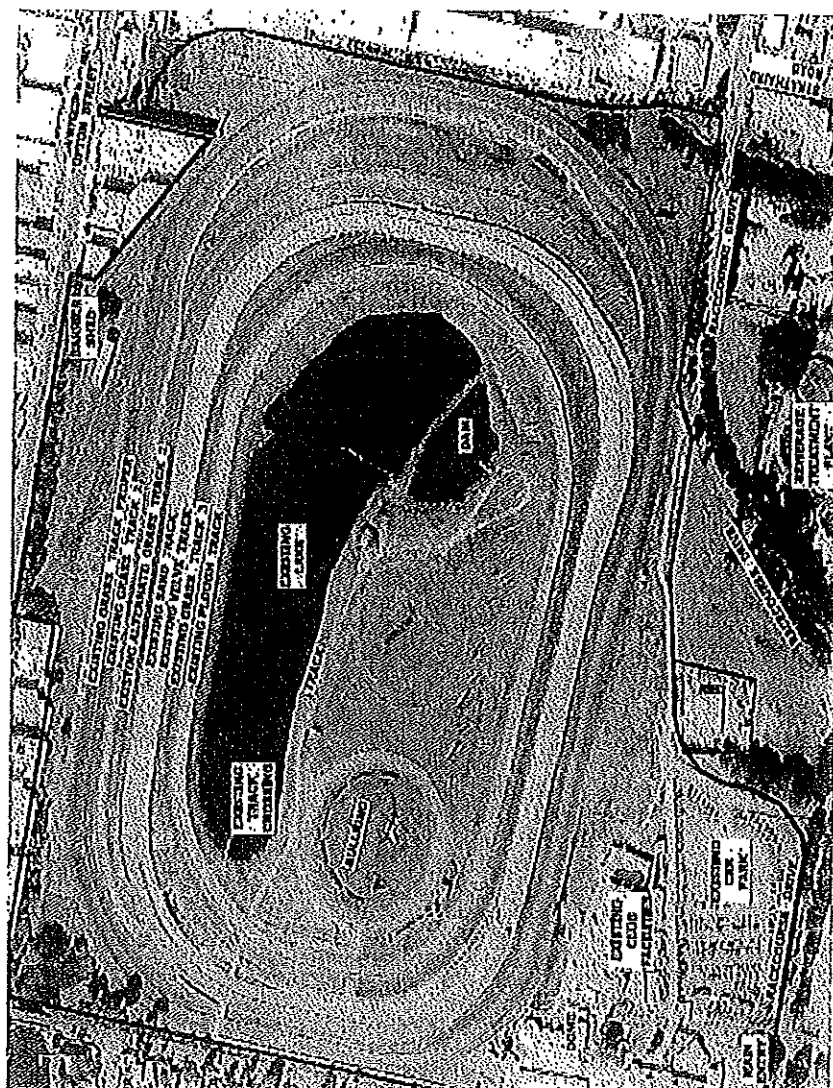


PROJECTS FUNDED FROM GOVERNMENT TAX REDIRECTION

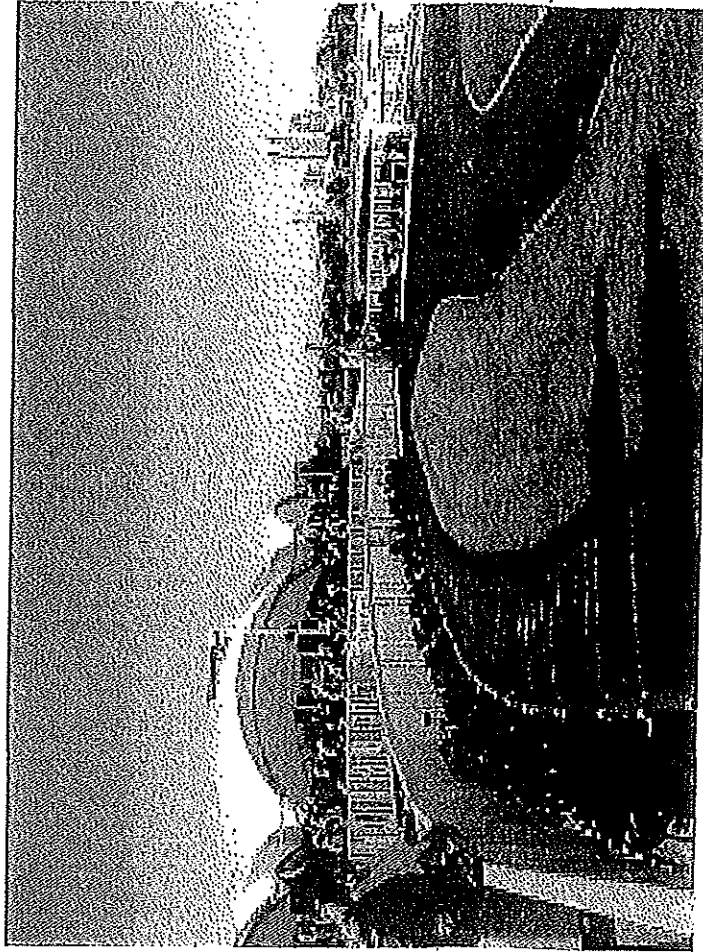
\$48.3m

- GOLD COAST (Thoroughbred only venue)
 - Metro standard course proper
 - New synthetic track
 - New sand track
 - New No 2 grass track
 - Mounting yard reconfiguration
 - Major drainage upgrades and stormwater
 - Horse and pedestrian tunnel
 - Trafficable tunnel, pedestrian & vehicular access
 - Fencing & landscaping
 - Equine swimming pool
 - Upgrade of fibre optic communicate cable
 - Upgrade of members facilities
- FACILITIES (as discussed and agreed with GCTC)
 - Demolish dome & rebuild facility for 500 members
 - Extension to members
 - 10 corporate boxes
 - Contribution by Club of \$2m (agreed)
 - Contribution by Club of two blocks (agreed) \$5m
 - Asset Plan contribution \$7m
 - GCTC Plan \$7m (funded by GCTC)

GOLD COAST - CURRENT



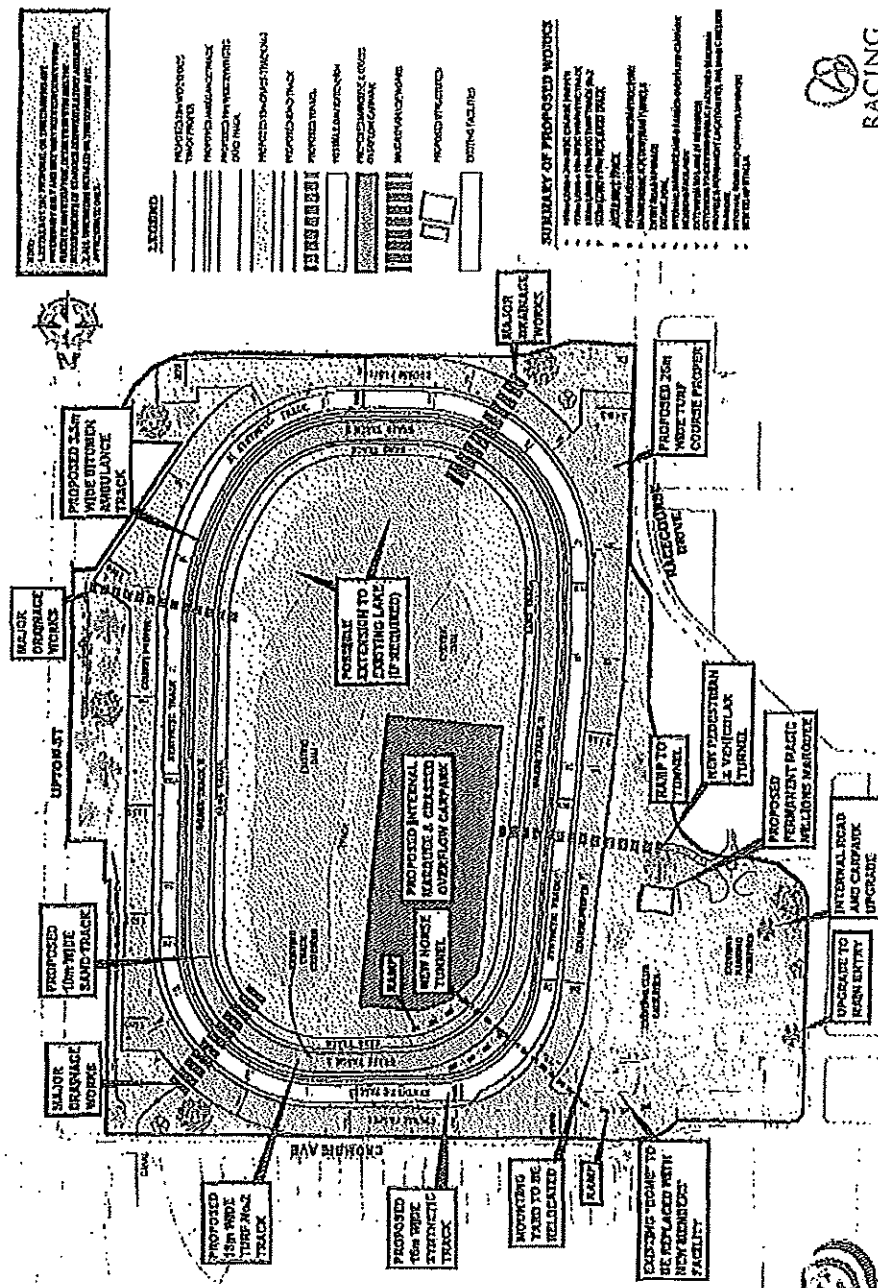
GOLD COAST – CURRENT



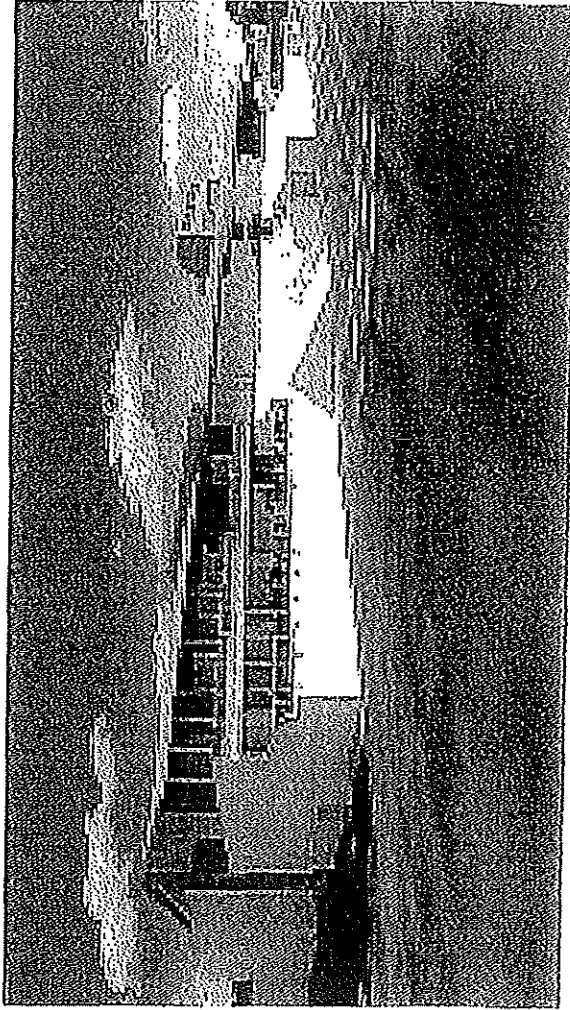
GOLD COAST – CURRENT



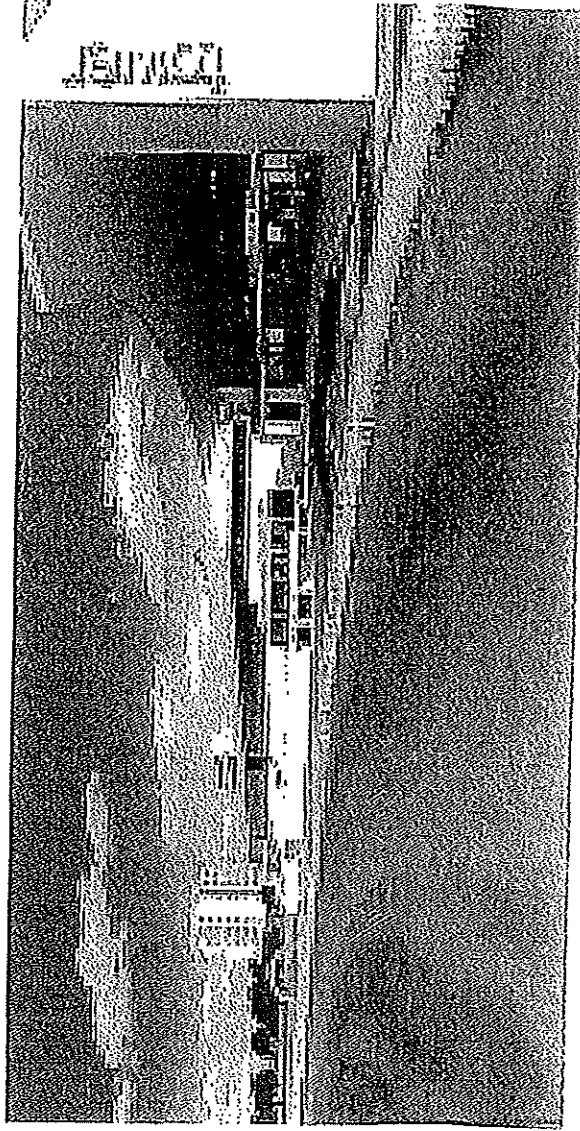
GOLD COAST – PROPOSED DEVELOPMENT



GOLD COAST – PROPOSED DEVELOPMENT (ARTISTS IMPRESSION)



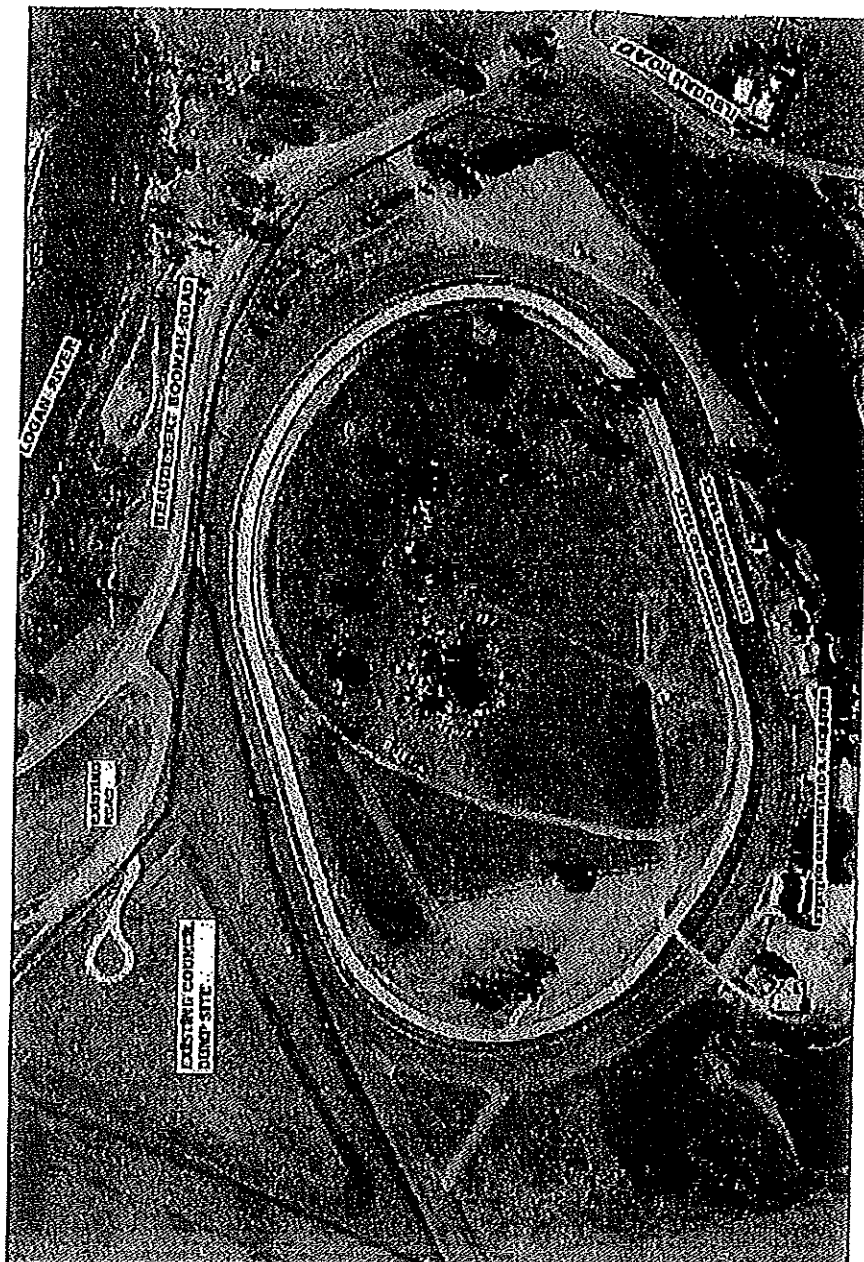
GOLD COAST – PROPOSED DEVELOPMENT (ARTISTS IMPRESSION)



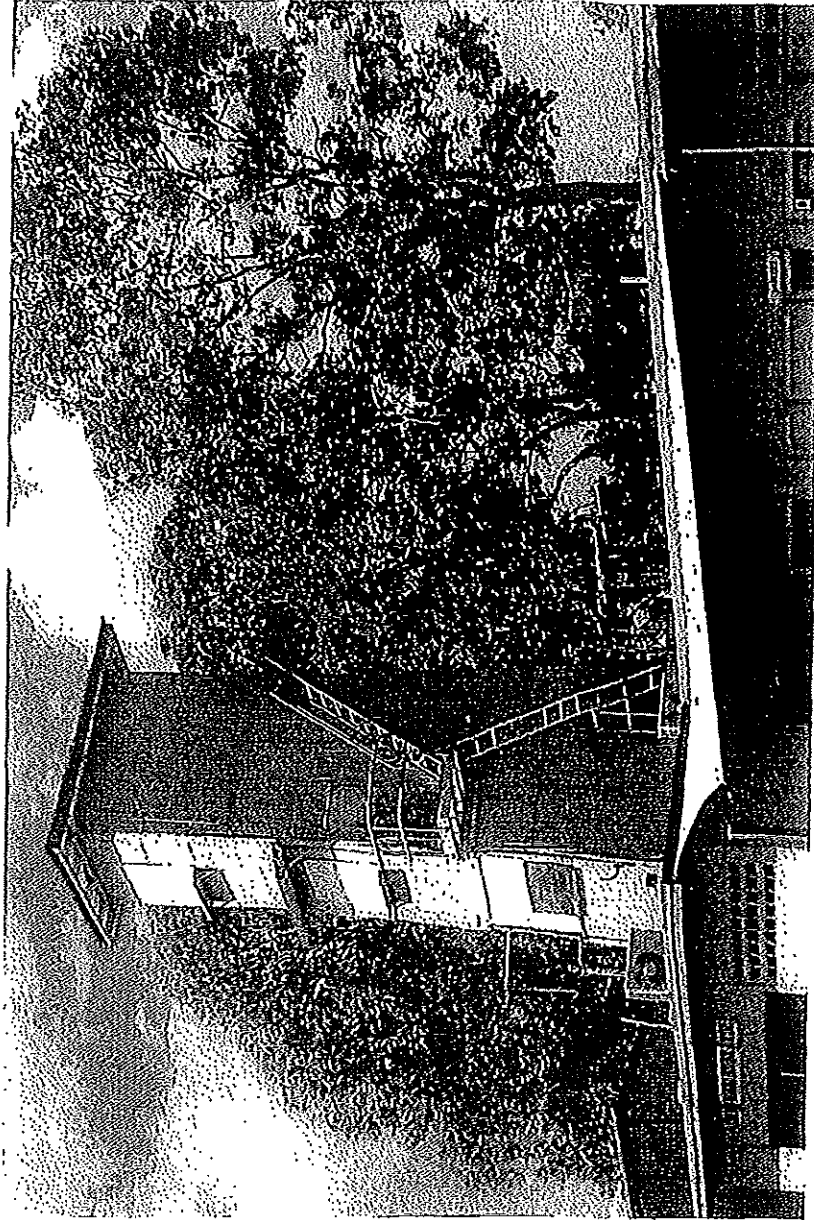


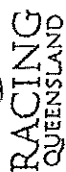
- BEAUDESERT (Thoroughbred only venue)
 - Widen and renovate the course proper
 - Modest race day amenities
 - 100 stables construction
 - Upgrade of training tracks for 100% increase in horse numbers

\$20.8m



BEAUDESERT – CURRENT



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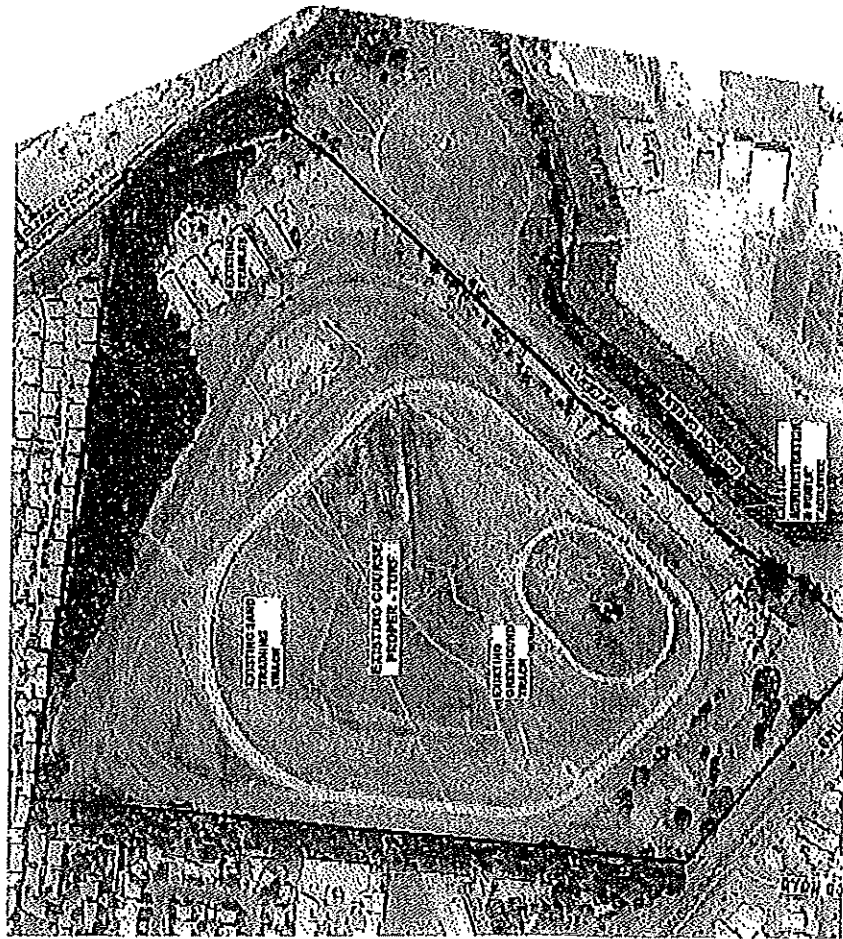
BEAUDESERT – PROPOSED PUBLIC FACILITY



\$4.3m

- CAIRNS (Thoroughbred only venue)
 - Course proper drainage and flood mitigation
 - Remediation of stables
 - Electrical & communications upgrade
 - Rescue financial package

CAIRNS – CURRENT





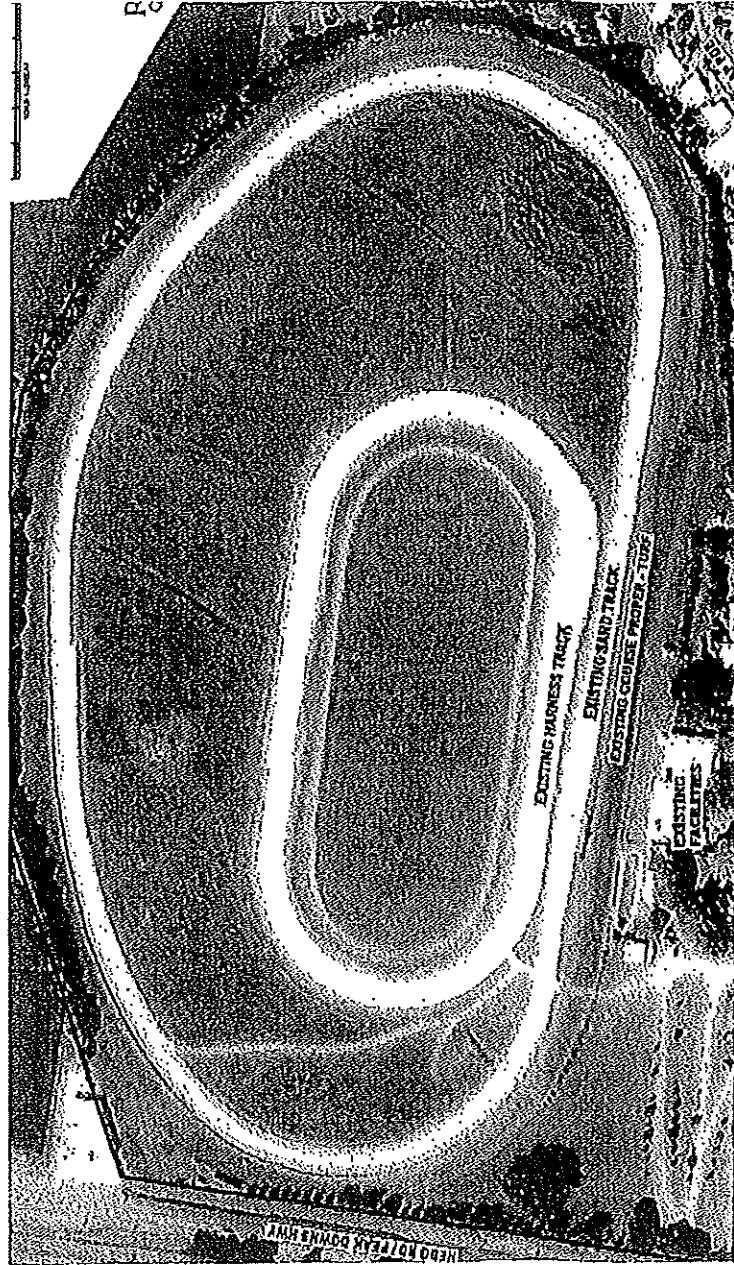
\$18.3m

- MACKAY (Thoroughbred only venue)
 - Reconstruct grass track
 - Reconstruct training facilities
 - Communications & electrical upgrade
 - Off street car park
 - 80 stables and associated works
 - New swab stall
 - New tie up stalls
 - Modest upgrade of Mackay infrastructure

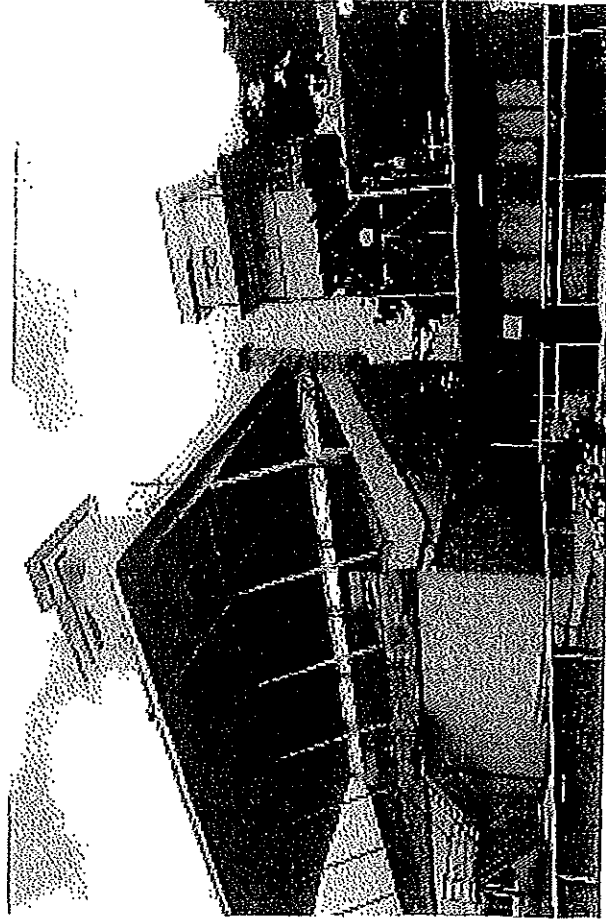


RACING
QUEENSLAND

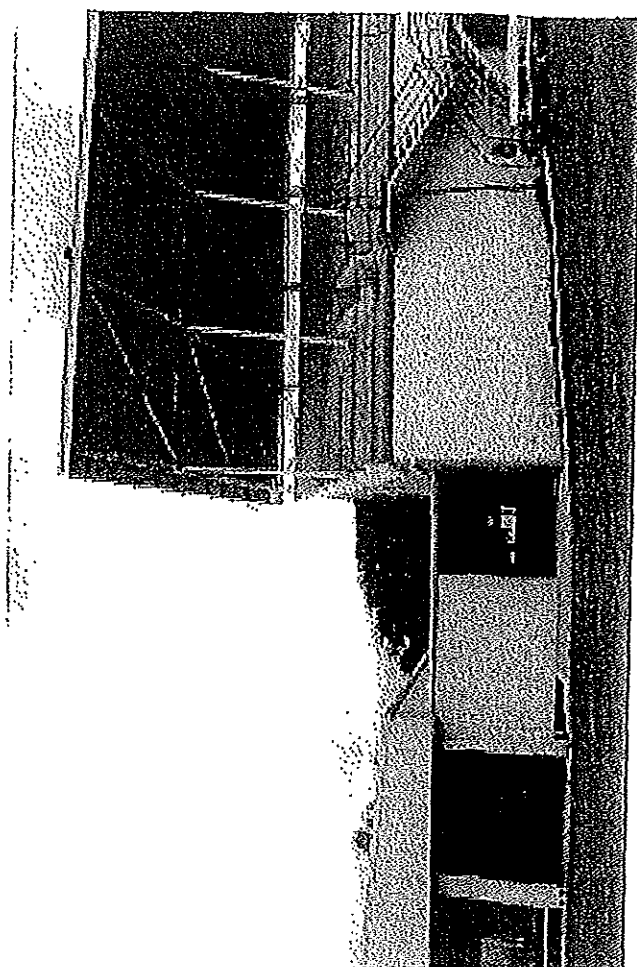
MACKAY – CURRENT



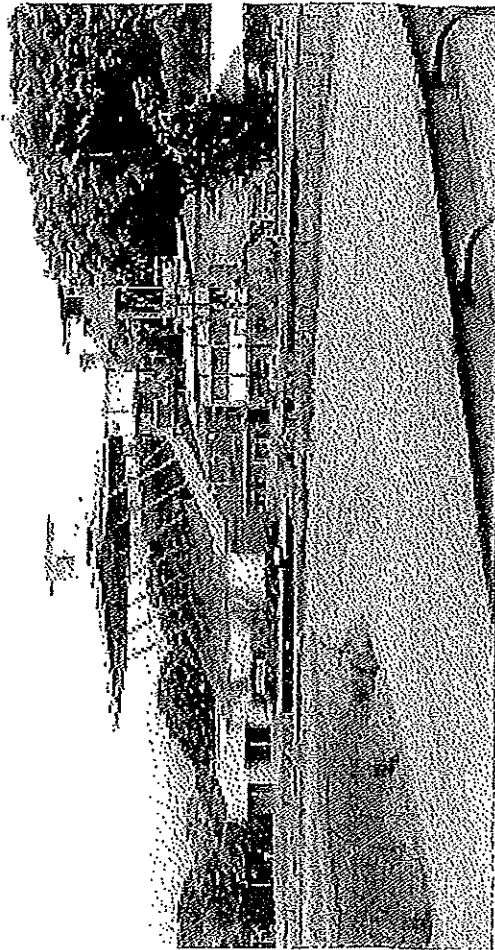
MACKAY – CURRENT



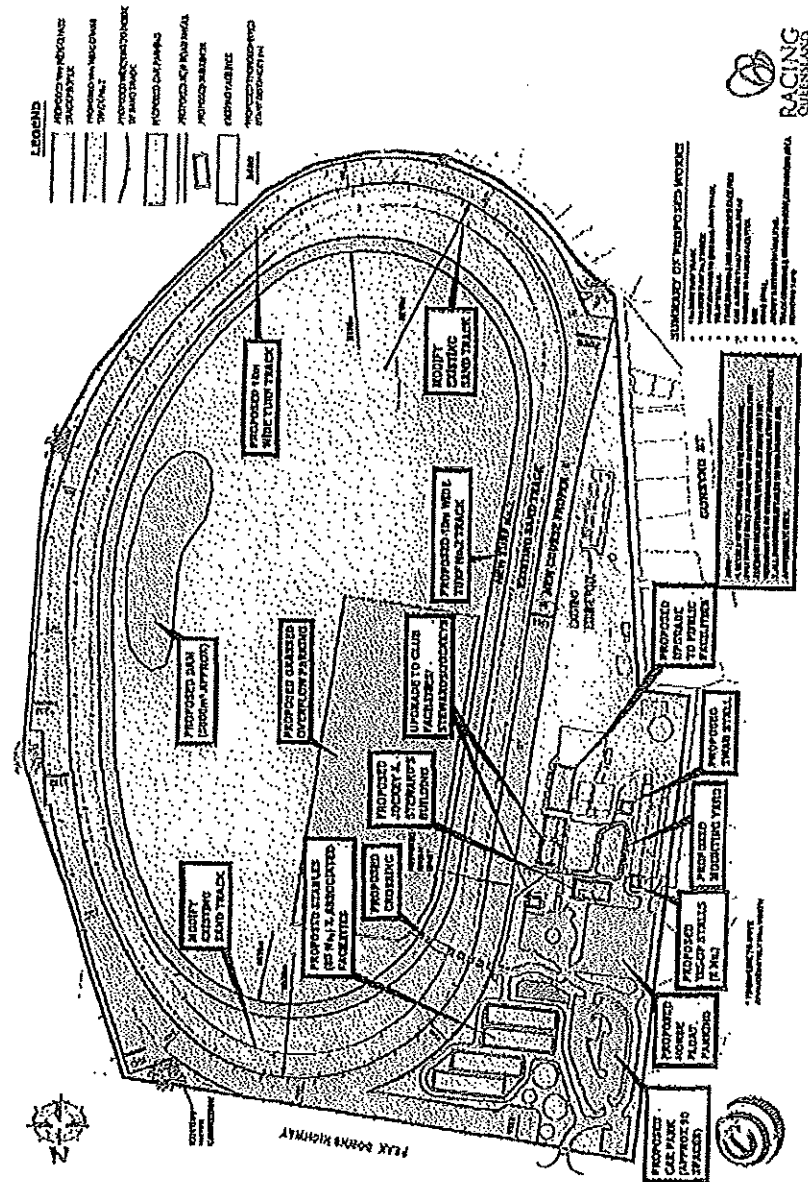
MACKAY – CURRENT



MACKAY – CURRENT



MACKAY – PROPOSED DEVELOPMENT



- ROCKHAMPTON

- Greyhound facilities
- Upgrading the supply of recycled water

\$4.2m

COUNTRY RACING

- Country Club's WH&S contribution

\$0.9m

• INTEREST ON LOANS

- The combined cash flow will spread the interest component between all projects

\$23.0m

TOTAL FROM TAX REDIRECTION

\$119.8m

ISSUES ARISING FOR RQL

- DEAGON
 - Trainers will need to be provided free rent for 6 months at another venue
 - Project is too important for Harness & Greyhounds not to have this facility
- IPSWICH
 - Thoroughbred trainers will need to transfer – transfer to Gatton or Beaudesert – some compensation – full support by Ipswich Turf Club
- LOGAN
 - Proposed development was not self sustaining as a stand alone track, not really supported by stakeholders – Stakeholders surveyed are not concerned at exact location. One track northside, one track southside
- TOOWOOMBA
 - Not included
- ALL PROJECTS
 - Fully supported

PROJECTS NOT FUNDED

Sunshine Coast	\$21.50m
Toowoomba	\$4.2m

It is requested that should savings be made from projects committed than any surplus will be applied to the unfunded projects.

RQL will not exceed budgets on other projects.

ALBION SALE
SEPARATE
PRESENTATION