

## Statement of Ronald Mathofer

I, **Ronald Mathofer**, Senior Business Analyst of Racing Queensland, of Racecourse Road Deagon, in the State of Queensland, state as follows:

A. I am currently employed as the Senior Business Analyst for Queensland All Codes Racing Industry Board trading as Racing Queensland (**Racing Queensland**).

B. Prior to my employment at Racing Queensland I was employed by Racing Queensland Limited (**RQL**) in the following roles:

- (i) as the Business Analyst for the period 1 July 2010 to 30 June 2012;
- (ii) as the Senior Business Analyst for the period 1 July 2012 to 30 April 2013.

C. My role as Senior Business Analyst includes:

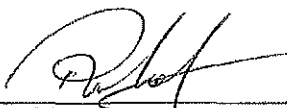
- (i) analysis of wagering activities;
- (ii) analysis of club activities;
- (iii) general budgeting and forecasting;
- (iv) general business consulting for the various departments; and
- (v) reporting and presenting various information to the Board and the Executive.

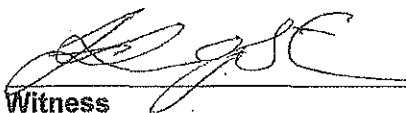
D. Prior to the amalgamation of the greyhound, thoroughbred and harness control bodies on 1 July 2010, I was employed by Queensland Racing Limited (**QRL**), the control body for Thoroughbred racing, as the Business Analyst for the period 23 January 2008 to 30 June 2010.

E. Before joining QRL, I was employed as a Financial Accountant (Tax & Reporting) by Golden Circle Limited for the period October 2006 to January 2008.

F. I was employed as General Ledger Clerk from December 2002 to January 2004 and an Accountant from January 2004 to October 2006 with the Tabcorp Group.

G. From March 1995 to July 1999 I was employed by Hilton Gaming Limited in Hospitality and Revenue Audit roles.

  
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- H. I hold a Bachelor of Commerce majoring in Accounting and Finance from the University of Southern Queensland. I graduated from university in May of 2008.
- I. Prior to commencing with Hilton Gaming Limited (later becoming Tabcorp) I was employed in the hospitality and construction industry.
- J. Attachment "RM-1" is a copy of the Requirement to Provide Written Statement dated 23 July 2013 (Notice) directed to me from the Queensland Racing Commission of Inquiry (Commission) and received under cover of a letter from the Commission dated 23 July 2013. This Statement is provided in response to the Notice.
- K. For the purposes of responding to the Notice and preparing this Statement I have, in my position as Senior Business Analyst of Racing Queensland, had access to the records of Racing Queensland to obtain information to provide a response to the Notice.
- L. Unless otherwise stated, the matters set out in this Statement are based on my own knowledge or the information derived from the records of Racing Queensland.
- M. I set out below my response to each of the questions set out in the Notice.

**1. CONTRACT MANAGEMENT AND FINANCIAL ACCOUNTABILITY** (paragraph 3(a) of the Terms of Reference)

1.1 In respect of the procurement, contract management and financial accountability of the Relevant Entities during the Relevant Period what were the:

(a) policies;

(b) processes;

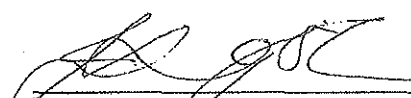
(c) guidelines; and

(d) measures which were used to ensure contracts which were awarded delivered value for money.

1.2 In respect of the policies, processes, guidelines and measures were they adhered to?

1.3 Events surrounding all contractual arrangements between the Relevant Entities and Contour Consulting Engineers Pty Ltd ("Contour") including those contracts where Contour was contracted to manage contracts on behalf of the Relevant Entities.

  
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*1.4 In respect of contracts which were entered into between the Relevant Entities and Contour:*

*(a) Whether each contract was underpinned by procurement practices;*

*(b) Whether, for each contract, payment policies and processes:*

*(i) were implemented; and*

*(ii) were adhered to.*

1. I had no role in relation to the drafting of QRL/RQL purchasing policies, prior to 2011.
2. In late 2011, as part of my role as Business Analyst, I was tasked with drafting the addendum to the RQL Purchasing Policy.
3. The addendum was drafted in order to better align the Purchasing Policy with provisions of the Queensland Government Procurement Policy. The addendum was also drafted to address the need for additional policy controls in relation to the Industry Infrastructure Plan and other large projects. A copy of the draft addendum to the Purchasing Policy appears at Attachment "RM-2" [RQL.137.003.0001].
4. In late 2011 / early 2012 I assisted with redrafting and reviewing the Financial Management Procedures Manual. I was particularly involved in the financial management of the TAB clubs as these clubs conducted the major revenue generating race meetings. Attachment "RM-3" to this Statement is a copy of the Manual [RQL.137.003.0069]. [RQL.137.003.0120]
5. Deloitte, a firm of chartered accountants, were retained by RQL to revise and redraft the Financial Management Procedures Manual. I assisted Deloitte in the revision of the Manual.

**Events surrounding contractual arrangements with Contour**


6. I was not involved in any of the contract discussions or negotiations for the retention of Contour in relation to the various projects they undertook for QRL and subsequently RQL.
7. I was involved in some meetings in which particular contracts with Contour were discussed. These discussions usually involved Paul Brennan, Mark Snowden, Mal Tuttle, Bob Bentley, Shara Murray and Adam Carter.

  
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8. Adam Carter and I attended these meetings as representatives of the finance team of RQL. My role was to provide comment in relation to project costing and project viability primarily in relation to recipient race club financial information.
9. Due to my interaction with the race clubs, I was in the position to understand the capability and the capacity of the clubs to fund or contribute to funding of large infrastructure projects. I was involved in the cost benefit analysis of infrastructure projects. This involved forecasting potential increases in returns to clubs from activities such as catering, beverage, and wagering as a result of the infrastructure upgrades, and what if any benefits could result from improved facilities.
10. I was also responsible for testing the validity of the financial projections that the recipient clubs provided in relation to potential infrastructure projects.
11. Although I prepared information in relation to the financial viability and benefits of the various projects I did not make any recommendations or have any substantive input into the selection criteria or the decision to utilise Contour's services.
12. I had no direct involvement in reviewing the specific elements of Contour invoices. My only input in relation to Contour and its associated suppliers was to confirm that they were listed amongst pre-screened suppliers on the Local Buy register, a product which we were assessing for inclusion in the RQL procurement process. Local Buy is a procurement platform which allows users to ensure the supplier has been part of a pre-screening process. Local Buy's website describes its services as "Local Buy is the Local Government Association of Queensland (LGAQ) procurement services company. A contract established by Local Buy enables councils and government entities to purchase goods and services from Local Buy contractors without the need to seek tenders or multiple quotes."
13. The addendum to the Purchasing Policy identifies Local Buy as an organisation conducting the pre-screening of suppliers.
14. My role in relation to Contour was quite limited. It was generally limited to preparing supporting information and business case analysis.

  
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15. I had no involvement in the processing of Contour invoices. Invoicing was the responsibility of the accounts team within the finance department. As the Business Analyst I was involved in developing and analysing forward projections.
16. I had no involvement in signing off on the payment of Contour invoices as I did not have the suitable level of authority to sign off on the payment of invoices.
17. I was aware in late 2011 that there were some issues in relation to the payment of Contour for works performed. Whether or not Contour performed work prior to having approval to do so was not an area of my responsibility. The responsibility of project management and direction rested with other more senior members of RQL operations such as Mark Snowdon and Paul Brennan.
18. From my understanding some invoices received before confirmation of funding from the government was received were held over until the confirmations were received. My involvement in this process was in Adam Carter's absence as invoices had been passed on to me by the Industry Infrastructure Control Group to be provided to the appropriate finance department representative. Attachment "RM-4" to this Statement is a copy of the minutes of the Infrastructure Control Group on 1 December 2011 [RQL.110.004.0080].

*2. MANAGEMENT (paragraph 3(b) of the Terms of Reference)*

*2.1 As to the Relevant Entities during the Relevant Period, the*

- (a) management policies;*
- (b) management processes;*
- (c) management guidelines; and*
- (d) workplace culture and practices*

*that were in place and whether each one:*

- (a) ensured integrity; and*
- (b) was adhered to.*

*2.2 The involvement of the boards or members of the boards of the Relevant Entities in the exercise of functions of:*



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*(a) the executive management team; and*

*(b) other key management personnel, including the company secretary and those involved in integrity matters.*

19. During my employment with QRL I was familiar with the Employee Handbook, a copy of which appears at Attachment "RM-5" to this Statement [RQL.109.006.0835].
20. During my employment with RQL I was familiar with the Employee Handbook, a copy of which appears at Attachment "RM-6" to this Statement [RQL.124.005.0016].
21. When I commenced with QRL there was no dedicated Human Resources department. I found it a little unusual that there was no dedicated Human Resources department at QRL, given my previous employers did have such a structure. However, given the size of the organisation it is not that unusual.
22. I was aware that the Finance department under Adam Carter took on the HR responsibilities. However, after the integration of the three codes, HRBS, a specialised human resources consultancy were engaged to assist in the HR function. My involvement in the Human Resources processes was limited to the procurement and fleet management of vehicles for the organisation. I did not have any specific involvement with the remuneration of QRL or RQL employees.
23. I attended several training sessions conducted by HRBS in relation to the various management and workplace policies.

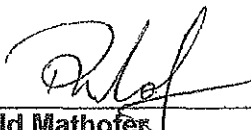
**Boards or members of the boards of the Relevant Entities**

24. I had no specific concerns about the management structure at QRL. It was quite a flat organisational structure.
25. There was delineation between the various departments and the heads of those departments. I was interacting with all the heads of management as part of my role. I interacted with the management and staff of the whole of the organisation. I was not limited to one particular area of the organisation as my assistance and advice was sought on a range of operational processes consistent with my role.

  
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26. When I commenced with QRL I had no reason not to respect the management team. I was new to the organisation and they seemed to me to be substantially across their various briefs.
27. Mr Bob Bentley, the Chairman of both QRL and RQL, would often approach me in relation to the latest wagering outcomes, in particular the market share of the three codes and how they were progressing, and the relative performance of clubs and the three codes. These approaches would at times coincide with media reporting of the Queensland racing industry at the time.
28. Mr Bob Bentley often sought information to either support or refute press releases, information in the public space and media articles in relation to QRL and later RQL.
29. Mr Bob Bentley only ever approached me in my capacity as Business Analyst. We had very limited discussion of anything that was outside the scope of my role. Our relationship was of a cordial but professional nature.
30. Mr Bob Bentley usually came and saw me at my office. He would request certain information and give a timeframe in which he required the information. I would usually supply him with a hard copy of the information and, where necessary, a soft copy. Generally I would print the relevant documents and take them to his office. Most of our interactions occurred in my office when he would give me instructions or pick up the relevant documents.
31. My recollection is that Mr Bob Bentley had his own office space.
32. As I became more established at QRL and my face became known, Mr Hanmer would occasionally come to me seeking certain information. As the deputy chair of the Audit Committee (later known as the Audit, Finance & Risk Committee), he would enquire after club activities and performance. Mr Hanmer would seek information relating to the outcomes of club corporate governance and financial management reviews conducted in conjunction with Deloitte.
33. Mr Milner and Mr Ryan also occasionally approached me for information but this was generally in relation to the functions of the Audit Committee.
34. In my employment with QRL I did find it unusual that members of the Board, particularly Mr Bob Bentley, approached me directly for information rather than directing requests through my

  
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manager. The management and board arrangements at QRL were much more interactive than what I had previously encountered in my prior employment.

35. In my role as an accountant for the Hilton/Tabcorp Group, requests for information and presentations always came from the manager above me and never directly from the Board.

36. My interaction with Legal Counsel was predominantly providing information in relation to the race information fees legislation, club compliance and analysing the motor vehicle policy.

**3. CORPORATE GOVERNANCE** (paragraph 3(c) of the Terms of Reference)

*3.1 The corporate governance arrangements of Racing Queensland Limited in the Relevant Period.*

*3.2 Whether Racing Queensland Limited and its Officers operated and acted:*

*(a) with integrity;*

*(b) in accordance with the company's constitution;*

*(c) in the best interests of the company;*

*(d) in the best interests of the racing industry;*

*(e) consistently with policies made pursuant to sections 81 and 83(2) of the Racing Act 2000 by the Relevant Entities which were current during the Relevant Period; and*

*(f) consistently with legislation including the Racing Act 2000 and the Corporations Act 2001.*

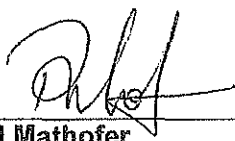
*3.3 In the Relevant Period were there in place policies, rules and procedures within Racing Queensland Limited to:*

*(a) identify and manage conflicts of interest; and*

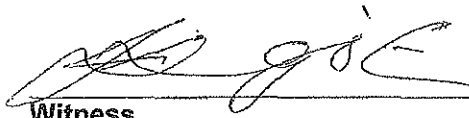
*(b) minimise the risk of directors and executives improperly using their position and information for personal or financial gain.*

*3.4 Within Racing Queensland Limited during the Relevant Period were there in place terms of employment in contracts restraining former directors and executives from seeking employment with Racing Queensland Limited's contractors and suppliers.*

37. In relation to corporate governance, I was a regular attendee of Audit Committee meetings between March 2008 and present.



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38. The Audit Committee met five times a year.
39. I was involved in the internal audit process, where appropriate, by supplying feedback and documents in relation to the race information legislation, prize money and wagering returns.
40. I was also involved in reviewing and discussing the purchasing policy and the end of year financials.
41. My role in the Audit Committee mainly related to the review of race clubs and whether or not they were adhering to good governance and financial policy. I would provide updates on the club review outcomes and identify any issues to be resolved.
42. Deloitte risk services were responsible for the corporate governance and financial management reviews of clubs and performed the internal audit function for the organisations QRL and RQL.
43. Deloitte was regularly retained by RQL to prepare reports and analysis of various club issues. I had no direct involvement in Deloitte being retained other than to provide feedback on their processes and reports.
44. Adam Carter, as chief financial officer of RQL, and I would discuss the specific group of clubs that would be the subject of the Deloitte reviews for a given financial year. The standard routine was to pick a new group of clubs to be considered each year with the view to reviewing clubs every two years.
45. During this review process I would try to either attend on site at the relevant club's premises with Deloitte or I would attend the exit interview to discuss the results of the audit with the club.
46. Copies of the minutes of meetings of the Audit Committee and the Audit, Finance and Risk Committee which I attended, appear as attachments to this statement:
- (a) Attachment " RM-7" [RQL.123.002.0957 & RQL.123.002.0966] to this Statement is a copy of minutes dated 7 March 2008;
- (b) Attachment " RM-8" [RQL.123.002.1401] to this Statement is a copy of minutes dated 6 June 2008;

  
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- (c) Attachment " RM-9" [RQL.123.002.0851] to this Statement is a copy of minutes dated 8 August 2008;
- (d) Attachment " RM-10" [RQL.123.002.0003] to this Statement is a copy of minutes dated 5 September 2008;
- (e) Attachment " RM-11" [RQL.136.002.0064] to this Statement is a copy of minutes dated 6 March 2009;
- (f) Attachment " RM-12" [RQL.136.002.0060] to this Statement is a copy of minutes dated 1 May 2009;
- (g) Attachment " RM-13" [RQL.136.002.0055] to this Statement is a copy of minutes dated 26 June 2009;
- (h) Attachment " RM-14" [RQL.136.002.0051] to this Statement is a copy of minutes dated 7 August 2009;
- (i) Attachment " RM-15" [RQL.136.002.0047] to this Statement is a copy of minutes dated 15 January 2010;
- (j) Attachment " RM-16" [RQL.136.002.0044] to this Statement is a copy of minutes dated 3 February 2010;
- (k) Attachment "RM-17" [RQL.136.002.0039] to this Statement is a copy of minutes dated 1 April 2010;
- (l) Attachment " RM-18" [RQL.124.003.0760] to this Statement is a copy of minutes dated 5 August 2010;
- (m) Attachment " RM-19" [RQL.136.002.0036] to this Statement is a copy of minutes dated 6 December 2010;
- (n) Attachment " RM-20" [RQL.136.002.0033] to this Statement is a copy of minutes dated 4 February 2011;
- (o) Attachment " RM-21" [RQL.136.002.0027] to this Statement is a copy of minutes dated 10 June 2011;

  
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- (p) Attachment " RM-22" [RQL.136.002.0023] to this Statement is a copy of minutes dated 11 August 2011;
- (q) Attachment " RM-23" [RQL.136.002.0018] to this Statement is a copy of minutes dated 10 October 2011;
- (r) Attachment " RM-24" [RQL.136.002.0014] to this Statement is a copy of minutes dated 19 March 2012.

- 47. I attended conflict of interest training in June 2008. The training was presented by Barry Dunphy of Clayton Utz.
- 48. I also attended various follow up management training courses as QRL transitioned into RQL.
- 49. I have attended a number of QRL and RQL board meetings over the years. I usually attend these meetings in conjunction with Adam Carter. In the past I have supported Adam Carter's presentations to the Board. We also presented together in relation to finance & wagering.
- 50. I have attended board meetings in Adam Carter's place when he was on leave or otherwise unavailable to provide financial information to the Board.
- 51. In late 2008 I began presenting the Wagering Report to the Board. Some examples of the Wagering Reports I prepared, appear as attachments to this statement:
  - (a) Attachment " RM-25" [RQL.137.003.0037] to this Statement is a copy of the Finance and Wagering Report dated March 2010; and
  - (b) Attachment " RM-26" [RQL.137.003.0052] to this Statement is a copy of the Finance and Wagering Report dated May 2012.
- 52. When I was scheduled to attend a board meeting the Secretary or minute taker would either telephone me or be sent to inform me that the meeting was ready for me. In the early stages I would be called in at the same time as Adam Carter. In 2008, when I began presenting the Wagering Report on my own, I would be called separately to the board meeting.
- 53. Once I had finished my presentation to the Board I would then be excused unless there was anything specifically related to finance or wagering which required me to stay. I very rarely

  
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stayed for an entire meeting. I was not privy to the discussion of any sensitive material at the board meetings I attended.

54. I was aware that Mr Bob Bentley was involved with UNiTAB as I was present on at least one occasion when he excused himself from the board discussion of issues in relation to UNiTAB. From my recollection Mr Bob Bentley left the board room during the relevant discussion. I do not recall any instance of Mr Bob Bentley excusing himself and continuing to sit in the board room while the relevant discussion was taking place.

55. Copies of some of the minutes of meetings of the QRL Board which I attended, appear as attachments to this statement:

- (a) Attachment "RM-27" [RQL.108.002.0415] to this Statement is a copy of the minutes dated 9 May 2008;
- (b) Attachment "RM-28" [RQL.108.002.0293] to this Statement is a copy of the minutes dated 6 March 2009;
- (c) Attachment "RM-29" [RQL.108.002.0266] to this Statement is a copy of the minutes dated 1 May 2009;
- (d) Attachment "RM-30" [RQL.108.002.0126] to this Statement is a copy of the minutes dated 7 August 2009;
- (e) Attachment "RM-31" [RQL.108.002.0101] to this Statement is a copy of the minutes dated 4 September 2009;
- (f) Attachment "RM-32" [RQL.101.004.0479] to this Statement is a copy of the minutes dated 22 December 2009;
- (g) Attachment "RM-33" [RQL.101.004.0980] to this Statement is a copy of the minutes dated 4 March 2010;
- (h) Attachment "RM-34" [RQL.108.003.0033] to this Statement is a copy of the minutes dated 7 May 2010;

  
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(i) Attachment " RM-35" [RQL.101.004.2574] to this Statement is a copy of the minutes dated 15 June 2010.

56. Copies of some of the minutes of meetings of the RQL Board which I attended, appear as attachments to this statement:

(a) Attachment " RM-36" [RQL.104.004.0256] to this Statement is a copy of the minutes dated 1 July 2010;

(b) Attachment " RM-37" [RQL.101.004.3660] to this Statement is a copy of the minutes dated 6 August 2010;

(c) Attachment " RM-38" [RQL.101.004.4701] to this Statement is a copy of the minutes dated 5 November 2011;

(d) Attachment " RM-39" [RQL.101.004.4844] to this Statement is a copy of the minutes dated 6 December 2010;

(e) Attachment " RM-40" [RQL.136.002.0903] to this Statement is a copy of the minutes dated 5 August 2011;

(f) Attachment " RM-41" [RQL.004.011.0079] to this Statement is a copy of the minutes dated 4 November 2011;

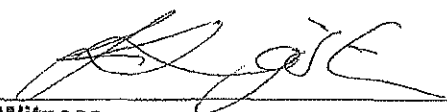
(g) Attachment " RM-42" [RQL.004.011.0088] to this Statement is a copy of the minutes dated 19 December 2011.

**4. OVERSIGHT BY THE MINISTER, THE EXECUTIVE GOVERNMENT, THE CHIEF EXECUTIVE** (paragraph 3(d) of the Terms of Reference)

**4.1 Oversight of the operations of the Relevant Entities in the Relevant Period by:**

- (a) the responsible Minister;
- (b) the Executive Government; and
- (c) the Chief Executive.

  
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57. I was not involved in any discussions or correspondence with the Office of Racing or other government departments. From my observations, with respect to the major infrastructure projects, these discussions were usually conducted with Mark Snowden (as project manager) and Jeff Zeppa (as project accountant).
58. I was present at meetings including Mike Kelly of the Office of Racing on one or two occasions, the specifics of which I cannot recall.
59. I have had some minor telephone interaction with Carol Perrett of the Office of Racing in relation to the various business cases I helped to prepare.

**5. EMPLOYMENT CONTRACTS: TUTTLE, ORCHARD, BRENNAN, REID** (paragraph 3(c) of the Terms of Reference)

5.1 The events surrounding the renegotiation of employment contracts in 2011, for the following senior executives of Racing Queensland Limited:

- (a) Malcolm Tuttle;
- (b) Jamie Orchard;
- (c) Paul Brennan; and
- (d) Shara Reid (formerly Murray).

5.2 The events surrounding the payouts made under the abovementioned contracts on the voluntary termination in March 2012 of the employment of:

- (a) Mr Tuttle;
- (b) Mr Orchard;
- (c) Mr Brennan; and
- (d) Ms Reid.

5.3 The actions of the directors and senior executives of Racing Queensland Limited referred to in paragraph 5.1 and 5.2 hereof and:

- (a) the responsibilities;
- (b) duties; and

  
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*(c) legal obligations of those persons.*

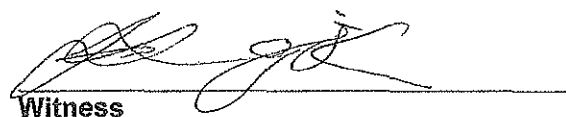
60. As part of my role at RQL I had the authority to authorise the transfer of money out of the RQL National Australian Bank account.
61. The process undertaken when transferring money out of the RQL National Australia Bank account was that the Finance department would prepare payment schedules which they would then upload into the NAB package. Two authorised people were then required to log in with their authoriser number to authorise the payment of money.
62. There were six employees of RQL who were able to authorise payments. They were Sharon Drew, Shara Murray, Adam Carter, Murray Dyke (former employee), myself and the Finance Officer who raised the payment.
63. Prior to the resignation of the four senior executives of RQL I was not aware that they had separate employment agreements.
64. I had no direct involvement in the calculation of the payments made to the four executives on the voluntary termination of their employment or the authorisation of such payments.
65. However, as it was possible that I would have been required to authorise the termination payments made to the four executives, I said to Adam Carter that I did not wish to authorise the transactions as I did not have full knowledge of what had transpired and was not comfortable signing off in those circumstances. I was not aware of what steps Adam Carter had taken or subsequently did take in relation to the authorisation of the termination payments.

**6. QUEENSLAND RACE PRODUCT CO LIMITED and TATTS GROUP** (paragraph 3(f) of the Terms of Reference).

**6.1 The operations of the Relevant Entities in the Relevant Period with respect to the arrangements between Queensland Race Product Co Limited and Tatts Group (formerly UNITAB) concerning fees paid by Tatts Group for Queensland wagering on interstate races through TattsBet ("Fee Arrangements").**

**6.2 How Queensland Race Product Co Limited responded to the introduction of race information fees.**

  
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6.3 Whether there was legal or other expert advice obtained by the boards of the Relevant Entities as to the effect on fees payable by the Tatts Group to Queensland Race Product Co Limited as a consequence of race information fees being introduced.

6.4 Any action taken or not taken as a consequence of the legal or other expert advice and whether there were reasons for taking or for not taking action in accordance with the advice.

6.5 When the race information fees were introduced or at any other time in the Relevant Period, whether the directors and senior executives of the Relevant Entities acted in relation to the Fee Arrangements:

(a) in good faith;

(b) consistently with their responsibilities;

(c) consistently with their duties and legal obligations; and

(d) in the best interests of the company or companies of which they were directors or senior executives.

(e) Whether the actions of the directors and/or senior executives of the Relevant Entities relating to the Fee Arrangements were influenced by a conflict of interest when the race information fees were introduced or at any other time in the Relevant Period.

6.6 Whether, in relation to the Fee Arrangements, the directors and the senior executives of the Relevant Entities used their position to gain a personal advantage when the race information fees were introduced or at any other time in the Relevant Period.

66. My role in relation to race information fees was to confirm the wagering operators identified as using Queensland racing product, and invited to apply to utilise this product, were adhering to the conditions. Queensland racing product refers to the racing activities on which wagering revenues are generated by authorised operators under Queensland Race Fields legislation. I was involved in the preparation of the conditions attached to the relevant authority periods, the collection and review of data and the calculation of race information fees payable by operators based on conditions for the given authority period.


67. I also modelled the revenue returns we could expect from the various wagering operators based on the conditions attached to the authorities issued, and the historical wagering information supplied as part of the application. I was aware that UNITAB deducted from product fees a large amount of race information fees relating to other jurisdictions.


  
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68. I was privy to discussions of policy documents in relation to race information fees collections.
69. I prepared and presented wagering reports as part of the finance and wagering report to the board meetings of QRL, RQL and later Racing Queensland from January 2008 to present. These reports were prepared to provide the Board with information relating to the financial and wagering performance for the month.
70. I often supplied wagering information directly to Mr Bob Bentley on request. Mr Bob Bentley was more interested in the turnover activity generated by the clubs and the codes of racing than revenue outcomes specifically.
71. I was responsible for drafting a paper on Race Information Fees that was subsequently included in a board paper. I forwarded my paper to Mr Adam Carter. In particular I considered the financial impact of net revenue versus other alternative models. The outcome of this paper highlighted that if RQL had a net revenue position RQL could have benefited by approximately \$20 - \$25 million per annum (RQL receives 39% of revenue but absorbs 100% of expenses). Attachment "RM-43" is a copy of the board paper that contains this relevant information [RQL.004.010.2508].
72. As part of this paper I considered and conducted financial analysis on the effect of specific clauses of the Program and Product agreement that related to third party fees.
73. I do not recall sitting in on any Queensland Race Product Co Limited board meetings in relation to the introduction of race information fees.
74. I do not recall seeing any legal advice provided to Queensland Race Product Co Limited in relation to the introduction of the race information fee. I was aware of the inherent difference between the product fee arrangement in Queensland and other States.
75. I was not involved in any Board decision regarding the race information fee to be charged.
76. I am not aware of any directors or senior executives of RQL using their position or knowledge to gain a personal advantage or benefit in relation to race information fees.

  
\_\_\_\_\_  
Ronald Mathofer

  
\_\_\_\_\_  
Witness

**7. FUNDS TRANSFER IN FEBRUARY 2012: QUEENSLAND GOVERNMENT TO RACING QUEENSLAND LIMITED INFRASTRUCTURE TRUST ACCOUNT** (paragraph 3(g) of the Terms of Reference)

7.1 Events surrounding the approved transfer of funds by the Queensland Government to the Racing Queensland Limited Infrastructure Trust Account in February 2012.

7.2 The basis upon which the transfer of funds was made.

7.3 Was any influence exercised by directors of Racing Queensland Limited in relation to having the transfer made.

77. I had no direct role in the February 2012 funds transfer from the Queensland Government to the RQL Infrastructure Trust Account.

78. I was aware of the business cases being prepared and initial funding being provided by the Queensland Government.

**8. ANY OTHER RELEVANT MATTER**

8.1 Any other matter relevant to the Commission's Terms of Reference.

**Industry Infrastructure Plan Control Group Meetings**

79. In my role I was required to attend Industry Infrastructure Plan Control Group meetings as necessary. I did not attend the Industry Infrastructure Plan Control Group meetings from the beginning.

80. I was a guest attendee at some of the Industry Infrastructure Plan Control Group meetings. I was a guest attendee at these meetings regardless of Adam Carter's attendance. I do not specifically recall but it is quite possible that I attended some of these meetings in Adam Carter's place.

81. My role at these meetings was to prepare and present information in relation to the financial viability of a project that would then be inserted into the relevant business case. This usually involved putting together a three to five year financial history of the relevant club and a three to five year forward plan. I would then analyse the outcome for the club based on the forecasted changes in returns. Copies of these financials are attached to this statement:

  
\_\_\_\_\_  
Ronald Mathofer


  
\_\_\_\_\_  
Witness

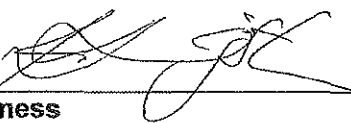
- (a) Attachment " RM-44" [RQL.137.003.0032] to this Statement is a copy of the financials for the Toowoomba Turf Club;
- (b) Attachment " RM-45" [RQL.137.003.0033] to this Statement is a copy of the financials for the Gold Coast Turf Club;
- (c) Attachment " RM-46" [RQL.137.003.0034] to this Statement is a copy of the financials for the Cairns Facility;
- (d) Attachment " RM-47" [RQL.137.003.0035] to this Statement is a copy of the financials for the Beaudesert Facility;
- (e) Attachment " RM-48" [RQL.137.003.0036] to this Statement is a copy of the financials for the Mackay Facility;
- (f) Attachment " RM-49" [RQL.137.003.0328] to this Statement is a copy of the financials for the Rockhampton Facility;
- (g) Attachment " RM-50" [RQL.137.003.0329] to this Statement is a copy of the financials for the Logan Facility;
- (h) Attachment " RM-51" [RQL. 137.003.0330] to this Statement is a copy of the financials for the Ipswich Facility.

82. My role at these meetings did not include making recommendations as to whether a project should go ahead. I only made recommendations as to the potential financial impact of the proposal. Based upon my observations of club activities and financial positions I considered that very few if any clubs would be in a position to fund or repay the level of funding required in many of the projects. Accordingly, it appeared to me that the ability to repay the funding was not a consideration taken into account by the Industry Infrastructure Plan Control Group when deciding whether to recommend a project.

83. Copies of the minutes of meetings of the Industry Infrastructure Plan Control Group I attended, appear as attachments to this statement:

- (a) Attachment " RM-52" [RQL.110.004.0220] to this Statement is a copy of minutes dated 12 October 2011;

  
 \_\_\_\_\_  
 Ronald Mathofer

  
 \_\_\_\_\_  
 Witness

- (b) Attachment " RM-53" [RQL.110.004.0184] to this Statement is a copy of minutes dated 25 October 2011;
- (c) Attachment " RM-54" [RQL.110.004.0141] to this Statement is a copy of minutes dated 10 November 2011;
- (d) Attachment " RM-55" [RQL.110.004.0104] to this Statement is a copy of minutes dated 17 November 2011;
- (e) Attachment " RM-56" [RQL.110.004.0134] to this Statement is a copy of minutes dated 23 November 2011;
- (f) Attachment " RM-57" [RQL.110.004.0080] to this Statement is a copy of minutes dated 1 December 2011;
- (g) Attachment " RM-58" [RQL.110.004.0023] to this Statement is a copy of minutes dated 8 December 2011;
- (h) Attachment " RM-59" [RQL.110.004.0304] to this Statement is a copy of minutes dated 29 March 2012.

I make this statement conscientiously believing the same to be true, and by virtue of the provisions of the Oaths Act 1867 (Qld).

**Dated 9 August 2013**

Signed and declared by Ronald Mathofer at  
Brisbane in the State of Queensland  
this 9th day of August 2013

Before me:

Signature of person before whom the declaration is  
made

Signature of declarant

*Jill Mary Kingston, Solicitor of the Supreme Court  
of Queensland.*

Full name and qualification of person before whom the  
declaration is made

Queensland Racing  
Commission of Inquiry

2242652 - R1

23 July 2013

Mr Ronald Mathofer  
C/- Clayton Utz  
GPO Box 55  
BRISBANE QLD 4001

Dear Mr Mathofer

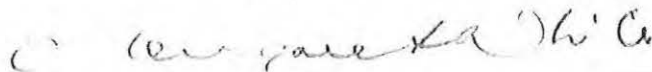
**REQUIREMENT TO PROVIDE WRITTEN STATEMENT TO RACING  
COMMISSION OF INQUIRY**

Please find enclosed a notice requiring you to give written information in a statement to the Queensland Racing Commission of Inquiry established by the *Commissions of Inquiry Order (No. 1) 2013*.

The statement is to be provided to the Commission on or before 9 August 2013, at the place and in the manner specified in the notice.

If you require further information, clarification or assistance, please contact (at first instance) the Commission's Secretary, Joanne Bugden, on 1300 763 087.

Yours sincerely



**Commissioner**  
The Hon. Margaret White AO



**QUEENSLAND RACING COMMISSION OF INQUIRY**

*Commissions of Inquiry Act 1950*  
Section 5(1)(d)

**REQUIREMENT TO GIVE INFORMATION IN A WRITTEN STATEMENT**

**To:** Mr Ronald Mathofer  
**Of:** C/- Clayton Utz, GPO Box 55, BRISBANE QLD 4001

I, **THE HONOURABLE MARGARET WHITE AO**, Commissioner appointed pursuant to *Commissions of Inquiry Order (No. 1) 2013* to inquire into certain matters pertaining to racing in Queensland ("the Commission") require you to give a written statement to the Commission pursuant to section 5(1)(d) of the *Commissions of Inquiry Act 1950* in regard to your knowledge of the matters set out in the Schedule annexed hereto.

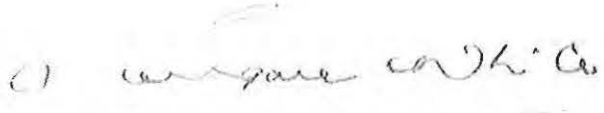
**YOU MUST COMPLY WITH THIS REQUIREMENT BY:**

Giving a written statement prepared either in affidavit form or verified as a statutory declaration under the *Oaths Act 1867* and in accordance with the Practice Guideline (which is published on the Commission website at [www.racinginquiry.qld.gov.au](http://www.racinginquiry.qld.gov.au)) to the Commission on or before 9 August 2013, by delivering it to the Commission at Level 1, 50 Ann Street, BRISBANE, or to the Commission's secretary at PO Box 12369, George Street, BRISBANE, or electronically to [info@racinginquiry.qld.gov.au](mailto:info@racinginquiry.qld.gov.au).

If you believe that you have a reasonable excuse for not complying with this notice, for the purposes of section 5(2)(b) of the *Commissions of Inquiry Act 1950* you will need to provide evidence to the Commission in that regard by the due date specified above.

DATED this *twenty-third* day of *July*

2013

  
The Hon. Margaret White AO  
Commissioner  
Queensland Racing Commission of Inquiry

## SCHEDULE

### *Commission of Inquiry Act 1950*

1. **CONTRACT MANAGEMENT AND FINANCIAL ACCOUNTABILITY** (paragraph 3(a) of the Terms of Reference)

1.1 In respect of the procurement, contract management and financial accountability of the *Relevant Entities (defined below)* during the *Relevant Period (defined below)* what were the:

- (a) policies;
- (b) processes;
- (c) guidelines; and
- (d) measures which were used to ensure contracts which were awarded delivered value for money.

1.2 In respect of the policies, processes, guidelines and measures were they adhered to?

1.3 Events surrounding all contractual arrangements between the *Relevant Entities* and Contour Consulting Engineers Pty Ltd ("*Contour*") including those contracts where Contour was contracted to manage contracts on behalf of the *Relevant Entities*.

1.4 In respect of contracts which were entered into between the *Relevant Entities* and *Contour*:

- (a) Whether each contract was underpinned by procurement practices;

(b) Whether, for each contract, payment policies and processes:

(i) were implemented; and

(ii) were adhered to.

**2. MANAGEMENT (paragraph 3(b) of the Terms of Reference)**

2.1 As to the *Relevant Entities* during the *Relevant Period*, the

(a) management policies;

(b) management processes;

(c) management guidelines; and

(d) workplace culture and practices

that were in place and whether each one:

(a) ensured integrity; and

(b) was adhered to.

2.2 The involvement of the boards or members of the boards of the *Relevant Entities* in the exercise of functions of:

(a) the executive management team; and

(b) other key management personnel, including the company secretary and those involved in integrity matters.

**3. CORPORATE GOVERNANCE (paragraph 3(c) of the Terms of Reference)**

3.1 The corporate governance arrangements of Racing Queensland Limited in the *Relevant Period*.



3.2 Whether Racing Queensland Limited and its *Officers* operated and acted:

- (a) with integrity;
- (b) in accordance with the company's constitution;
- (c) in the best interests of the company;
- (d) in the best interests of the racing industry;
- (e) consistently with policies made pursuant to sections 81 and 83(2) of the *Racing Act 2000* by the Relevant Entities which were current during the Relevant Period; and
- (f) consistently with legislation including the *Racing Act 2000* and the *Corporations Act 2001*.

3.3 In the *Relevant Period* were there in place policies, rules and procedures within Racing Queensland Limited to:

- (a) identify and manage conflicts of interest; and
- (b) minimise the risk of directors and executives improperly using their position and information for personal or financial gain.

3.4 Within Racing Queensland Limited during the *Relevant Period* were there in place terms of employment in contracts restraining former directors and executives from seeking employment with Racing Queensland Limited's contractors and suppliers.

4. OVERSIGHT BY THE MINISTER, THE EXECUTIVE GOVERNMENT, THE CHIEF EXECUTIVE (paragraph 3(d) of the Terms of Reference)

4.1 Oversight of the operations of the *Relevant Entities* in the *Relevant Period* by:

- (a) the responsible Minister;
- (b) the Executive Government; and
- (c) the Chief Executive.

5. EMPLOYMENT CONTRACTS: TUTTLE, ORCHARD, BRENNAN, REID  
(paragraph 3(c) of the Terms of Reference)

5.1 The events surrounding the renegotiation of employment contracts in 2011, for the following senior executives of Racing Queensland Limited:

- (a) Malcolm Tuttle;
- (b) Jamie Orchard;
- (c) Paul Brennan; and
- (d) Shara Reid (formerly Murray).

5.2 The events surrounding the payouts made under the abovementioned contracts on the voluntary termination in March 2012 of the employment of:

- (a) Mr Tuttle;
- (b) Mr Orchard;
- (c) Mr Brennan; and
- (d) Ms Reid.

5.3 The actions of the directors and senior executives of Racing Queensland Limited referred to in paragraph 5.1 and 5.2 hereof and:

- (a) the responsibilities;
- (b) duties; and
- (c) legal obligations of

those persons.

6. **QUEENSLAND RACE PRODUCT CO LIMITED and TATTS GROUP** (paragraph 3 (f) of the Terms of Reference)

6.1 The operations of the *Relevant Entities* in the *Relevant Period* with respect to the arrangements between Queensland Race Product Co Limited and Tatts Group (formerly UNITAB) concerning fees paid by Tatts Group for Queensland wagering on interstate races through TattsBet ("*Fee Arrangements*").

6.2 How Queensland Race Product Co Limited responded to the introduction of race information fees.

6.3 Whether there was legal or other expert advice obtained by the boards of the *Relevant Entities* as to the effect on fees payable by the Tatts Group to Queensland Race Product Co Limited as a consequence of race information fees being introduced.

6.4 Any action taken or not taken as a consequence of the legal or other expert advice and whether there were reasons for taking or for not taking action in accordance with the advice.

6.5 When the race information fees were introduced or at any other time in the *Relevant Period*, whether the directors and senior

executives of the *Relevant Entities* acted in relation to the *Fee Arrangements*:

- (a) in good faith;
- (b) consistently with their responsibilities;
- (c) consistently with their duties and legal obligations; and
- (d) in the best interests of the company or companies of which they were directors or senior executives.
- (e) Whether the actions of the directors and/or senior executives of the *Relevant Entities* relating to the *Fee Arrangements* were influenced by a conflict of interest when the race information fees were introduced or at any other time in the *Relevant Period*.

6.6 Whether, in relation to the *Fee Arrangements*, the directors and the senior executives of the *Relevant Entities* used their position to gain a personal advantage when the race information fees were introduced or at any other time in the *Relevant Period*.

7. FUNDS TRANSFER IN FEBRUARY 2012: QUEENSLAND GOVERNMENT TO RACING QUEENSLAND LIMITED INFRASTRUCTURE TRUST ACCOUNT (paragraph 3(g) of the Terms of Reference)

7.1 Events surrounding the approved transfer of funds by the Queensland Government to the Racing Queensland Limited Infrastructure Trust Account in February 2012.

7.2 The basis upon which the transfer of funds was made.

7.3 Was any influence exercised by directors of Racing Queensland Limited in relation to having the transfer made.

**8. ANY OTHER RELEVANT MATTER**

8.1 Any other matter relevant to the Commission's Terms of Reference.

**GLOSSARY**

*Officers* - means:

- the directors of Racing Queensland Limited;
- the executive management team of Racing Queensland Limited;
- other key management personnel of Racing Queensland Limited;
- the company secretary of Racing Queensland Limited.

*Relevant Entities* – means:

- Racing Queensland Limited
  - before July 2010: Queensland Racing Limited, Greyhounds Queensland Limited and Queensland Harness Racing Limited;
  - before July 2008: Greyhound Racing Authority and Queensland Harness Racing Board;
- entities controlled by Racing Queensland Limited or the other entities mentioned above, including Queensland Race Product Co Limited.

*Relevant Period* means 1 January 2007 to 30 April 2012.

*Terms of Reference:* the terms of reference for the Commission are contained in *Commissions of Inquiry Order (No. 1) 2013* which is available on the Commission's website at [www.racinginquiry.qld.gov.au/](http://www.racinginquiry.qld.gov.au/).

**INFORMATION TO ADDRESSEE**

**YOU MUST COMPLY WITH THIS SUMMONS OR NOTICE**

Pursuant to sections 5 and 7 of the *Commissions of Inquiry Act 1950* ("the Act"), a failure without reasonable excuse to comply with this summons or notice, and (if summonsed to give evidence) a failure to continue to attend as required by the Commissioner until excused from further attendance, constitutes an offence which carries a maximum penalty of 200 penalty units or 1 year's imprisonment. Non-compliance with this summons or notice may result in a warrant being issued for your arrest.

**LEGAL REPRESENTATION**

You may be legally represented at a Commission hearing, if you first obtain leave from the Commissioner. The procedure for seeking such leave is set out in the Initial Practice Guidelines available on the Commission's website at [www.racinginquiry.qld.gov.au](http://www.racinginquiry.qld.gov.au).

**IF THIS NOTICE REQUIRES YOU TO GIVE A STATEMENT OR ANSWER QUESTIONS**

Pursuant to section 14 of the Act, a person attending before the Commission is not entitled to remain silent upon being required to give evidence, refuse or fail to answer any question they are required by the Commissioner to answer, or refuse or fail to produce any thing that the person has been summonsed or required to produce, on the ground that to do otherwise would or might tend to incriminate the person.

Pursuant to section 14A of the Act, a statement or disclosure made by any witness in answer to any question put to the witness by the Commission or the Commissioner shall not be admissible in evidence against the witness in any civil or criminal proceedings save for any proceedings for contempt or in relation to the offences specified in section 22 of the Act.

**IF THIS NOTICE REQUIRES YOU TO PRODUCE A DOCUMENT OR THING**

You must **bring** the stated document or thing to the Commission, if the stated document or thing is in your possession, custody or control. You must **produce** the document or thing to the Commission, unless you have a reasonable excuse. A claim of privilege, other than legal professional privilege, is not a reasonable excuse. However, legal professional privilege is not a reasonable excuse if the privilege is waived by any person (including you) who has authority to waive it.

**PROTECTIONS AND ALLOWANCES FOR A WITNESS**

Every witness attending before the Commission has the same protection and the same liability as a witness would in any action or trial in the Supreme Court of Queensland.

Pursuant to section 23 of the Act, penalties apply to any employer who dismisses an employee from employment, or prejudices him or her in their employment because the employee appeared as a witness before the Commission.

Pursuant to section 24 of the Act, a person attending a Commission hearing under summons is entitled to be paid the allowances and expenses as allowed by regulation or by the Commissioner.



## **PURCHASING POLICY**

### **Owner**

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Chief Financial Officer

### **Stakeholders**

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Corporate Wide

### **Revision History**

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<i>Version</i>	<i>Date</i>	<i>Description of Change</i>
1.01	May 2010	First draft (Murray Dyke)/Reviewed Adam Carter
1.02	12 May 2010	Provided to Tracey Harris and Abhendra Kumar for Feedback
1.03	22 June 2010	Reviewed AC
1.04	1 July 2010	RQL Board Changes (FINAL)
1.05	9 June 2011	Reviewed Adam Carter and Sharon Drew
1.06	1 July 2011	Approved by RQL Board – Capital Expenditure and Repairs and Maintenance
1.07	25 October 2011	Added: 1. Delegation authority of \$50K for the Project Director. 2. Industry Infrastructure Plan Section. Made minor changes to the Capital Expenditure and Repairs and Maintenance forms.
1.08	4 November 2011	Approved by RQL Board – changes made as per version 1.07



## PURCHASING POLICY:

### RACING QUEENSLAND LIMITED

#### Introduction

This policy has been prepared to provide guidelines and procedures to be followed by officers of Racing Queensland Limited when undertaking and managing purchasing activities to meet the organisation's operational requirements and also meet the objectives of the policy.

Racing Queensland Limited is the Control Body established by, and obtaining its objects and functions from, the *Racing Act 2002* and its Constitution. Racing Queensland Limited is required to conduct its financial activities with probity and accountability, in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Australian Equivalent to International Financial Reporting Standards A-IFRS and Australian Securities and Investment Commission- ASIC.

#### Key Principles

In conducting its purchasing activities it is the policy of Racing Queensland Limited to adhere, at all times, to the key principles of:

1. Value for money;
2. Quality of product, service, and support;
3. Open and fair competition;
4. Accountability of outcomes;
5. Use of Queensland product where price competitive, and where quality standards are met; and
6. Suppliers are compliant with all taxation requirements.

#### Policy

These principles have been applied in developing policy for the following key purchasing activities:

- Capital works projects;



- 
- Consulting services;
  - Sponsorship contracts;
  - Information technology;
  - Other capital expenditure;
  - Major repairs and maintenance;
  - Day to day purchasing of services and supplies;
  - Industry Infrastructure Plan; and
  - Credit Facilities

There is also a focus on using preferred suppliers as explained in this report in further detail. The procurement system should result in the following benefits:

- Reduce operating costs;
- Reduce risk;
- Increase control; and
- Improve cash flow visibility

### ***Capital Works Projects***

Racing Queensland Limited plays a major role in the implementation of industry capital works projects each year. Racing Queensland Limited establishes an annual program of capital works, within a specified budget, following consideration of proposals from race clubs and advice from relevant officers within the organisation.

The policy of Racing Queensland Limited, in relation to the implementation of approved projects, is briefly addressed below:

- Once projects are given preliminary approval through the annual capital budgeting process, race clubs will be required to provide detailed design and costing information, and a project plan, prepared by a suitably qualified and experienced independent consultant. Racing Queensland Limited may, at its discretion, instigate an assessment of this documentation by its own consulting engineers. Any variation to the estimate used in applying for inclusion in the capital works program must be disclosed and explained. Variations of greater than 10% from the preliminary estimate are to be referred back to the Board of Racing Queensland Limited;
- Assuming the project cost following detailed design is contained within 10% of the preliminary estimate, and Racing Queensland Limited is satisfied with the standard of documentation provided, final approval will be given for the project to proceed (Chief Executive Officer or Chief Financial Officer);
- After final approval has been given, race clubs will be instructed that they can establish formal contractual arrangements for the construction works, in accordance with the approved budget. In establishing these contracts the club must pay regard to the key purchasing principles contained within this policy. Following establishment of the works contracts, Racing Queensland Limited will make payment of a grant to the club, equivalent to the agreed industry contribution. This grant will represent payment for a taxable supply, and will have GST added; and
- Following completion of the project, the club will provide Racing Queensland Limited with a report, which addresses the outcomes of the project, including cost to budget, quality of product, and timeliness.

### ***Consulting Services***

Racing Queensland Limited uses consulting services in a number of aspects of its operations including legal, information technology, human resource management, financial management, business development, and marketing.

These consultancies vary from short-term “one-off” contracts, to longer-term arrangements, which may encompass a series of different activities (e.g. marketing and promotional work).

For short-term “one-off” contracts the following policy guidelines are to apply:

- The six key purchasing principles outlined above are to be applied at all times;
- For contracts under \$10,000 in value, preferred supplier arrangements\* can be used. That is, where a purchasing officer is satisfied that a consultant that has provided a high quality service in the past, has the necessary expertise to undertake the work, and is available in an appropriate timeframe, that consultant can be appointed without a formal competitive process being undertaken. If such a person is not available, three quotes from prospective consultants should be obtained and evaluated;

(\* Please note that where preferred supplier arrangements are referred to later in this document for other categories of purchasing, similar procedures to those above will apply)

- For contracts between \$10,000 and \$100,000, tenders should be called from at least three “preferred” contractors. The selection of these three preferred suppliers, and subsequent evaluation of their proposals, should take into account the six key purchasing principles. The evaluation of the proposals should be undertaken by two accountable officers, and be approved by a delegated officer (Chief Executive Officer or Chief Financial Officer);
- For contracts over \$100,000, will be subject to Board discretion as to the waiver of an open tender, including appropriate advertising of the consultancy. Tenders are to be evaluated, in accordance with the six key purchasing principles, by a panel of no less than two accountable officers, and be approved by a delegated officer.

For longer-term consultancy arrangements (e.g. the ongoing purchase of external legal services that cannot be delivered in-house), which may involve the use of a preferred supplier or suppliers for a range of individual tasks over an extended period of time, the following guidelines are to be followed:

- The purchasing officer may select a consultant for a range of tasks from a panel of preferred suppliers for the type of work involved;
- Prior to such a selection, a competitive process, adhering to the six key purchasing principles of Racing Queensland Limited, to appoint the panel of preferred suppliers must have been undertaken, be appropriately documented, and be signed-off by a delegated officer;
- In selecting the preferred supplier from the panel, the purchasing officer must clearly document the reasons for the selection, and be accountable for that selection. The selection must be approved by a delegated officer; and
- Individual consultancy contracts over \$100,000 in value are not to be entered into under these preferred supplier arrangements. For such consultancies, will be subject to Board discretion as to the waiver of an open tender, as described above, must be followed.

### **Sponsorship Contracts**

Racing Queensland Limited may enter into sponsorship contracts of a cash and exchange-of-goods and/or services (“contra”) nature.

In establishing these contracts, officers must adhere to Racing Queensland Limited’s key purchasing principles, particularly those of “accountability of outcomes”, and “compliance with all taxation requirements”. With these principles in mind, a Sponsorship Agreement pro-forma (refer to Appendix A) is to be prepared for all sponsorship arrangements, regardless of whether they involve a cash payment, or are solely contra in nature.

The sponsorship agreement is to clearly specify the goods and/or services that are to be delivered by both Racing Queensland Limited and the sponsor, and identify the value of these supplies so that GST obligations, including Tax Invoicing, can be satisfied.

All sponsorship agreements are to be authorised by an officer of Racing Queensland Limited with appropriate delegation, and a copy is to be provided to the Finance Section so that Tax Invoices can be prepared, and GST liabilities and credits accounted for.

### **Information Technology**

The acquisition of information technology hardware and software represents a substantial investment of capital by Racing Queensland Limited each year.

Given the advancing nature of IT and the need to upgrade hardware and systems applications on an ongoing basis, it is the policy of Racing Queensland Limited to acquire such items through leasing arrangements. In this regard the following is to apply:

- A tender process, through a preferred supplier arrangement, is to be undertaken for the establishment of a medium to long-term lease contract for the supply of computer equipment, and other general office equipment where appropriate;
- This contract is to be reviewed on an annual basis to ensure the key principles of “value for money” and “quality of service and support” are being satisfied;
- Where a requirement to add items to the schedule covered by the lease has been identified, the purchasing officer must ensure the purchasing principles are adhered to. For items under \$10,000, preferred supplier arrangements can be used. For items \$10,000 or over, three quotes must be obtained. Appropriate documentation to support the purchasing decisions must be maintained at all times; and

The IT Section is also required to develop and maintain an *IT asset replacement strategy*, incorporating a list of all hardware and software under lease (or purchased), and information on the condition and expected useful life of individual items.

### **Other Capital Expenditure**

#### **Motor Vehicles**

Racing Queensland Limited maintains a fleet of vehicles provided for both work and private use. These vehicles are to be leased through the appropriate lease provider under the following arrangements:

- the leasing of a new vehicle must be approved by the Chief Executive Officer or Chief Financial Officer; and
- The type and model of the vehicle, and any optional extras, must be commensurate with the status and nature of the role performed by the officer for which the car is being acquired, and be in accordance with the entitlements the officer has under his/her contract of employment;
- All vehicles are to be replaced after three years, or having travelled 90,000 klms, whichever comes first, unless the Chief Executive Officer or Chief Financial Officer agrees to an extension of the leasing term.

Vehicles are to be leased in line with the Racing Queensland Limited’s Motor Vehicle Policy, for further details email [ap@racingqueensland.com.au](mailto:ap@racingqueensland.com.au)

On disposal of company-owned vehicles, three trade-in quotes must be obtained, where possible, with the highest trade-in valuation the key consideration in selecting the successful dealer. Racing Queensland Limited staff may be given the option to purchase the vehicle that is being traded, at no less than \$1 more than the best trade-in valuation. The Chief Executive Officer or Chief Financial Officer will determine the successful staff bidder in the event of two or more staff bidding for the same vehicle being traded.

### **Other Capital Purchases**

All other capital purchases (e.g. office machines) made by Racing Queensland Limited are to adhere to the following guidelines:

A request for capital expenditure form is to be completed for all capital purchases and is to be authorised by both the Chief Executive Officer and Chief Financial Officer [<insert link to form when on intranet >](#).

- The six key purchasing principles outlined above are to be applied at all times;
- For items under \$10,000 in value, preferred supplier arrangements can be used;
- For capital items between \$10,000 and \$100,000, quotes should be called from at least three “preferred” suppliers. The selection of these three preferred suppliers, and subsequent evaluation of their proposals, should take into account the six key purchasing principles;
- For capital items over \$100,000, will be subject to Board discretion as to the waiver of an open tender. Tenders are to be evaluated, in accordance with the six key purchasing principles, by a panel of no less than two accountable officers; and
- For all capital purchases of \$10,000 or more, a lease versus buy analysis is to be undertaken.

### ***Major Repairs and Maintenance***

Major Repairs and Maintenance purchases of \$20,000 or more made by Racing Queensland Limited are to adhere to the following guidelines:

A request for major repairs and maintenance expenditure form is to be completed for purchases of \$20,000 or more and is to be authorised by both the Director of Product Development and Chief Financial Officer to the value of \$50,000). Purchases of \$50,000 or more will require an additional approval by the Chief Executive Officer.

. [<insert link to form when on intranet >](#)

### ***Day to day Purchasing of Services and Supplies.***

Policy in relation to the day to day purchasing of services and supplies is as follows:

- For items supplied on a continuous basis (e.g. stationery, consumables, printing) preferred supplier arrangements may be used. Purchasing officers must ensure that the key purchasing principles are adhered to, especially “value for money” and “quality of service”;
- In this regard, officers are required to conduct a competitive process for the selection of a panel of preferred suppliers, for continuous supplies, on an annual basis. Documentation must be prepared and maintained in respect of preferred supplier selection, and the subsequent selection of a supplier from the panel for particular purchases;
- However, for any individual supply or service, which would normally form part of a continuous supply by an individual, that is to cost the organisation \$100,000 or more, an open competitive process must be undertaken. That is, any individual supply which is to cost \$100,000 or more, cannot form part of a continuous purchasing contract made under preferred supplier arrangements;
- For non-continuous supplies and services (e.g. “one-off” printing jobs) preferred supplier arrangements can be used for purchases under \$10,000, on the basis that Racing Queensland Limited’s key principles are satisfied. At least three competitive quotes must be obtained for any purchase of \$10,000 or more.

### **Industry Infrastructure Plan;**

Policy in relation to the approval of supplier payments specifically related to the Industry Infrastructure Plan is as follows;

- All invoices must be checked and signed by the Project Director even if outside of delegation limit. The Project Director is to obtain the approval of the CEO or Board if over his delegation limit.
- All delegations are to be in line with the RQL purchasing policy.

- All items outside of the approved budget with a tolerance level of greater than either 1% or \$200K of the project value will require Board approval.

## Preferred Suppliers

As much as possible, Racing Queensland Limited should consolidate its suppliers and utilise preferred suppliers for either off-the-shelf goods/services where there are several sources of supply and the purchase is low risk or where there is an established relationship with a proven record of success. The advantages of using preferred suppliers are that it streamlines and simplifies purchasing, reduces administrative costs and promotes cost savings through volume discounts and exclusivity arrangements. Other benefits are that it minimises costs and risk for suppliers through not being required to regularly prepare and submit quotations.

### 1.1. Selection of Preferred Suppliers

The selection of preferred suppliers should be based on selection criteria that could include:

- Technical capability and experience
- Financial capacity and viability
- System and management responsibility incorporating product and service compliance with agreed industry standards
- People
- Business/organisation factors
- Favourable referee reports (a successful track record to deliver)
- Racing Queensland Limited's 6 key principles:
  1. Value for money;
  2. Quality of product, service, and support;
  3. Open and fair competition;
  4. Accountability of outcomes;
  5. Use of Queensland product where price competitive, and where quality standards are met; and
  6. Suppliers are compliant with all taxation requirements.

### 1.2 Preferred Suppliers Listing.

The current preferred suppliers list can be obtained from accounts payable [ap@racingqueensland.com.au](mailto:ap@racingqueensland.com.au) or can be located at the following link:

<Insert Link to Preferred Supplier Listing which is currently under construction>

RACING QUEENSLAND LIMITED

Item	Regional Senior Stewards	Admin Authorities, Racecourse Supervisor, racing Manager – Procurement Track Supervisor	Managers, Chief Steward, Racing and Facilities Supervisor, Track Supervisor	Information Technology and Communications Manager, Licensing and Training Manager, Racing Managers – Dividing Races, Management Accountant, Revenue & Services Accountant	Director of Integrity Operations, Facility & Development Manager, Senior Corporate Counsel/Company Secretary	Chief Financial Officer, Director of Product Development, Project Director	Chief Executive Officer	Board of Directors
Overall Delegation	<\$500	<\$1,000	<\$2,000	<\$5,000	<\$20,000	<\$50,000	<\$150,000 In line with Budget	Unlimited

Standard Purchase Orders	IPOS	IPOS	IPOS	IPOS	IPOS	IPOS	IPOS	IPOS
Emergency Purchase Orders	IPOS	IPOS	IPOS	IPOS	IPOS	IPOS	IPOS	IPOS
Requisition – Miscellaneous Purchases (Credit Cards) (Refer to Expense Reimbursement policy for conditions)	X	X	X	X	<\$20,000 and to Budget	To Budget	To Budget	Same as above
Petty Cash	<\$100	<\$100	<\$100	<\$100	<\$100	<\$300	<\$300	<\$300
Capital Expenditure Purchase Orders and Request Forms	X	X	X	X	X	Forecast projects if <\$50,000 or if satisfied CEO has previously approved the project	Any single project <\$150,000 where included in approved annual budget	Any single project above \$150,000
Domestic (Interstate) travel	X	X	X	To Budget	To Budget	To Budget	To Budget	If outside aggregate annual budget
International Travel	X	X	X	X	X	X	To Budget	If outside aggregate annual budget
Official Hospitality	<\$100	<\$100	<\$100 <\$300 Senior Management Team	<\$100 <\$300 Senior Management Team	<\$300	<\$300 or other functions as approved by CEO	To Budget	Yes
Sponsorship	X	X	X	Authorities restricted to IT&Comms Manager or Marketing Manager <b>and</b> Senior Corporate Counsel/Company Secretary	To Budget	To Budget	To Budget	Yes, subject to Board agreement

RACING QUEENSLAND LIMITED

Item	Regional Senior Stewards	Admin Authorities, Racecourse Supervisor, racing Manager – Procurement Track Supervisor	Managers, Chief Steward, Racing and Facilities Supervisor, Track Supervisor	Information Technology and Communications Manager, Licensing and Training Manager, Racing Managers – Dividing Races, Management Accountant, Revenue & Services Accountant	Director of Integrity Operations, Facility & Development Manager, Senior Corporate Counsel/Company Secretary	Chief Financial Officer, Director of Product Development, Project Director	Chief Executive Officer	Board of Directors
Overall Delegation	<\$500	<\$1,000	<\$2,000	<\$5,000	<\$20,000	<\$50,000	<\$150,000 In line with Budget	Unlimited

Contractual Agreements (all contracts to be reviewed by Senior Corporate Counsel/Company Secretary for updating of Contracts register and assess if any legal advice is required)	x	x	x	x	<\$20,000 total value (not lease or license) assuming that authorised to sign in ordinary operations	Yes with CEO assuming CEO previously approved and legally authorised to sign where <\$100,000	Yes where value <\$150,000	Yes, subject to Board agreement
Execution of Contractual agreements (All contracts to be reviewed by Senior Corporate Counsel/Company Secretary for updating of contracts register and assess if any legal advice is required)		To be executed by 2 Directors of the Company or a Director and a Company Secretary of the Company (S127 (1) – Corporations Act 2001).						



The same delegations above apply to the payment of invoices with one exception:

- An invoice can be approved by a person with a lesser delegation provided the original purchase order was approved appropriately and the invoice does not exceed an amount that exceeds 10% of the original purchase order.

It should be noted that as a business rule, staff are not allowed to circumvent their delegation by raising multiple orders to purchase a good or service for an amount that exceeds their delegation limit.

### **Delegations**

All expenditures for goods and services are to be authorised by a duly delegated officer and are to be in line with budget. These delegations are as follows:

#### *Unlimited*

- Board of Directors

#### *Up to \$150,000*

- Chief Executive Officer

#### *Up to \$50,000*

- Chief Financial Officer
- Director of Product Development
- Project Director

#### *Up to \$20,000*

- Director of Integrity Operations
- Facility Maintenance and Development Manager
- Senior Corporate Counsel/Company Secretary

#### *Up to \$5,000*

- Information Technology and Communications Manager
- Racing Managers – Dividing Races
- Licensing and Training Manager
- Accountant – Corporate Services
- Management Accountant

#### *Up to \$2,000*

- Race Course Facility Managers
- Chief Steward
- Track supervisor

#### *Up to \$1,000*

- Administrative Authorities – Executive Assistants including Track Supervisors
- Racing Managers - Procurement
- Racecourse Supervisor

#### *Up to \$500*

- Regional Senior Stewards (Northern Region – Townsville, Senior Steward Capricornia Rockhampton and Steward in Charge Downs - Toowoomba)

### **Capitalisation of expenditure**

Expenditure on discreetly identifiable plant and equipment items of **\$2,000** and above will be capitalised where the future benefit of that expenditure exceeds one year at the time of purchase. All land purchases must be capitalised.

The Chief Executive Officer or Chief Financial Officer may approve the capitalisation of services expenditures of \$2,000 and above where those services have a future benefit exceeding one year. All assets which are under \$2,000 must be expensed in the year of purchase and recorded in the portable and attractive items register. All other service expenditures shall be written off in the financial year the expenditure was incurred.

### **Compliance with Commonwealth Government GST & Australian Business Number legislation**

The Commonwealth Government implementation of GST and Australian Business Number legislation, has given rise to some additional obligations in respect of purchasing. These are as follows:

- Organisations are required to withhold 46.5% of any payment to a supplier of goods or services that does not provide an ABN. In response to this, it is the policy of Racing Queensland Limited that no supplies be purchased from entities that are unable to quote an ABN;
- All suppliers to Racing Queensland Limited are to be advised that they must be able to provide a "Tax Invoice" in the form specified by the GST legislation, to enable Racing Queensland Limited to claim input credits. Under law, the supplier must supply Racing Queensland Limited with a Tax Invoice within 28 days of request. Racing Queensland Limited staff should not enter into contractual arrangements with suppliers unless satisfied that the supplier will be able to provide a suitable Tax Invoice; and
- When obtaining quotes or prices from potential suppliers, purchasing officers must satisfy themselves that the prices quoted are GST inclusive.

### **Documentation and the Role of the Finance Department**

The Finance Department plays the lead role in ensuring Racing Queensland Limited meets its obligations under the *Corporations Act 2001*, Australian Accounting Standards and Australian Equivalent to International Financial Reporting Standards A-IFRS and Australian Securities and Investment Commission- ASIC through the development and implementation of appropriate accounting policies and controls.

While the Department will work to ensure operational areas within the organisation are meeting their obligations under the purchasing guidelines, senior managers also have a role to play in monitoring the purchasing activities of their staff.

With regard to documentation, all acquisitions need to be supported by evidence that appropriate purchasing principles and guidelines have been followed. In this regard:

- All purchases for non-continuous supplies that are not completed through petty cash or credit cards must be completed in IPOS. **Where IPOS is not available a manual purchase order must be raised and authorised with the pink and green copies sent to accounts payable.** Additionally, copies of sponsorship agreement pro-formas must be provided to the Chief Financial Officer on a timely basis; and
- The delegated officer must be satisfied that Racing Queensland Limited's purchasing policy has been adhered to, and that appropriate documentation that supports the six key principles (value for money, open and fair competition etc) has been gathered, and is available for audit scrutiny if required. The managers of organisational areas have responsibility for ensuring supporting documentation is maintained and is accessible.

Enquiries regarding these purchasing principles should be directed to the Chief Executive Officer or Chief Financial Officer.

### **IPOS**

IPOS is an online web enable electronic procurement system. It has been custom built to meet Racing Queensland Limited and industry needs and greatly enhances Racing Queensland Limited's ability to operate in today's modern information driven environment.

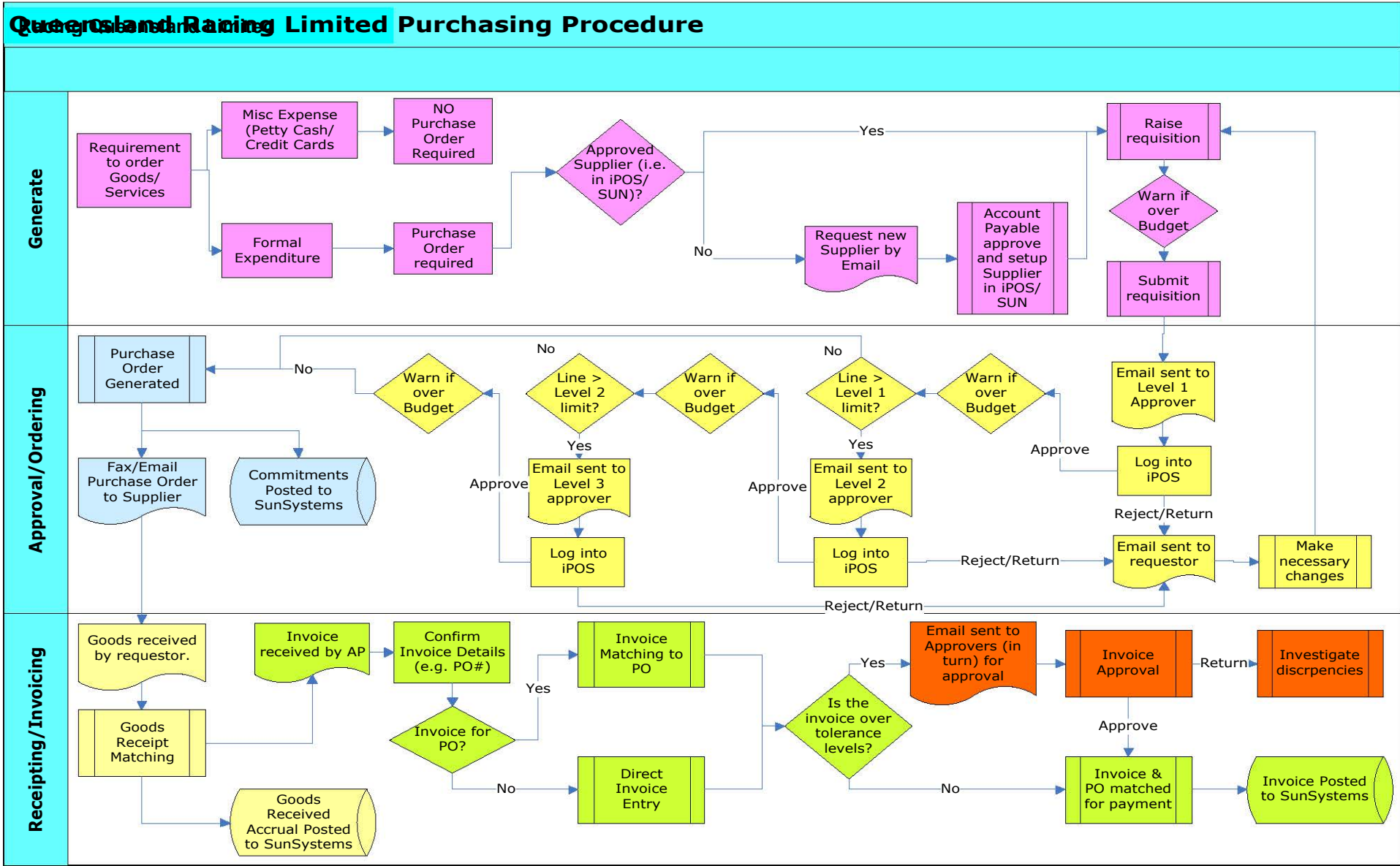
**Where IPOS is not available a manual purchase order must be raised and authorized with the pink and green copies sent to accounts payable.**

The main objectives of IPOS are:

- To provide the underlying systems to enable the business to obtain tighter budgetary controls, including the recording of committed expenditure,
- To provide managers with the appropriate tools to focus on their individual budgets,
- Implementation of systemic controls over the procure to pay process,
- Improved reporting to the whole business,
- To bring Racing Queensland Limited in line with best practice procurement through taking advantage of e-commerce, electronic purchase ordering and scanning.
- Provide more real time reporting with less reliance on accounts payable,

- 
- Introduction of process efficiencies for accounts payable, removing the many manual processes currently in use, such as manual purchase order generation and invoice approvals.
  - Ability to interface with supplier ordering systems resulting in less manual entry.

The process map for Racing Queensland Limited's procurement process is featured below.



The major advantage of IPOS is that it enforces Racing Queensland Limited's purchasing policy in an electronic procurement system. All management delegations are enforced at requisition and invoice stage. Separation of duties ensures that only requisitioners can create purchase orders and only management can authorise.

From 1 July 2010 where applicable all invoices will only be paid if an IPOS purchase order number is quoted on the invoice. Instances where invoices do not require IPOS purchase orders are Energy, phones, rates and other standard monthly charges.

IPOS Procedures are linked below:

<http://starcraft:8080/finance/Shared%20Documents/Forms/AllItems.aspx>

<link to be updated>

## **Payment Methods**

### **1. Direct Debit**

#### **1.1 Business Condition**

Purchases that occur at set times throughout the year for set dollar amounts.

#### **1.2 Business Rule**

Invoices for goods or services that fall under this category include:

1. Rentals
2. Leases
3. Superannuation

Payments will be made via direct debit at the time dictated by the invoice.

#### **1.3 Dependencies**

Payments must be fixed frequency and price.

### **2. Cheque**

#### **2.1 Business Condition**

One-off purchases that can not be paid through any other alternative option. RQL will only pay by cheque under exceptional circumstances otherwise all payments are to be made by electronic funds transfer.

### **3. Electronic Funds Transfer (EFT)**

All other purchases will be paid by Electronic Funds Transfer (EFT) unless previously authorised by the Chief Financial Officer

## Payment Summary

A summary of the different methods for paying invoices is provided below:

<b>Payment Types</b>	<b>Business Condition</b>
EFT	Used for standard purchasing from preferred suppliers  Used for emergency purchases from preferred supplier in response to an emergency situation
Direct Debit	Used for purchases that occur at set times throughout the year for set dollar amounts
Cheque	Used for miscellaneous purchases on a "case-by-case" basis only. To be used only in exceptional circumstances.
Credit Cards	Used for purchases made with non-preferred suppliers for dollar amounts up to delegated authority.
Petty Cash	Used for miscellaneous purchasing of items with a value of less than \$100 unless authorised by the Chief Financial Officer

## Summary of Key Controls

As a high level summary, the key controls associated with the procurement system are:

- Only deal with suppliers who have a valid ABN.
- Three quotes required for amounts of \$10,000 or more where a preferred supplier is not used.
- Tax invoices to be obtained at all times.
- Required signatures for goods received.
- Vendor creation, deletion or addition must be performed by the Accounts Payable Officer and the bank account details are required in accordance to the Sun Security matrix to be entered by an Accounts Receivable Officer who does not have the ability to raise purchase orders or make payments in SUN. The change of details form is located <G:\Finance\FORMS\Accounts Payable\Change of Details form.xls>.
- Invoices are only paid after the prior approval of a purchase order (excluding credit card statement payments and direct debits) and after goods have been received.
- Established delegation limits with a 10% tolerance level up to a limit of \$100
- Credit card holders can make transactions greater than their delegation limit provided a purchase requisition with appropriate approval has been obtained first.
- All Capital purchases require a Capital Expenditure request form.
- Major Repairs and Maintenance of \$20,000 or more require a Major Repairs and Maintenance form.

In addition to the above, Racing Queensland Limited should perform an annual supplier analysis to review expenditure to determine that value for money is being achieved.

## Credit Facilities

A credit facility is any system of credit established to allow purchase of goods or services without the use of an official purchase order or the exchange of cash between the purchaser and supplier at the time of the transaction.

The credit facilities generally used by the Company are:

- Corporate credit cards
- Fuel cards
- Taxi vouchers
- Toll cards.

The establishment of any credit facility requires the recommendation of the Chief Financial Officer and approval from the Company. The Chief Financial Officer is responsible for the establishment, implementation, management and control of credit facilities used by the Company.

All credit facilities must be subject to the agreed terms and conditions between the credit provider and the Company.

Users of credit facilities must comply with the agreed terms and conditions, and properly discharge responsibilities regarding the use and reconciliation of credit accounts. Users are responsible for utilising the facilities in a proper and appropriate manner, and are accountable for all transactions associated with their use.

Users are also responsible for the security of the card/vouchers. Misuse of credit facilities will, at the discretion of the Board, result in the user's access to the facility being revoked and appropriate disciplinary action being taken.

## Corporate Credit Cards

**Principles.** The policies and procedures pertaining to corporate credit cards are contained in the following policy: [RQL Expense Reimbursement Policy.doc](#)  
<Update link when on Intranet>

**Issue.** Corporate credit cards will be issued to relevant officers on the basis of the card providing a necessary and convenient facility for meeting commitments incurred in the course of official business. The issue of corporate credit cards is to be recorded in a register that is maintained by an appropriate officer, e.g. Accounts Payable Officer. Corporate card use should be restricted to a specific transaction limit in any one month.

### **Documentation.**

The following conditions governing the use of credit cards prevail:

A register of cards must be established and maintained to exercise control over the issue and use of cards.

- Only authorised charges may be made against the credit organisation;
- Cards must be secured at all times against unauthorised use;
- Internal control measures must be sufficient to ensure cards are used for official purposes only and that any misuse is detected promptly and reported to the Chief Financial Officer.
- Officers using a credit card must obtain particulars of transactions including supporting invoices and dockets duly signed. A Credit Card Usage Form must be completed with the invoices attached. Supporting documentation can include the vendor's invoice/account, copy of prior approval to travel/entertain (where applicable), and purchase order. Where supporting invoices or dockets are not available, a signed certificate stating that the transactions are valid and were for official purposes must be attached. Details of all hospitality/entertainment expenses must be fully documented with the purpose of the expense, guest name(s), date, refreshments, time and the like.

### **Reconciliation.**

- The documentation must be forwarded promptly to an accounting officer for attachment to the credit card transaction record for the purposes of sustaining the official use of the card and settlement of the amount within the required period;
- An accounting officer must match the dockets to the statements received from the credit card organisation;
- The dockets and the summary of these dockets showing the charges incurred by the use of credit cards must be properly authorised by a duly authorised officer; and
- The use of credit cards for the purchase of goods and services must be in strict accordance with the expense reimbursement policy of Racing Queensland Limited.
- Failure to provide receipts and the reconciliation in a timely manner will result in the card being cancelled and the employee will have to be reimbursed expenditure through the expense reimbursement policy

## Fuel Cards

**Issue.** The issue of fuel cards is to be recorded in a register maintained by the Finance area.

**Responsibilities.** Users of the fuel card credit facility are responsible for utilising the facility in a proper and appropriate manner. Users are also responsible for the security of the card while it is in their possession, and are accountable for all transactions associated with its use during that period.

**Use.** Fuel cards are to be used only in accordance with the agreement between the credit provider and the Company. This includes locations where the card may be used, vehicle for which the card may be used and the types of purchases that are permitted (e.g. fuel only, fuel and oil).



**Documentation.** Fuel card transactions are to be supported by documentary evidence of the purchase (e.g. the fuel card docket provided by the fuel supplier). This documentation is to be forwarded to the Finance Area and will be used when reconciling the credit provider's account and making payment.

### **Taxi Vouchers**

**Issue.** Bulk stocks and the issue of taxi vouchers are to be maintained by the Finance area. The Accounts Payable Officer is responsible for the issue of taxi vouchers within their area of responsibility. This officer should ensure that taxi vouchers are issued for appropriate use.

**Use.** The use of taxi vouchers is strictly limited to taxi travel for the purpose of conducting official business within or outside business hours when neither an official vehicle is available, nor is public transport an acceptable option.

### **E Tolls**

**Issue.** The Chief Financial Officer is responsible for approving the issue of E toll within their area of responsibility.

Officers may purchase pre-paid tolls only by credit card.

**Use.** The use of tolls is limited to conditions as specified under the motor vehicle policy.

# SPONSORSHIP AGREEMENT

**BETWEEN:**

**(The Sponsor)**

**AND RACING QUEENSLAND LIMITED**, a control body established under the *Racing Act 2002* and *Corporations Act 2001*

**(The Sponsored)**

**WHEREAS** The Sponsor has agreed to provide sponsorship in accordance with this agreement.

**AND** The Sponsored has agreed to provide services in return for the sponsorship.

**This Agreement provides:**

1. The Sponsor will provide the following sponsorship to the Sponsored:  
 Details of Sponsorship [If insufficient space annex details]
  - Money (here detail the sum of any monies to be paid to the Sponsored)
  - Support (here detail all support services including the value thereof to be supplied to the Sponsored)
2. The Sponsored will provide the following services to the Sponsor: [If insufficient space annex details]
  - Services (here detail all services including their value to be supplied by the Sponsored in return for the sponsorship)
3. It is hereby acknowledged that:
  - (a) The Sponsored will issue a recipient created tax invoice to the Sponsor to meet Goods and Services Tax obligations in relation to the supply of money and for support;
  - (b) The Sponsor will issue a recipient created tax invoice to the Sponsored to meet Good and Services Tax obligations in relation to the supply of services.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_

**SIGNED AS AN AGREEMENT**

**SPONSOR** .....

Full name of authorised officer .....

Signature of authorised officer .....

Signed in the presence of .....

**SPONSORED**

**RACING QUEENSLAND LIMITED**

Full name of authorised officer .....

Signature of authorised officer .....

Signed in the presence of .....



## **ADDENDUM TO PURCHASING POLICY**

### **Owner**

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Chief Financial Officer

### **Stakeholders**

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Corporate Wide

### **Revision History**

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<i>Version</i>	<i>Date</i>	<i>Description of Change</i>
1.01	25 Nov 2011	Draft Addendum to RQL Purchasing Policy
1.02	19 Dec 2011	Board Approved



## PURCHASING POLICY: INFRASTRUCTURE PLAN RACING QUEENSLAND LIMITED

### Introduction

This addendum has been prepared to expand on the RQL General Purchasing Policy which provides guidelines and procedures to be followed by officers of Racing Queensland Limited when undertaking and managing purchasing activities to meet the organisation's operational requirements and also meet the objectives of the policy.

The Racing Queensland Infrastructure Plan has been designed to improve and further develop racing industry infrastructure by way of a \$110 million redirection of wagering taxes from the QLD government. Projects have been identified and funds allocated to each project.

Given the size and scale of these projects this addendum to the Racing Queensland Purchasing Policy has been developed to ensure the necessary additional steps are taken to ensure all projects funded are completed in an accountable and transparent manner to the highest standards.

The purchasing policy, including this addendum form the basis upon which the Industry Infrastructure Plan Committee is guided in the procurements of goods and services relating to the projects that make up the Industry Infrastructure Plan. (See IIPC Charter)

Racing Queensland Limited is the Control Body established by, and obtaining its objects and functions from, the *Racing Act 2002* and its Constitution. Racing Queensland Limited is required to conduct its financial activities with probity and accountability, in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Australian Equivalent to International Financial Reporting Standards A-IFRS and Australian Securities and Investment Commission- ASIC.

### Key Principles

In conducting all of its purchasing activities, including infrastructure plan projects, it is the policy of Racing Queensland Limited to adhere, at all times, to the key principles of:

7. Value for money;
8. Quality of product, service, and support;
9. Open and fair competition;
10. Probity and Accountability of outcomes;
11. Use of Queensland product where price competitive, and where quality standards are met; and
12. Suppliers are compliant with all taxation requirements.

## Policy

There is also a focus on using preferred suppliers as explained in this report in further detail. The procurement system should result in the following benefits:

- Reduce operating costs;
- Reduce risk;
- Increase control; and
- Improve cash flow visibility

## Industry Infrastructure Plan

Racing Queensland Limited's Infrastructure Plan procurement policy must adhere to the strictest guidelines of Probity, Accountability and Transparency as the funds for these projects come directly from the QLD Government and as such are expenditure of these funds is expected to stand up to rigorous scrutiny.

Policy in relation to the approval of supplier payments specifically related to the Industry Infrastructure Plan is as follows;

- All invoices must be checked and signed by the Project Director even if outside of delegation limit.
- The Project Director is to obtain the approval of the CEO or Board if over his delegation limit.
- All delegations are to be in line with the RQL purchasing policy.
- All items outside of the approved budget with an aggregate tolerance level of greater than either 1% or \$200K of the project value will require Board approval.

## Suppliers

As much as possible, Racing Queensland Limited should consolidate its suppliers and utilise preferred suppliers for either off-the-shelf goods/services where there are several sources of supply and the purchase is low risk or where there is an established relationship with a proven record of success. The advantages of using preferred suppliers are that it streamlines and simplifies purchasing, reduces administrative costs and promotes cost savings through volume discounts and exclusivity arrangements. Other benefits are that it minimises costs and risk for suppliers through not being required to regularly prepare and submit quotations.

### 1.2. Selection of Preferred Suppliers

The selection of preferred suppliers should be based on selection criteria that could include:

- Technical capability and experience
- Financial capacity and viability
- System and management responsibility incorporating product and service compliance with agreed industry standards
- People
- Business/organisation factors
- Favourable referee reports (a successful track record to deliver)

Racing Queensland Limited's 6 key principles:

7. Value for money;
8. Quality of product, service, and support;
9. Open and fair competition;
10. Probity and Accountability of outcomes;
11. Use of Queensland product where price competitive, and where quality standards are met; and
12. Suppliers are compliant with all taxation requirements.

### 1.3. Preferred Suppliers Listing

Preferred Supplier listings for Infrastructure Plan projects are to be developed by inviting suppliers with experience and expertise in the key areas that make up the projects identified in the RQL Infrastructure Plan to tender for projects thereby forming supplier panels.

These supplier panels could be further refined by way of prequalifying of suppliers lists.

### 1.3. Prequalification of Suppliers

Prequalification is where suppliers of particular goods or services are assessed against pre-determined criteria and then only those suppliers who satisfy the prequalification criteria are invited to tender for projects.

Prequalification provides added confidence that suppliers being invited to offer have the capability to supply the goods and services. Prequalification does not eliminate the risk of contract failure, but, if well managed, is a method of reducing the risk and administrative burden created by repeated approaches to the market.

Suppliers that are successful in meeting the prequalification criteria are generally included on a database maintained by the purchaser. Prequalification of suppliers is a strategy best used when the buyer procures a particular type of good/service on a regular basis and the procurement tends to be complex and/or costly and/or there is a high degree of risk involved in the procurement.

Some goods and services required for the development of racing tracks and facilities would fall under this category. As a general guide only they have been categorised into five broad groups:

1. Technical capability and experience
2. Financial capability
3. Systems and managerial capability
4. People
5. Business/organisation factors

Potential suppliers are assessed against specific criteria established by the purchaser and if successful are placed on a prequalification database. When a specific need by the purchaser arises, the prequalified suppliers are invited to offer. The offers are evaluated by the purchaser according to the specific offer evaluation criteria and the successful offeror is awarded the contract. Performance reporting about suppliers is an integral part of any prequalification system and should be incorporated into the system.

### 1.4. Outsourcing of Supplier Panel Selection

The use of organisations specialising in procurement processes such as preferred supplier lists, prequalifying suppliers and other supplier related contractual arrangements may be an alternative or addition to in-house procurement processes.

Local Buy is one such organisation with experience in procurement processes for local government. Local Buy is the Local Government Association of Queensland (LGAQ) procurement services company. Local Buy develops contractual arrangements for councils and government entities, eliminating the need for government authorities to establish their own supply contracts. <http://www.localbuy.net.au/>

The use of this type of organisation may be beneficial for tendering and contracting arrangements relating to the infrastructure plan projects, as the suppliers are effectively pre-screened for compliance with government procurement suitability

## 1.5. Applications for Sole Supplier

In some special circumstances the normal practices as outlined above may need to be set aside. For these instances an exemption from normal policy practice may be applied for.

Reasons for such Exemptions include but are not confined to;

- (a) Accessing existing standing offer and/or preferred supplier arrangements
- (b) Pursuing subsequent stages of multi-staged procurement processes
- (c) A sole supply situation exists whereby a high degree of technical expertise is required
- (d) A genuine urgency exists. If this is the case there must at all times be adequate supporting documentation to prove urgency is genuine and not the result of inadequate planning

Unless the above stated exemption criteria is met, or other compelling reason is able to be supported, the current RQL Purchasing Policy with addendum will apply to the procurement of goods and services.

## Consulting Services

Racing Queensland Limited uses consulting services in a number of aspects of its operations including legal, information technology, human resource management, financial management, business development, and marketing.

These consultancies vary from short-term "one-off" contracts, to longer-term arrangements, which may encompass a series of different activities (e.g. marketing and promotional work).

For short-term "one-off" contracts the following policy guidelines are to apply:

- The six key purchasing principles outlined above are to be applied at all times;
- For contracts under \$10,000 in value, preferred supplier arrangements\* can be used. That is, where a purchasing officer is satisfied that a consultant that has provided a high quality service in the past, has the necessary expertise to undertake the work, and is available in an appropriate timeframe, that consultant can be appointed without a formal competitive process being undertaken. If such a person is not available, three quotes from prospective consultants should be obtained and evaluated;

(\* Please note that where preferred supplier arrangements are referred to later in this document for other categories of purchasing, similar procedures to those above will apply)

- For contracts between \$10,000 and \$100,000, tenders should be called from at least three "preferred" contractors. The selection of these three preferred suppliers, and subsequent evaluation of their proposals, should take into account the six key purchasing principles. The evaluation of the proposals should be undertaken by two accountable officers, and be approved by a delegated officer (Chief Executive Officer or Chief Financial Officer);
- For contracts over \$100,000, will be subject to an open tender process unless the RQL Board waive the requirement of an open tender, including appropriate advertising of the consultancy. Advertising may take the form of website notices and/or Courier Mail advertisement. Tenders are to be evaluated, in accordance with the six key purchasing principles, by a panel of no less than two accountable officers, and be approved by a delegated officer.

For longer-term consultancy arrangements (e.g. the ongoing provision of external services that cannot be delivered in-house), which may involve the use of a preferred supplier or suppliers for a range of individual tasks over an extended period of time, the following guidelines are to be followed:

- Individual consultancy contracts over \$100,000 in value are not to be entered into under these preferred supplier arrangements. Such consultancies, will be subject to Board discretion as to the waiver of an open tender, as described above, must be followed.



- The purchasing officer may select a consultant for a range of tasks from a panel of preferred suppliers for the type of work involved;
- A competitive process, adhering to the six key purchasing principles of Racing Queensland Limited, to appoint the panel of preferred suppliers must have been undertaken, be appropriately documented, and be signed-off by a delegated officer;
- In selecting the preferred supplier from the panel, the purchasing officer must clearly document the reasons for the selection, and be accountable for that selection. The selection must be approved by a delegated officer; and

### Intellectual Property Rights

Intellectual property rights relating to plans, designs and concepts for Industry Infrastructure Plan projects are to reside with RQL. For this to be clearly articulated in any contractual arrangements there would need to be included in the document a clause to this effect.

Below is an example of such a clause;

*'The physical ownership of, and ownership of intellectual property in, all plans, drawings, specifications, programs, computer data, samples, models, manuals, documents and all other information relating to the project remains vested at all times in the Company. The invited supplier may use and keep copies of such materials only for the purpose of providing services to the Company.'*

### Confidentiality and Security of information

The integrity of competitive procurement hinges on maintaining appropriate confidentiality that will protect information and give offerors the confidence to do business with Government. Confidentiality has many dimensions and confidentiality of submissions is particularly important prior to the awarding of the contract with information shared only on a 'need to know' basis.

Confidential information may include designated or defined (and as agreed) elements of the supplier's proposal, specific intellectual property and offerors pricing structures. Importantly, much of the information relating to the offer needs to be kept confidential up to the point where a contract is signed with the successful offeror.

A Confidentiality Agreements may include the following elements;

- The Contractor must not, and must ensure that its officers, employees, agents and sub-contractors do not use or disclose any Confidential information without RQL's consent
- The Contractor may disclose Confidential information to its officers, employees, agents and sub-contractors to the extent necessary for the performance of the arrangement, provided that the Contractor:
  - (a) Makes such persons aware that the information is confidential; and
  - (b) If directed by RQL during the contract term, obtains from such persons a confidentiality undertaking in a form acceptable to RQL
- RQL and Contractor must keep all Confidential information in a secure location so that no unauthorised person is able to gain access to it
- Upon receipt of a written request by RQL, either during the arrangement term or upon termination or expiration the arrangement, the Contractor must deliver to RQL any records in the Contractor's power, possession or control

### Conflict of Interest

Conflicts of interest represent one of the potential threats to independence. A conflict of interest means having an interest (whether personal, financial or otherwise) which conflicts with, or may reasonably be perceived as conflicting with, the ability of the probity auditor or advisor to perform his/her obligations fairly and objectively. Perceived or potential conflicts of interest can be as damaging as actual conflicts of interest.

### **Recommended practice**

The issue of independence should be specifically considered and addressed prior to engaging contractors, suppliers or consultants. At this stage, potential threats to independence should be considered as well as any safeguards that might eliminate or reduce the threats to independence. Independence is essential. A third party to the procurement should be able to rely on the fact that any and all potential conflicts of interest have been identified and recorded.

Potential goods and service providers should be required to divulge all potential threats to independence, including conflicts of interest, at the time of offer or as soon as any conflict becomes apparent during the service engagement. The service provider should be required to provide written assurance that he/she has no conflict of interest in the procurement, is able to remain objective and impartial throughout the engagement, and will provide notification of any conflict of interest, or compromise to independence, that arises during the engagement.

A Conflict of Interests document may contain the following elements;

- Contractor warrants that, to the best of its knowledge, as at commencement date neither contractor or any of its officers, employees or sub-contractors have, or are likely to have, a Conflict of Interest in the performance of its obligations under current or subsequent contracts
- If a conflict of Interest, or risk of such, arises during the term of the contract the contractor must immediately give notice of the Conflict of Interest, or risk of such, to RQL
- The Contractor must:
  - (a) Take all reasonable measures to ensure that its officers, employees and sub-contractors do not engage in any activity or obtain any interest which is in conflict with the Contractor's ability to fulfil its obligations to RQL in good faith and objectively, and
  - (b) Immediately give notice to RQL of any Conflict of interest relating to the activities or interests of any of its officers, employees or sub-contractors

Similarly all employees and agents of Racing Queensland Limited involved in any of the projects undertaken as part of the Infrastructure Plan are governed by the Employee Conflict of Interest policy of the company, and as such must immediately, in the event of a potential Conflict of Interest arising, notify their immediate manager of the issue.

### **Delegations**

All expenditures for goods and services are to be authorised by a duly delegated officer and are to be in line with budget. These delegations are as follows:

#### *Unlimited*

- Board of Directors

#### *Up to \$150,000*

- Chief Executive Officer

#### *Up to \$50,000*

- Chief Financial Officer
- Director of Product Development
- Project Director

### **Capitalisation of expenditure**

Expenditure on discreetly identifiable plant and equipment items of **\$2,000** and above will be capitalised where the future benefit of that expenditure exceeds one year at the time of purchase. All land purchases must be capitalised.

The Chief Executive Officer or Chief Financial Officer may approve the capitalisation of services expenditures of \$2,000 and above where those services have a future benefit exceeding one year. All assets which are under \$2,000 must be expensed in the year of purchase and recorded in the portable and attractive items register. All other service expenditures shall be written off in the financial year the expenditure was incurred.

---

**Compliance with Commonwealth Government GST & Australian Business Number legislation**

The Commonwealth Government implementation of GST and Australian Business Number legislation, has given rise to some additional obligations in respect of purchasing. These are as follows:

- Organisations are required to withhold 46.5% of any payment to a supplier of goods or services that does not provide an ABN. In response to this, it is the policy of Racing Queensland Limited that no supplies be purchased from entities that are unable to quote an ABN;
- All suppliers to Racing Queensland Limited are to be advised that they must be able to provide a "Tax Invoice" in the form specified by the GST legislation, to enable Racing Queensland Limited to claim input credits. Under law, the supplier must supply Racing Queensland Limited with a Tax Invoice within 28 days of request. Racing Queensland Limited staff should not enter into contractual arrangements with suppliers unless satisfied that the supplier will be able to provide a suitable Tax Invoice; and
- When obtaining quotes or prices from potential suppliers, purchasing officers must satisfy themselves that the prices quoted are GST inclusive.

The same delegations on the following page (8) apply to the payment of invoices with one exception:

- An invoice can be approved by a person with a lesser delegation provided the original purchase order was approved appropriately and the invoice does not exceed an amount that exceeds 10% of the original purchase order.

It should be noted that as a business rule, staff are not permitted to circumvent their delegation by raising multiple orders to purchase a good or service for an amount that exceeds their delegation limit.

**Documentation and the Role of the Finance Department**

See Purchasing Policy and Racing Queensland limited Infrastructure Plan Internal Financial Process document

RACING QUEENSLAND LIMITED

Item	Regional Senior Stewards	Admin Authorities, Racecourse Supervisor, racing Manager – Procurement Track Supervisor	Managers, Chief Steward, Racing and Facilities Supervisor, Track Supervisor	Information Technology and Communications Manager, Licensing and Training Manager, Racing Managers – Dividing Races, Management Accountant, Revenue & Services Accountant	Director of Integrity Operations, Facility & Development Manager, Senior Corporate Counsel/Company Secretary	Chief Financial Officer, Director of Product Development, Project Director	Chief Executive Officer	Board of Directors
Overall Delegation	<\$500	<\$1,000	<\$2,000	<\$5,000	<\$20,000	<\$50,000	<\$150,000 In line with Budget	Unlimited

Contractual Agreements (all contracts to be reviewed by Senior Corporate Counsel/Company Secretary for updating of Contracts register and assess if any legal advice is required)	X	X	X	X	<\$20,000 total value (not lease or license) assuming that authorised to sign in ordinary operations	Yes with CEO assuming CEO previously approved and legally authorised to sign where <\$100,000	Yes where value <\$150,000	Yes, subject to Board agreement
Execution of Contractual agreements (All contracts to be reviewed by Senior Corporate Counsel/Company Secretary for updating of contracts register and assess if any legal advice is required)		To be executed by 2 Directors of the Company or a Director and a Company Secretary of the Company (S127 (1) – Corporations Act 2001).						

**Summary of Key Controls**

As a high level summary, the key controls associated with the procurement system are:

- Only deal with suppliers who have a valid ABN.
- Three quotes required for amounts of \$10,000 or more where a preferred supplier is not used.
- Ensure appropriate delegation authorities applied
- Ensure probity and accountability in supplier selection process
- Confirm expenditure falls within approved budgets
- Ensure correct invoice coding to assist with budget review process
- Tax invoices to be obtained at all times.
- Required signatures for goods received.
- To ensure appropriate separation of duties; vendor creation, deletion or addition must be performed by the Accounts Payable Officer and the bank account details are required in accordance to the Sun Security matrix to be entered by an Accounts Receivable Officer who does not have the ability to raise purchase orders or make payments in SUN. The change of details form is located <G:\Finance\FORMS\Accounts Payable\Change of Details form.xls>.
- Invoices are only paid after the prior approval of a purchase order (excluding credit card statement payments and direct debits) and after goods have been received.

In addition to the above, Racing Queensland Limited should perform a routine supplier analysis to review expenditure to determine that value for money is being achieved, and all probity issues are addressed.

**Reference material (available on QLD Govt website)****QLD State Procurement Policy****QLD Purchasing – Ethics, Probity and Accountability in Procurement****QLD Purchasing – Prequalifying Suppliers****QLD Purchasing – Engaging and Managing Consultants****QLD Govt – Capital Works Management Framework – Procurement Strategy and Contract Selection**

Racing Queensland Limited  
Financial Management Procedures Manual  
(FMPM)  
for Queensland Race Clubs



Thoroughbreds

+

Harness

+

Greyhounds

+



## Racing Queensland Limited Contacts

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Racing Queensland Limited

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## Foreword

### Message from Racing Queensland Limited

This manual has been designed to provide guidance on corporate governance, and procedures for the financial activities and internal control structures of race clubs in Queensland.

It provides detailed information on appropriate procedures for the full range of financial activities undertaken by clubs including receipts and expenditure, capital outlays, payroll, inventory and record keeping, and sets clear standards for the control structures that race clubs are required to comply with through the legislation under which they operate. It also provides guidance on the responsibilities of race club committees and the need for committee members to develop, implement, and administer structures and policies to ensure that officers of race clubs are complying with business and accounting standards.

It is recognised that there is a significant variation in the scale and resources of clubs and accordingly a distinction has been made between TAB Clubs, Strategic Non TAB Clubs and Non TAB Clubs, with requirements tailored, where appropriate, to reflect these differences. [Appendix 1](#) identifies the classification to which each club relates.

Racing Queensland Limited (RQL) takes its responsibilities under the *Racing Act 2002* very seriously with an overall responsibility to ensure clubs operate in an accountable manner and in the best interests of the industry. It has targeted improvement in business practices and accountability within race clubs as a key objective and this manual is an important initiative related to that objective.

RQL requires all involved in race club administration in Queensland to read and understand the principles set out in this manual, and take the necessary action within their own clubs to ensure that the basic financial practices detailed within are in place.

Should further guidance or assistance, in relation to any of the information provided in the manual, be required please refer to the contact details at section 16.6.

**R G Bentley**

**CHAIRMAN**

1 July 2010

# 1 How to read this document

This document is designed to provide clubs with a best practice manual for the financial management operations of their club.

## Terminologies

While reading through this document it may be noticed that some terms have been used interchangeably, such as Treasurer, Accountant or Bookkeeper. As a result of the varying styles and structures of clubs it is difficult to define exactly who should perform what task.

It is important to note that it is the Treasurer's responsibility to ensure that all financial controls are in place and that documented procedures are being performed.

The requirements as to who performs the daily duties is at the club's discretion, but each position is required to have a documented position description detailing the duties to be performed in that role (refer to Section 2.4 for details). Additionally, it is required that in determining the role clubs will ensure that there is adequate segregation of duties, or controls.

## Mandatory / recommended best practice procedures

A clear distinction is made between mandatory requirements that clubs must comply with, and others that are recommended best practice procedures. As there is a great variation amongst Queensland racing clubs, it is understood that not all clubs will have sufficient staff or turnover to comply with all procedures.

As a result, this document should be read with the intention that all sections relate to all clubs with the exceptions noted in the table below.

[Appendix 1](#) provides further guidance as to the minimum mandatory requirements for TAB, Strategic Non-TAB and Non-TAB clubs. The guidance in [Appendix 1](#) is to be read in conjunction with this manual to ensure that all clubs have a comprehensive understanding of the requirements made of them by RQL.

Section	Area of Compliance	TAB	Strategic Non TAB	Non TAB	Page
2.2	Strategic plans	Mandatory	Recommended	Recommended	5
2.5	Risk management plan	Mandatory	Recommended	Recommended	10
2.6	Business continuity plan	Mandatory	Recommended	Not required	12
5.3	Asset Management plan	Mandatory	Recommended	Recommended	34
8.1.3	Race day cash banking	Mandatory	Mandatory	Recommended	43
16.5	Upload info into EIS One	Mandatory	Mandatory	Not required	63

## 2 Corporate governance

Corporate governance is about how an organisation is managed, its corporate structures, its culture, its policies and the ways in which it deals with its various stakeholders. It is concerned with the procedures and processes for decision-making and with the controls and behaviour that support effective accountability.

It is important, if race clubs are to ensure their ongoing financial viability that key elements of good corporate governance are in place.

Race clubs in Queensland come in many different sizes, ranging from multi-million dollar businesses with substantial administrations, to those that race once or twice a year and are administered on a voluntary basis. The corporate governance structures will therefore differ substantially from club to club. However the fundamental principles of business management, control, values, and performance review are consistent regardless of the size of the race club.

The key components of a corporate governance framework are as follows:

- Legislative Compliance
- Strategic and Business Planning
- Policy and Decision Making
- Organisational Structures
- Internal Control Environment and Risk Management
- Ethical Values and Codes of Conduct
- Performance Evaluation and Review
- Financial Reporting and Accountability.

## 2.1 Legislative Compliance

Race clubs, and their management committees, have a range of legislative obligations under various Acts of Parliament. It is important that all race club committee members are fully aware of their legal obligations and the potential implications for them if these obligations are not met.

The constitution of an association is a document prescribed by law. The requirements under law can be complicated and quite detailed. [Appendix 2](#) gives guidance to clubs on the preparation of a constitution, by way of a model constitution and notes on how to complete.

The most significant obligations as a race club arise from the following legislation:

- ***Racing Act 2002;***

The *Racing Act 2002* imposes a number of obligations on race club committees in relation to governance and administration. *Section 112* of the *Racing Act 2002* is of particular significance, and requires race clubs to apply receipts and profits solely for the encouragement of racing, or for charitable or benevolent purpose with the written approval of RQL.

- ***Associations Incorporations Act 1981;***

Clubs are required to obtain incorporated status under the *Associations Incorporations Act 1981* or the *Corporations Act 2001*. The vast majority of race clubs in Queensland are incorporated bodies under the *Associations Incorporations Act 1981*. The most important parts of the *Act*, in terms of governance and administration, are:

- Part 5 – Rules  
Details the requirements of establishing, registering and amending and making available the rules (or constitution) of the Club
- Part 6 - General Operation of Incorporated Association  
Prescribes rules in relation to the conduct of meetings, and preparation and audit of financial statements
- Part 7 - Management Committee  
Deals with the establishment and responsibilities of management committees
- Part 8 - Rights and Obligations of Members

Race club committee members must be particularly aware of the requirement of the *Act* to hold an Annual General Meeting (AGM) within six months of the end of the previous financial year (Part 6, Section 55), and present to the AGM an income and expenditure statement, and a statement of assets and liabilities, audited by an appropriately qualified accountant (Part 6, Section 59).

- ***Corporations Act 2001;***

There are some clubs in Queensland that are incorporated bodies under the *Corporations Act 2001*. This *Act* imposes legal obligations on both the

club and its Board of Directors. Race club officials that are directors of such entities under this statute must make themselves fully aware of the responsibilities prescribed to them under Corporations Law, particularly in relation to insolvent trading.

Other relevant legislation is as follows:

- *Local Government Act 1993;*
- *Liquor Act 1992;*
- *Workplace Health and Safety Act 1995;*
- other acts of Parliament that may be applicable to your club

The club should also be aware that when dealing with matters of a complex legal nature, such as these, it is best practice for the club to seek independent legal advice.

## 2.2 Strategic and Business Planning

Race club committees have the responsibility for the establishment of corporate objectives and strategies aimed at identifying a clear direction and goals for their club, and a means for achieving these goals. The strategies and goals will provide a framework for club managers and staff to operate within, and for their performance to be assessed.

Business planning is centred around a number of key documents:

- **Strategic Plan:** This plan sets out the broad direction of the club, setting out the mission, vision, objectives and strategies covering a 3 to 5 year period.

Non-TAB clubs are not required to prepare strategic plans.

- **Business Plan:** The business plan sets out the plan for the coming year and contains information on business, economic, personnel and market factors and is supported by detailed financial accounts for the current year and forward budget.

All types of clubs are required to submit their business plan to RQL Club Compliance no later than thirty (30) days after the date of the AGM of the club (L.R. 22(a)). A pro forma Business Plan is located at [Appendix 3](#).

- **Financial Planning:** Financial planning consists of preparing a budget of income and expenses and the related cash flow on an annual basis. These are prepared for usually one to three years into the future. It is important to note that monitoring the cash flow and budgets is critical to the financial success of any club. By using the budget developed at the start of the year and comparing the actual results to those budgeted, the club will be able to identify whether financial goals for the year will be achieved.

RQL requires that clubs submit their budgets to RQL in the format prescribed in the RQL formatted financial statements by the 30 September of each financial year. The RQL formatted financial statements for TAB and Strategic Non-TAB Clubs is included at [Appendix 4a](#) and **Non-TAB clubs** at [Appendix 4b](#).

## 2.3 Policies

The establishment of policies that cover all aspects of the operation of race clubs is another important role of club committees. Policies must be established in such areas as:

- Committee member expenditure and reimbursement
- Travel
- Entertainment
- Use of corporate credit cards
- Appointment of staff
- General policy in relation to the club's internal control environment.

The policy governing the internal control environment is to be supported by detailed procedural statements on such areas as receipts and revenue controls, expenditure controls and stock controls. These are dealt with in greater detail later in this document.

It is important that an objective and independent oversight role be established to ensure that the policies to minimise risk are being complied with on an ongoing basis. This role would normally be performed by the club Treasurer.

## 2.4 Organisation Structures

The structure of committees and the roles within committees may vary according to their purpose and length of operation. The traditional structure includes the formalised tasks and roles of a president (usually the committee chairperson), secretary and treasurer. All roles are required to have a position description attached. An example position description for a club secretary is attached at [Appendix 5](#).

### 2.4.1 Chairperson/president

The chairperson (usually the president of the organisation) is the principal leader and has overall responsibility for the race club's administration.

From a strategic perspective, the chairperson should:

- Set the overall framework of the committee (consistent with the views of the members )
- Help the committee prioritise its goals
- Ensure that the club implements its business plan and keeps on track with its budget
- Be well informed of all organisation activities
- Have a good working knowledge of the constitution, rules and the duties of all office holders and subcommittees
- Manage committee and/or executive meetings
- Manage the AGM
- Be a supportive leader for all race club members
- Act as facilitator for race club activities
- Ensure that planning and budgeting for the future is carried out in accordance with the wishes of the members.



## 2.4.2 Treasurer

The Treasurer is responsible for the oversight of financial management and compliance of the organisation. The role of the treasurer will differ depending on the size and complexity of the organisation.

At a committee level, club treasurers must ensure:

- Club expenditure and other financial actions (such as the disposal of assets) are for legitimate purposes, represent value for money and are supported by appropriate documentation.
- Club committees are provided with accurate and timely information on club finances to help committees make decisions.
- Oversight of the internal accounting and stock controls and procedures of the race club and ensure that appropriate standards are being met and that the risk of misappropriation or fraudulent use of race club monies is minimised.
- All committee members and club officials comply with the policies and practices the committee establishes for the financial operations of the club
- The club provides its annual report, properly audited balance sheet and profit and loss statement and copies of any corporate, strategic, business or other plans the club may have adopted during the financial year to RQL.

Other day to day responsibilities of the treasurer, or in the case of larger clubs, the club accountant or bookkeeper, may include:

- Issuing receipts and promptly depositing all monies received;
- Making all payments and keeping accurate, up-to-date records of income and expenditure;
- Ensuring that there are adequate accounts and records of the club's financial transactions;
- Being the signatory on club cheques, with at least one other committee member;
- Invoicing members for items/services provided, for example memberships;
- Ensuring GST compliance;
- Ensuring invoices are valid tax invoices and that suppliers issue valid invoices;
- Approval of the issue and expenditure of credit cards.

## 2.4.3 Secretary/ Chief Executive Officer (CEO)

The secretary/CEO is the chief administration officer of the race club who provides the coordinating link between members, the management committee and outside agencies, such as RQL. Race club secretaries/CEO's must ensure that their club provides full documentation at the request of RQL (e.g. for licence applications, financial year end reporting information).

Ideally an effective secretary/CEO is someone who can:

- Communicate effectively
- Think clearly, strategically and positively
- Maintain confidentiality on relevant matters

- Manage and supervise others (in relation to secretarial duties) displaying effective leadership skills
- Organise and delegate tasks.

#### 2.4.4 Club Officials

Race club officials must ensure club spending and other financial actions (such as the disposal of assets) are for legitimate purposes, represents value for money and are supported by appropriate documentation. They must provide club committees with accurate, complete and timely information on club finances to help committees make decisions. Club officials must at all times operate in accordance with the financial policies and procedures established by the committee.

#### 2.4.5 Club Committees

Club committees manage and oversee the operations of a club in a similar way that a board oversees the operations of a company, including:

- Ensuring club spending and other financial actions (such as the disposal of assets) are for legitimate purposes, represents value for money and are supported by appropriate documentation.
- Providing accurate, complete and timely information on club finances to RQL and to their members, and ensure policies are established in respect of the financial operations of the club that are consistent with the principles and guidelines outlined in this FMPM.
- Complying with directions from RQL.

The election of a committee is performed at the club's AGM. To ensure that the management of the club remains transparent and accountable, it is recommended that a rotation of committee positions be conducted every five years. All members of a race club committee must present to RQL a copy of a National Police Certificate (NPC) upon their appointment.

The establishment of an appropriate **Sub-committee** structure is an important element of effective race club governance. Sub-committees allow for responsibility for specific elements of race club operations to be delegated to those individuals, or groups of individuals, with specialist skills (e.g. finance, marketing or racecourse maintenance), and allow the full committee to focus on the higher level strategic issues when it meets.

Sub-committees can be formed to take responsibility for such areas as:-

- finance and audit
- facilities management
- race programming
- marketing and sponsorship.

The **Finance and Audit Sub-committee** is particularly important. It takes responsibility for:

- Evaluating the financial performance of the club;
- Closely monitoring revenues and expenditures against budget, ensuring the full committee and members are fully informed of the club's financial position

- Ensuring the club has a suitable internal control environment in place and is operating in accordance with these controls
- Monitoring the financial reporting process and ensuring appropriate financial information is being generated
- The annual audit process and follow-up.

The club Treasurer has a major role to play on the Finance and Audit Sub-committee. Given the responsibility placed on the Treasurer, it is important that the person appointed to this role has relevant accounting and financial experience.

The meetings and decisions of Committees and Sub-committees must be documented and tabled and form part of the official record of the club's administration.

#### **2.4.6 Bar & Catering Manager**

The Bar & Catering Manager is responsible for the smooth and efficient running of all club bars and catering venues. A key responsibility is the supervision, training and maintaining the roster for all casual staff. An understanding of relevant legislation (e.g. Responsible Service of Alcohol) and Council policies (e.g. noise restrictions) is required to ensure that the club remains compliant at all times.

#### **2.4.7 Facilities Manager/Groundskeeper**

The facilities manager/groundskeeper is responsible for providing and coordinating the ongoing maintenance of the racecourse facility. A good knowledge of racetrack management and maintenance is required and horticultural qualifications are advantageous for someone in this position.

#### **2.4.8 Volunteers' Coordinator**

The volunteers' coordinator is responsible for the human resource planning, recruiting, selection, training and recognition of the club's volunteers.

#### **2.4.9 Authority Limits**

Authority limits are to be established by the committee for:

- Approving the ordering of goods and services, including capital expenditure
- Approving committee expenses
- Approving payments
- Entering into contracts
- Approving payroll related transactions – salary/wage setting, periodic payroll transactions, etc
- Approval of annual Trading Budget
- Approval of annual Capital Expenditure Budget
- New bank accounts and changes in cheque signatories
- Insurances policies and premiums
- Petty cash payments to a maximum value

Authority Limits should reflect the size of the club and the positions that authorisers hold. These limits are to be documented, and distributed to all relevant race club staff members. Authority Limits should be reviewed by the committee annually.

#### **2.4.10 Staff and Volunteer Performance Evaluation and Review**

A staff/volunteer appraisal review is the process of evaluating the effectiveness of the personnel in performing their roles and responsibilities. The performance management process involves the manager and staff member or volunteer determining what needs to be done during the year to ensure alignment of the club's and employees/volunteer's goals, discussing progress, reviewing achievements and providing feedback. It is recommended that interim reviews are conducted throughout the year to ensure feedback is timely. Refer to [Appendix 6](#) for template performance assessment forms.

#### **2.4.11 Handover Procedures for Changes in Club Committee Members**

Succession Planning is an important part of ensuring the smooth operation of a club and the seamless transition of Members acting in committee roles. One way to ensure this transition is as seamless as possible is to have detailed handover checklists prepared for all significant club positions. [Appendix 7](#) is an example handover checklist for the role of club Bookkeeper or Treasurer. The checklist should be completed by the incoming and outgoing committee member. Prior to the new committee member taking up the position, the checklist should be reviewed to ensure that it is current.

### **2.5 Internal Control Environment and Risk Management**

The internal control environment is another critical element of the governance structure of a race club. It has been touched on above and is dealt with in greater detail later in this manual. The internal control environment is fundamental to the conduct of a successful business. Without appropriate controls over cash receipting and banking, ordering and receipt of stock, and commitment and expenditure of funds, race clubs are exposed to the risk of fraud and theft, and financial disclosures are compromised.

All cases of fraud and theft must be reported to RQL – [clubcompliance@racingqueensland.com.au](mailto:clubcompliance@racingqueensland.com.au) outlining the reasons how it occurred and what controls will be put in place to mitigate the risk going forward.

An important component of the internal control environment is risk management, which is the process whereby an organisation undertakes the identification and analysis of the various risks which it confronts in conducting its business, then puts in place plans to deal with those risks as identified and prioritised.

Race clubs confront many forms of risk, including:-

**Operational Risks** – Operational risk can be defined as the risk of loss resulting from inadequate or failed internal audit processes, people and systems or from external events. Loss events can be classified as follows:

- Internal fraud;
- External fraud;

- Employment practices and workplace safety;
- Clients, products and business practice;
- Damage to physical assets;
- Business disruption and systems failures;
- Execution, delivery and process management<sup>1</sup>.

**Legal Risks** - all organisations face the risk of being either prosecuted for a breach of the law, or being the subject of civil litigation for injury caused to another party. Race clubs and their boards of management run a risk of being prosecuted for failure to comply with, for example, relevant workplace health and safety legislation, relevant environmental legislation, and relevant health legislation. In some cases (e.g. Workplace Health and Safety Legislation) this risk attaches to members of clubs management in an individual as well as an official sense. There is also a risk of being sued, for example, for injuries received by persons who attend race meetings or use racecourse facilities.

Some legal risks can be covered financially by obtaining appropriate policies of insurance such as the General Public Liability policy which is arranged for all licensed race clubs through RQL. Individual clubs need to obtain policies of insurance for specific risks which they identify such as Directors and Officers Insurance or Industrial Specials Risks (ISR) Insurance or Motor Vehicle Insurance. All TAB race clubs have a collective ISR policy arranged through RQL. However, not all risks, particularly the risk of being prosecuted as an individual can be avoided by insurance. Further, insurance only addresses the financial consequences of an adverse event and does not avoid the other consequences such as disruption and loss of reputation. Hence insurance is not a substitute for risk management.

**Financial Risks** – This is the risk that the cash flow of the club will not be adequate to meet the club’s financial obligations

**Business Risks** – Business risks for race clubs include loss of sponsors, competing attractions on race days, disruptions to race day events etc.

**Environmental Risks** – Environmental risks to race clubs can vary according to the circumstances at racecourses and can include risks involved in the use of chemicals and fertilisers on race tracks, wild animals, straying animals, flooding, water use and water quality etc

An effective risk management regime involves a realistic identification and appreciation of risks faced by an individual race club and the development of appropriate plans to meet those risks. What may be an appropriate risk management plan for a race club racing on a weekly basis, for example, is not necessarily applicable to a race club which might only race annually. The development of an appropriate risk plan is very much the responsibility of the management committee of each race club in light of the particular circumstances of each club. RQL has established the [RQL Club Risk Management policy for TAB and Non Tab clubs \(Appendix 25\)](#) and the [Event Management Policy \(Appendix 24\)](#). These policies contain templates and guidelines on the preparation of Risk Management and Event Management Plans and the related registers. These policies are located on the RQL website.

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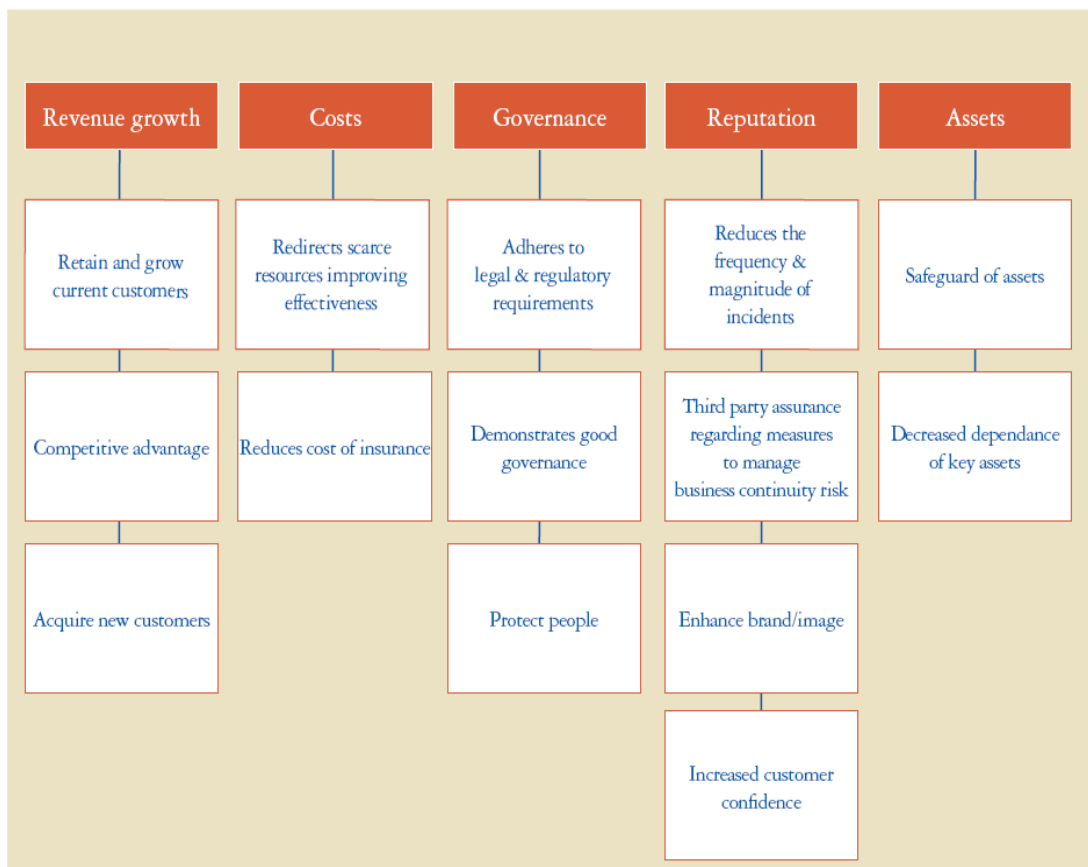
<sup>1</sup> Whittet, Leslie T, *Operational Risk Management and Business Continuity*, [www.continuitycentral.com/feature0606.html](http://www.continuitycentral.com/feature0606.html), viewed 8 May 2009

## 2.6 Business Continuity Management

Business Continuity Management (BCM) is the systems and planning to achieve the ability and readiness to manage business interruptions, in order to provide continuity of services at a minimum acceptable level and to safeguard the financial and business position. BCM is most effective when it exists in a tightly bound interrelationship with risk management (refer section 2.5).

Non-TAB clubs are not required to prepare and present to RQL a Business Continuity Management capability however, an Event Management Plan is required to be prepared and presented annually (refer to Section 3.1).

### 2.6.1 Why is BCM Important?



### 2.6.2 Definitions

#### *Business continuity*

Business continuity is the uninterrupted availability of all key resources supporting essential business functions.

#### *Business continuity management (BCM)*

BCM provides for the availability of processes and resources in order to ensure the continued achievement of critical objectives.

### *Business continuity planning (BCP)*

BCP refers to those activities associated with preparing documentation to assist in the continuing availability of property, people and assets.

### *Business continuity plans*

A collection of procedures and information that is compiled developed and maintained in readiness for the use in the event of an incident.

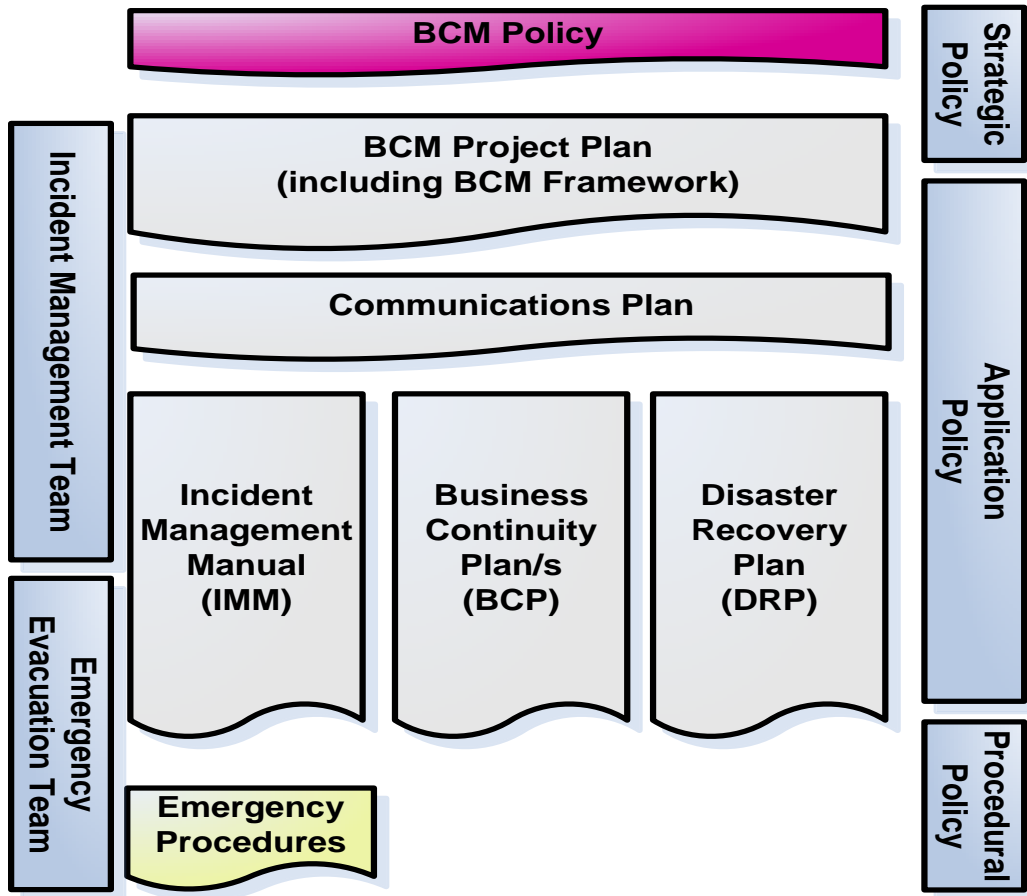
### *Incident*

An incident is the occurrence of an event (a particular set of circumstances) that impacts or has the potential to impact the normal operations, inputs or outputs of the organisation. An incident may range from a relatively minor event through to an emergency or disaster.

## **2.6.3 Benefits of BCM**

- Builds organisational resilience
- Minimises impacts of potential disruptions
- Maximises continuity of services, internal and external to the club
- Conforms to good governance requirements
- Enhances and protects the reputation of the club and racing in Queensland
- Assists in safe guarding the club's assets and resources
- Reduces direct and indirect costs to the organisation and the industry
- More efficient and effective utilisation of resources
- Improved process understanding leading to better processes

## 2.6.4 BCM Framework



The BCM Framework comprises all of the components of BCM required for good business continuity preparation and are defined as follows:

### 2.6.4.1 Policy

The starting point of the BCM framework is the BCM policy which provides a guide to what the agreed BCM priorities are, the approach being taken to implement BCM and who has responsibility for what activities within the program.

### 2.6.4.2 Communications plan

It is essential to have a plan for the collection and dissemination of information to key stakeholders relating to the occurrence and /management of an incident. It will detail the nature of the communication, the means of communication and the intended audiences and may include a number of individual communications plans that address the requirements of specific critical business functions or assets for particular types of stakeholders and ensures consistency where possible.

### 2.6.4.3 Incident management manual

The incident management manual provides a framework and templates with which to actually respond to an incident. It is a set of guidelines and tools that can be picked up and applied to virtually any incident that may occur requiring a formal response.



#### **2.6.4.4 Business continuity plans**

Business continuity plans provide the required capability to ensure continued delivery of a minimum acceptable level of business performance by detailing the processes and information necessary to continue those processes during an incident.

#### **2.6.4.5 Disaster recovery plan**

The disaster recovery plan comprises the information and guidelines with which to return the organisation to a long term operationally acceptable and sustainable capability. The distinction between a Business Continuity Plan (BCP) and a Disaster Recovery Plan (DRP) are:-

- A DRP is typically IT specific in the particular organisation and a DRP details steps to be taken in the event of an incident (disaster) to bring any disaster recovery systems on line and also documents the configuration of the production IT systems and the hardware to be able to rebuild them after the incident.
- A BCP relates to a specific business process (e.g. cheque payments, an event, etc.).
- A BCP is a collection of procedures and information that is developed compiled and maintained in readiness for use in the event of an incident to assist in the continuing availability of property, people and assets.
- An organisation will have as many BCP's as required, dictated by the exposure of its critical business processes.
- DRP's and BCP's are both elements of BCM (Business Continuity management)

#### **2.6.4.6 Emergency procedures**

Emergency procedures provide guidance on the immediate response to an emergency event and are primarily concerned with the preservation and protection of life and property. They will include items such as building evacuation procedures etc.

## **2.7 Ethical Values and Codes of Conduct**

The establishment of statements of values and codes of conduct provides direction for committee members and staff as they undertake their day-to-day duties and make decisions in relation to the operations of race clubs. These documents set a clear standard for behaviour and conduct and provide a framework against which the actions of club officers can be judged.

The following values underpin the behaviour of people at RQL and RQL believes these values are relevant to the racing industry as a whole:

- Professional & Ethical – At all times be professional and ethical in dealings with stakeholders and colleagues.
- Result-orientated – Ensure that day to day activities are consistent and contribute to achieving set goals.

- Teamwork – Committed to working as a team to deliver the best solutions for stakeholders, recognising and rewarding both team and individual contributions.
- Stakeholder service excellence – Striving to serve customers with excellence.
- Balance between professional and personal life – Recognising that people are RQL's main asset so a achieving a balance between professional and personal time is in the best interests of individuals and the organisation.

## 2.8 Financial reporting and accountability

There are two methods of accounting used to record income and expenditure transactions, accrual and cash accounting. Accrual accounting recognises income when it is earned and expenses when they are incurred, as opposed to cash accounting that recognises the income when it is received and expenditure when it is paid. The *Racing Act 2002* s.110 (3)(a) notes that club financial information is to be presented on an accrual basis.

Race club committees have a clear obligation to continually evaluate and review the operational and financial performance of their clubs. A range of financial and statistical data should be presented at committee meetings including reports on race day operating performance, profit and loss statements with variance analysis to budget, balance sheets, debtor's listings and creditor's listings. These reports should be presented by the club Treasurer, and be discussed in detail.

A process is to be established whereby the club committee evaluates progress against the strategies, actions, and targets detailed in their annual business plan.

Race club committees are also responsible for ensuring the financial reporting obligations of their clubs are met and that appropriate disclosure is made to stakeholders such as members and RQL.

The responsibility of committees is to ensure their obligations in relation to disclosure and accountability to members under the *Associations Incorporations Act* and *Corporations Act 2001* are satisfied. The *Associations Incorporations Act* requires an AGM within six months of the end of a financial year, and for properly audited financial statements to be tabled. Clubs formed under the *Corporations Act 2001* are required to hold their AGM within five months of the end of the financial year.

In addition to these obligations, Local Rules (L.R.) require the following:

- L.R.22 requires clubs to provide RQL with an audited profit and loss statement and balance sheet within 90 days of the conclusion of each financial year,
- L.R.22A requires clubs to forward to RQL within 30 days of their AGM a written report on the activities of the club and a copy of any corporate, strategic, or business plan.

The Board of RQL has been concerned in recent years by the number of race clubs that continue to fail to comply with these Local Rules. As a result the Local Rules provide a number of punitive measures, as follows:

- Race clubs that fail to meet the conditions for lodgement of financial and operational information set down in L.R.22 and L.R.22A are to be fined \$500;
- If the information has not been provided by the time the race dates schedule for the following year is being settled (usually March each year) then the club may be refused a race date allocation for that year; and
- If payment of fines by clubs in breach of L.R.22 and L.R.22A is not received by RQL prior to consideration of registration applications for the following financial year, consideration of such applications will be deferred until the payment is made.

RQL has established mandatory templates, which are to be used by all race clubs in disclosing annual financial and statistical data to RQL. It is important that race clubs prepare their information in the prescribed format, and provide it within the designated timeframe, if they are to avoid the above action. These templates are attached at [Appendix 4](#) and include:

- Racing & Club Statistics;
- Profit and Loss Statement;
- Balance Sheet;
- Cash Flow Statement;
- Tote, Bar and Catering Trading Statements;
- Budget; and
- Sponsorship Register.

A financial year end activities checklist has been provided at [Appendix 8](#) to assist clubs in ensuring that all financial reporting obligations are met.

## 3 Club Operations

### 3.1 Event Management

Event management includes the planning and management of events (both race and non-race events) including the management of risks associated with staging events. Threats and hazards applicable to hosting events at a race club include alcohol related issues, underage gambling, overcrowding, workplace health and safety, theft and technology failure such as breakdown of a TOTE machine.

RQL has developed an [Event Management Policy \(Appendix 24\)](#) which requires that all racing clubs develop an appropriate level of event management capability to better deal with event related incidents. In order to achieve this, RQL assists by:

- Defining the event management approach for the racing industry;
- Providing suitable example event management templates and checklists;
- Providing an appropriate level of event management support to racing clubs;
- Encouraging racing clubs to commit to achieving an appropriate level of event risk management competence through continuous improvement.
- Creating a forum for exchanges of information on event management experiences and good practice

The Event Management Policy is available on the RQL website for access by all clubs <http://www.racingqueensland.com.au/services/policies.aspx>

The Office of Liquor Gaming and Racing also produces a planning guide for event managers. This can be accessed via the website at [www.olgr.qld.gov.au](http://www.olgr.qld.gov.au).

### 3.2 Sponsorship Management

Sponsorship is a business relationship between a provider of funds, resources or services and an event and organisation, the latter offering rights and association that may be used for commercial advantage in return for the sponsorship investment.

Club committees must ensure that all sponsorship entered into is beneficial to the club and is conducted in accordance with standard methodology and best practice including:

- All event and project sponsorships must have significant financial commitment from the sponsor to help offset the costs associated with the activity
- All sponsorship relationships must be identified and recorded for information purposes
- Naming rights associated with any sponsorship must be approved by the committee
- No conflicts with existing sponsors and key stakeholders
- Ethical behaviour and fair dealing
- Preference for cash payments rather than contra arrangements.

It is recommended that where the club will assume significant risk or liability in a sponsorship agreement or where a sponsor requires the club to use their own agreement, it should be reviewed by the club's legal counsel.

### 3.2.1 Appropriate sponsors and endorsements

Sponsorship agreements are not to be entered into where the sponsor or product being endorsed is a competitor or in competition to the purpose and product of TattsBet.

Similarly in reviewing potential sponsors and agreements the sponsor or product being endorsed must be of a suitable purpose, standard and quality with which the club, RQL and the racing industry would desire to be affiliated with.

Clarification from RQL's Chief Financial Officer is to be sought where doubt exists.

### 3.2.2 Sponsorship Contracts

A Sponsorship Agreement (refer to [Appendix 9](#) for pro-forma) is to be prepared for all sponsorship arrangements, regardless of whether they involve a cash payment, or are solely contra in nature.

The sponsorship agreement is to clearly specify the goods and/or services that are to be delivered by both the club and the sponsor, and identify the value of these supplies so that GST obligations, including Tax Invoicing, can be satisfied.

All sponsorship agreements are to be authorised by a committee member with the appropriate delegation. Within reason the club should at all times retain the right to terminate a sponsorship contract at any time and for any reason. The agreement should be reviewed by the club's legal counsel.

All sponsorship contracts are to be recorded in the sponsorship register ([Appendix 4](#)). In documenting the contract particulars, special note should be made to the termination date of the agreements. Prior to the termination dates, the contract should be reviewed and renegotiated with the sponsor.

### 3.2.3 Accounting treatment

All sponsorship revenue is to be accounted for. Netting off of sponsorship funds against payments made to the sponsor may be undertaken but revenue and expense items are to be separately accounted for.

Sponsorship income is to be brought to account in the period to which it relates. Sponsorship received in advance is to be recorded in the balance sheet, and recognized in the income statement on the dates to which the sponsorship relates.

### 3.2.4 Reporting requirements

A sponsorship register is to be kept for all sponsorship agreements and sponsorship funding reported in the detailed monthly financial reports presented to the committee. This register should be monitored and reviewed on at least a monthly basis. The monitoring of the register will ensure that sponsorship contracts are renegotiated prior to the agreement lapsing. A sponsorship register is included with the financial reporting requirements at [Appendix 4](#).

Sponsorship income is to be brought to account in the period to which it relates. Sponsorship received in advance is to be recorded in the balance sheet, and recognised in the income statement when being brought to account.

### 3.3 Liquor Licensing Information

By law, licensees are responsible for maintaining a safe environment for patrons and staff. To do this, venues are required to comply with the *Liquor Act 1992*. The Queensland Parliament approved new liquor laws on 10 September 2008 which became effective from 1 January 2009. Key features of the new laws include:

- New annual liquor license administration fees
- No general licensed trading prior to 10:00 am from 1 January 2009, with further restrictions on pre-10:00 am trading, functions and events
- Mandatory staff training in Responsible Service of Alcohol (RSA)
- Requirement of a Risk Assessed Management Plan (RAMP) to accompany all new licenses and variations to licenses;

It is recommended that all clubs review the requirements under the Liquor Act to ensure that they are compliant. Please ensure you refer to the website for updates. Further details can be found at the Office of Liquor, Gaming and Racing website [www.olgr.qld.gov.au](http://www.olgr.qld.gov.au)

Each club is to develop their own policy for the Responsible Service of Alcohol and ensure all staff whether permanent or casual have the required training. When drafting the policy, the committee or sub committee should consider the following:

- Staff Training
- Education of Patrons
- Underage Drinking
- Safe transport
- Alternatives to Alcohol
- Management of intoxicated persons.

Clubs should consult with their local council to ensure that there are no additional local laws pertaining to the supply and sale of alcohol. External consultants, such as Pro Liquor, are able to help with compliance issues and training.

### 3.4 Tips on Obtaining Other Sources of Income

Race days are not the only days that a club can earn money. Clubs may be able to hire out their venues to additional parties or extend the services that they offer on race days. Some examples are:-

Development of Race Days:

- Charity Days ( Bar and Catering )
- Catering for Hampers (cheese & crackers, wine etc)
- Merchandising
- Jumping Castles on race day

Hire of race club space for activities such as:

- Weddings
- Hen's/buck's day packages
- 21<sup>st</sup> birthday packages
- School formals
- Farmers Markets or Craft Fairs
- Rodeos
- Concerts

- Carols by Candle Light
- New Year's Eve Celebrations

Clubs must ensure that they refer to the [Event Management Policy \(Appendix 24\)](#) and ensure they have adequate insurance in place and relevant approvals i.e. Council, Liquor Licensing and/or Control Body approval.

## 4 Purchasing, payments and accounts payable

Clubs should ensure that they have a documented procedural policy for the full purchasing cycle, from procurement, receiving the goods, entering the invoices into the general ledger, request of credit notes, and issuing payment to the supplier.

The Treasurer should ensure that the following procedures are being complied with in an appropriate manner.

### 4.1 Procurement

#### 4.1.1 Mandatory Compliance

- Expenditure to be incurred must be necessary for the proper conduct of the functions of the race club and for authorised purposes.
- The expenditure must represent value for money.
- All payments are supported by appropriate authorised documentation such as an invoice, purchase order and cheque/EFT requisition form.
- The race club must maintain a purchase order system. This can either be a purchase order book, Microsoft word or excel template or specialised purchase order system. Purchase orders must have consecutive numbers and all numbered purchase orders must be accounted for.
- A policy is to be created by each club determining what categories of purchases require a purchase order to initiate purchase. For example, purchase orders are to be prepared for each purchase with the exception of recurring expenditure such as telephone, electricity, payments to jockeys, reimbursement of staff expenditure, etc.
- Completed Purchase Orders must be forwarded to the Accountant/Treasurer prior to the placement of an order to purchase.
- Purchase Orders must be approved in accordance with the committee approved Authority Limits (refer to section 2.4.9). Only authorised Purchase Orders are to be forwarded to suppliers. There must be a segregation of duties.
- Un-issued purchase orders are to be stored in a secure place.
- Regular reviews are required to be undertaken by the Accountant of unfilled Purchase Orders, and appropriate follow-up action taken.
- Where purchases are made from the same supplier on a regular basis, and the value of those purchases is significant, the Treasurer should ensure that a regular programme of reviewing prices charged is undertaken. Where specific functions are outsourced to a supplier, consideration should be given to regularly seeking three quotations from different suppliers to confirm the commerciality of the price charged to the race club. Documentary evidence of this review should be retained by the Accountant/Treasurer.

Types of expenditure which should be regularly reviewed in this manner would include (but are not limited to):

- Maintenance
- Cleaning



- Telephone
- Utilities
- Catering and bar purchases

#### 4.1.2 Recommended Procedures

- Purchase Orders should include the race club's standard terms and conditions for purchasing. An example purchase order is included at [Appendix 10](#).
- The race club's standard Purchase Order form should include the following information:
  - Name, address and the ABN of the race club
  - Name, address and the ABN of the supplier
  - Purchase Order number
  - Date
  - Quantity ordered and unit price and total price of the order. The purchase order must be priced and should include relevant GST information – unit price inclusive of GST and total cost (inclusive and exclusive of GST)
  - General ledger coding
  - Standard race club purchase terms and conditions, and delivery instructions
  - Applicable race club contact name
- Purchase order books should provide for an original and two copies of each purchase order.
- The number of Purchase Order books distributed within the race club should be kept to a minimum. It is preferable that Purchase Order books be retained by the Accountant or Treasurer, and the Accountant/Treasurer is responsible for preparing all Purchase Orders. If the Secretary or Treasurer determines that Purchase Order books be distributed within the race club, then the Accountant/Treasurer should maintain a register of issued Purchase Order books and regularly verify that all Purchase Orders issued and un-issued are accounted for.
- The original Purchase Order should be forwarded to the supplier, a copy retained in a file of unfilled Purchase Orders (file maintained by the Accountant – this copy must be matched with the invoice received), and the second copy retained in the Purchase Order book.
- The supplier should be informed that the Purchase Order number must be quoted on the tax invoice; otherwise there may be delays in processing the payment or non payment.

## 4.2 Receiving goods/services

### 4.2.1 Mandatory Compliance

- Goods/services received must be verified by a race club officer independent of initiating procurement...

- The race club staff member responsible for receiving goods/services should ensure that the correct quantity and quality has been received and details of the goods/services delivered match the accompanying invoice/delivery docket. Goods/services must not be accepted unless the supplier provides appropriate documentation of delivery at the time of delivery.
- The race club staff member upon satisfying themselves as to quantity/quality, are to record on the documentation an appropriate comment e.g. “goods received in good condition”. The Receiving Officer is to sign and date the accompanying invoice/delivery docket record and forward it to the Accountant/Treasurer.
- If goods/services received do not match delivery documentation, or are damaged, the details of the discrepancy should be noted on the delivery documentation and agreed with the supplier at the time of delivery.
- All delivery documentation, signed/initialled evidencing receipt, is to be forwarded to the Accountant on a timely basis.
- All goods received must be appropriately stored / secured to minimise the risk of deterioration and theft.

#### **4.2.2 Recommended Procedures**

- Where a segregation of duties is not possible for smaller clubs, the following procedures should be implemented:
  - The supplier should be requested to deliver goods at a time when race club staff are available to confirm receipt of those goods. A race club staff member must be present when goods are delivered.
  - The Accountant/Treasurer should undertake regular ‘spot-checks’ of deliveries, to ensure that goods received match delivery documentation.
  - A designated committee member is used to receive goods and services.
- It is preferred that the race club use a “Goods Received Stamp”. This stamp should contain space for signature to confirm that:
  - Goods/services were delivered (to be completed at the time of delivery)
  - Goods/services received match delivery dockets/invoices (to be completed at the time of delivery)
  - Prices have been checked
  - Documentation of accuracy of calculations has been checked
  - General Ledger coding is correct (the stamp should also provide space to record the General Ledger coding)
- The stamp should be provided to all race club staff that are likely to be responsible for receiving goods/services on behalf of the race club. Documentation accompanying the good or service delivered should be stamped with this stamp and initialled by the race club staff member who has confirmed delivery.

## 4.3 Matching of documentation

### 4.3.1 Mandatory Compliance

- The Accountant/Treasurer should ensure that all supplier invoices/delivery documentation bears evidence that the relevant good or service has been received by the race club.
- The Accountant/Treasurer should match the relevant Purchase Order with the supplier invoice/delivery documentation
- Invoices received from suppliers must comply with the requirements for a Tax Invoice (GST). If there are any omissions, then the invoice should be returned to the supplier and a request made for a Tax Invoice. The Accountant should ensure that each supplier invoice includes the following requirements:
  - Heading – “Tax Invoice” be stated prominently
  - The supplier trading/business name
  - Supplier ABN
  - Date of issue of the invoice
  - The correct name of the recipient of the good or service – e.g. the race club name
  - The correct address and ABN of the recipient of the good or service
  - Description of goods/services
  - Quantity of supply
  - GST inclusive price
  - A statement consistent with “the total price includes GST” (where GST is equal to 1/11<sup>th</sup> of the price) or the actual amount of the GST
- Supplier invoices must be originals. Photocopies and facsimile copies should not be accepted. If it is unavoidable that supplier invoices are photocopies or facsimile copies, then payment must be approved by the Secretary.

### 4.3.2 Recommended Procedures

- The Accountant or Secretary (or alternative staff member in accordance with the committee approved Authority Limits) should initial each supplier invoice/delivery documentation as evidence that such documentation matches the Purchase Order, is priced correctly, and General Ledger coding is correct (note that the use of a Goods Received Stamp would be beneficial).
- If a credit note is required to be issued by a supplier, then the Accountant is responsible for making such a request (note that the race club must ensure that if a credit note has been requested, then sufficient documentation be retained evidencing that such a request has been made).

## 4.4 Accounts Payable ledger

### 4.4.1 Mandatory Compliance

- The race club is to maintain an Accounts Payable ledger which records liabilities to suppliers. This ledger is to be maintained by the Accountant and regularly (at least monthly) reconciled to the General Ledger. It would be in rare circumstances that the Treasurer should consider that the maintenance of an Accounts Payable ledger is not warranted.
- All supplier invoices are to be recorded in the Accounts Payable ledger on a timely basis. This would ensure that a record of supplier activity is maintained by the race club.
- The processing of supplier invoices to the Accounts Payable ledger should include the recognition of the applicable expense and the amount to be recorded in the race club's GST Clearing Account.
- At the end of each month, if supplier invoices have been received but not yet entered into the Accounts Payable, they are to be recognised as a liability (Accrual) of the race club, provided the goods and services have been received.
- Financial reports prepared by the Accountant should be reviewed in detail by the Treasurer.
- The Treasurer will present to the committee on a timely basis the monthly accounts, comparisons to budget and variance analysis.

### 4.4.2 Recommended Procedures

- The Accountant shall input details of all outstanding race club liabilities into the Accounts Payable ledger. The recording of liabilities will normally be initiated by the receipt of supplier invoice or delivery documentation. The Accounts Payable ledger should contain supplier details, details of each invoice processed as well as the historic details of invoices processed and paid. It is preferable that a computerised Accounts Payable ledger be utilised by the race club, however, if this is not feasible, a manual system may be utilised.
- Requests for credit notes from suppliers should be separately recorded in the Accounts Payable ledger.
- All creditor liabilities shall continue to be recorded in the Accounts Payable system until payment is made.
- Supplier statements received by the race club should be regularly compared by the Accountant with the balance recorded in the Accounts Payable ledger to confirm that the race club records are consistent with those of the supplier. This is to ensure that the club has recorded the appropriate accounting entries for the period of the statement. [Appendix 11](#) is a supplier reconciliation template.
- Financial reports prepared by the Accountant for presentation to the committee should include a summary of the Accounts Payable ledger (amount owing to each supplier – preferably, these details should be aged, showing the amounts due for periods such as 30 days, 30-60 days or 90 days+).

## 4.5 Cheque Payment

### 4.5.1 Mandatory Compliance

- Cheque Requisitions must be prepared by the Accountant, or at the Accountant's instruction for each payment to be made.
- Cheque Requisitions must have attached to them all relevant supporting documentation (including Purchase Orders where applicable) bearing evidence of approval for payment by the appropriate race club staff member, together with the actual Cheque. Details of the Cheque must match details recorded on the Cheque Requisition.
- Cheques must be made out to the correct Payee.
- Pre-printed Cheques are to be securely and safely stored by the Accountant.
- Under no circumstances are Cheques to be pre-signed by Cheque Signatories.
- Cheques should not be signed by the Cheque Signatories unless all approved documentation is attached. Cheque Signatories must initial the applicable Cheque Requisition. Payments must be made within the authority limits set out in section 2.4.9.
- The Accountant is to maintain an up-to-date record of current Cheque Signatories and is to ensure that the Bank is advised of changes to Cheque Signatory details on a regular basis.
- All Cheques should be required to be signed by two Cheque Signatories.

### 4.5.2 Recommended Procedures

- Cheque Requisitions should include the following details:
  - Date
  - Cheque number
  - Payee details
  - Description of items being paid
  - GST amount
  - Payment total
- Cheque Requisitions should also include space for each Cheque Signatory to sign. Refer to [Appendix 12](#) for a sample cheque requisition.
- A Cheque Requisition may be prepared in respect of an amount recorded in the Accounts Payable ledger or other payments to be made which may not usually be recorded in the Accounts Payable ledger (e.g. Payroll, Expense Reimbursements, certain race Day expenses, etc).

- All documentation attached to a Cheque Requisition should be stamped “Paid” once the Cheque Requisition has been completed and the cheque sent to the supplier.
- Cheque Requisitions are to be approved by Cheque Signatories in accordance with the committee approved Authority Limits. It would be expected that, in accordance with a race club’s Constitution, that at least one Cheque Signatory is a committee Member.
- Cheque Requisitions, together with all supporting documentation, are to be entered into the Cheque Register/Accounts Payable ledger/General Ledger and then filed by the Accountant.
- Financial reports prepared by the Accountant for presentation to the committee should include a listing of each Cheque raised during the period. The listing should be sufficiently detailed to enable the committee to appropriately review and approve expenditure incurred during the period.
- The Treasurer should review listings of Cheques raised as well as review a sample of Cheque Requisitions to confirm that all appropriate documentation is attached and that transactions represent bona fide expenditure relating to the functions of the race club. Cheque requisitions should bear evidence of this review.
- On a regular basis, the Treasurer should ensure that Cheque Signatory details maintained by the Bank are correct.

## 4.6 EFT Payment

Where payments are made by way of electronic funds transfer (EFT), the control requirements and accounting procedures specified herein for cheque payments shall be observed as far as practicable.

### 4.6.1 Mandatory Compliance

- Each club should adhere to the requirements of their banking institution to ensure that there is adequate security over the approval and transfer of electronic files. If the bank does not have mandatory approval procedures then banking file transfers should be approved by a committee member prior to the payment being made.
- Where EFT is used there must be a high level of control over:
  - Segregation of duties (i.e. the preparer of the electronic file is not the person who approves the payment)
  - Data security (such as the use of encryption of files, adequate antivirus software)
  - Communications security (assurance that important components of a message can not be changed without detection, between source and destination); and
  - Program change controls (all modifications are approved, made in a secured and controlled environment, tested and documented)

- There must also be effective procedures in following up amounts rejected to ensure the supplier gets paid and that the payment is not diverted elsewhere.
- All requests for EFT payment should be supported by an **original** invoice. Faxes, emails and photocopies of invoices are not acceptable supporting documentation. Use of such documents may lead to duplicate payment or invalid payments being made
- All invoices should be authorised for payment in line with the agreed delegated authority levels
- Access to the EFT software should be by password only. Passwords should be changed at least quarterly
- The payment details should be input to the EFT system and a draft of the payment details should be printed. This draft should be reviewed by an officer independent of the payment process, and compared with the original invoice and bank account details, and signed as authorised
- When all draft payments have been authorised as correct and valid the payments may be approved on the EFT software in line with agreed authority limits as set out in section 2.4.9.

#### 4.6.2 Recommended Procedures

- All payments made through EFT should be sequentially numbered in order to prove the completeness of payment records
- A file of payments made using EFT should be retained with appropriate evidence of authorisation and back up documents
- All payments made through the EFT process should be reconciled to the appropriate bank statement to ensure that they have been processed accurately
- Staff should ensure that an up to date bank mandate covering EFT payment authorisation is in place. Staff who have left the employment of the club should be removed from the mandate promptly
- Details of the supplier's bank account to receive the EFT payment should be notified to the club on official letter headed paper. Faxes, phone calls and emails containing this information should not be accepted.

### 4.7 Committee expenses

#### 4.7.1 Mandatory Compliance

- The committee must determine the appropriate policy/procedure in respect of committee expenditure. When documenting this policy, s112 of the *Racing Act 2002* needs to be considered. In particular in relation to private expenditure by the committee or committee members it can only be reimbursed or incurred by the club if it is club or racing related (i.e. not of a personal nature) Private expenditure is not reimbursable by the club. The club related expenditure incurred by the committee member must be previously authorised by the committee or is provided for under one of RQL's policies.
- The policy must be documented and should include:

- Definition of committee expenditure,
- Guidelines as to the purpose for which committee expenditure is to be incurred,
- Which race club officers can incur committee expenditure,
- Documentary evidence to be maintained ,
- Independent review, approval and reporting procedures – the race club must ensure that the Treasurer reviews committee expenditure incurred and reports on same to the committee.

The policy/procedure must include the following matters:

- Where committee expenditure includes travel, accommodation and entertainment incurred on behalf of the race club, the race club must ensure that the Treasurer’s report to the committee on committee expenditure incurred include an analysis of the purpose for, and outcomes from, travel and accommodation expenditure incurred.
- The procedures outlined in this document regarding the payment of monies for general expenditure must be followed in respect of the payment of committee expenditure.
- Documentation attached to Cheque/EFT Requisitions in respect of committee expenditure must be original and complete, as well as include reasons for the expenditure such as “attendance at RQL meeting in Brisbane 29 October 2009”.
- The Treasurer should regularly confirm that these procedures are being complied with in an appropriate manner.
- On a regular basis, the Treasurer is to review committee expenditure incurred (review of Cheque Requisitions), initial Cheque Requisitions as evidence of that review, and prepare and present a report to the committee outlining the committee expenditure incurred since the last report and the purpose of, and outcomes from, the expenditure incurred during the period.

## **4.8 Reimbursement of expenses incurred by officers or staff members of the race club**

### **4.8.1 Mandatory Compliance**

- Where the Treasurer and/or Secretary approves a policy whereby officers and/or staff members of the race club can personally incur expenditure on behalf of the race club, a procedure is to be established for the reimbursement of such expenditure. The policy and procedure is to reflect s112 of the *Racing Act 2002*, which states that private expenditure by a committee person, club Member and Officers of the club cannot be reimbursed or incurred by the club unless it has been incurred under one of RQL’s policies that provide for the expense to be incurred.
- The race club must ensure that the Accountant/Treasurer prepares a pro forma Expense Reimbursement form (refer to [Appendix 13](#)) for officers and staff to complete to enable an expense reimbursement to be made. The Expense



Reimbursement form should provide for details of the expense incurred to be described, date the expenditure was incurred, GST incurred, total value claimed, etc. In addition, the race club must ensure that the Expense Reimbursement form includes a statement to be signed by the officer or staff member of the race club which confirms that the expenditure claimed is wholly in respect of race club business. The Expense Reimbursement form must be authorised by an appropriate delegated officer.

- An Expense Reimbursement should be completed and signed by the applicable officer or staff member of the race club, and forwarded to the Accountant.
- The procedure for payment outlined in Section 4.5 and 4.6 and procedures for Committee Expenditure outlined in Section 4.7 must be followed in respect of the payment of officer and staff member expenditure.
- The Treasurer should regularly confirm that these procedures are being complied with in an appropriate manner.

## **4.9 Use of credit cards**

The race club may, with the approval from the committee, enter into an arrangement for credit card facilities to be made available to employees and committee members of the race club. The policy and procedure should reflect s112 of the *Racing Act 2002*, which states that reimbursement can only be for reasonable expenses incurred by the member under any one of RQL's policies.

### **4.9.1 Mandatory Compliance**

- The issue and use of all credit cards will be for official purposes only.
- The issue of official credit cards will be restricted to race club committee and staff members that are responsible for the purchase of goods and services.
- The committee or staff member using a credit card is to maintain copies of invoices or dockets, which support each transaction involving the use of that credit card.
- Before a credit card account is paid, the supporting invoices or dockets will be reconciled to the relevant credit card transaction record. These invoices or dockets will also be examined to substantiate the official use of the credit card. The credit card statement must be authorised prior to payment by an appropriate delegated officer such as the accountant/treasurer. Where supporting invoices or dockets are unavailable, a signed certificate stating that the transactions on the transaction record were for official purposes and that they have been reconciled to the credit provider's statement is to be attached to the expenditure voucher or account reconciliation.

### **4.9.2 Recommended Procedures**

- Where practicable only one account will be opened with a particular credit organisation. This account will be in the name of the race club.
- Payment of credit card accounts will be made either by an expenditure voucher or a direct debit to the race club's bank account. The supporting invoices or

dockets and credit card transaction records should be attached to the expenditure voucher or account reconciliation.

#### 4.10 Club expenditure for charitable, benevolent and patriotic purposes

RQL's policy on [Spending by Non-Proprietary Race Clubs](#) and the *Racing Act 2002* s112 details the manner in which Clubs are to apply their expenditure (i.e. for the encouragement of racing or charitable, benevolent, patriotic purposes). Race clubs should note that they must first seek written approval from RQL **prior** to expending any amount to any charitable, benevolent, patriotic or special purpose fund.

This is in line with the *Racing Act 2002* and there is no applicable threshold.

Donations must be accounted for by allocating the cost to the donations expense account in the club's general ledger and supported by appropriate documentation.

The following are **examples** of the correct accounting treatment of donations:

- Gate takings donated to charity – record total value of gate takings into the revenue account (CR); record the total value donated to the charity as an expense (DR);
- Percentage of bar sales donated to charity for staffing the bar – record total value of bar sales in the revenue account (CR); record the total value donated to the charity as an expense (DR).

These methods should be followed in principle for all charitable donations. If a club is donating to a charity any part of its regular race day income, then this income must be recorded as revenue in the general ledger of the race club as well as being recorded as a donation expense.

Complimentary tickets are exempt from this requirement.

[Appendix 23](#) provides a template letter requesting RQL for approval for donations. Requests should be directed to Club Compliance using the contact details noted at the beginning for this document.

## 5 Asset Management

All race clubs must comply with the [TAB Clubs Capital Works Policy](#) on the RQL website. The policy:

- Requires Clubs to manage and maintain their facilities to a high standard
- Places prime responsibility for asset management with race clubs, however in particular circumstances, involving both strategic considerations and safety and integrity of racing, RQL may provide some financial assistance
- Requires RQL, from time to time, to conduct venue audits alongside club personnel and the information obtained from these audits to be used by RQL to develop a list of capital works priorities.

The maintenance of the club's facilities is a key responsibility of Boards/ committees on behalf of the members, and is also essential if the club is to maintain its attractiveness to members and industry participants in a competitive environment.

The main activities in asset management are:

- Identification of need for the asset;
- Operation of the asset;
- Maintenance of the asset;
- Disposal of the asset when the need no longer exists or it is no longer appropriate for the asset to be retained.

The procedures set out in this document, detailing the requirements for effective management of assets is to be complimented by an asset register, which provides the financial and non financial information necessary to manage assets (refer to [Appendix 14](#) for a fixed asset register template).

### 5.1 Fixed Asset Register

The fixed asset register is a comprehensive listing of the club's physical assets. It includes all capital items that the club has purchased or acquired since its inception and has not disposed of. A capital item is an individual item, which exceeds \$2,000 as an overall policy, in value and has a useful life of 2 years or more. Some clubs may have lower thresholds but this must be documented in their policy. Information contained within the fixed asset register is used in the financial statements. Given the racing industry is quite capital intensive, it is expected that each club hold and maintains a fixed asset register.

The main components of a fixed asset register are:

**Asset number** - All assets should be given an asset number. This is done to ensure that all assets are captured in the fixed asset register and aids in the tracking of an asset.

**Asset description** – A basic description of the asset should be included. A more detailed description should be included on the fixed asset acquisition form which is attached to the invoice and kept in the fixed asset file.

**Acquisition Date:** The acquisition date is the date on which the asset was purchased or when all components of the asset were assembled and the asset was first ready for use. This is used to calculate the depreciation expense of the asset.

**Acquisition Cost:** The cost of the asset is the amount that was paid for the asset, including all components and the cost of constructing the asset ready for use (including the cost of transportation, construction)

**Disposal date:** The disposal date is the date that the asset was sold, scrapped or written off. The disposal date is used in the calculation for depreciation as this is the final date on which depreciation is calculated. If an asset has been disposed of it should be removed from the fixed asset register in the next financial year.

**Depreciation method:** The depreciation method is the calculation method by which assets are systematically written down in value. The preferred method of calculating depreciation is the straight line method (refer [Appendix 15](#) for the equation). This method proportionately depreciates the asset by the same amount each year over its effective life. The depreciation method used should be one that reflects the nature and type of the asset.

**Depreciation rate:** The depreciation rate (defined as a percentage) is the portion of the asset that is written down each year based on the effective life of the asset. The Accountant, in conjunction with the Treasurer, is to determine the appropriate depreciation rate to be applied to each capital item in the Fixed Asset Register. [TR 2009/4 - Income tax: effective life of depreciating assets \(applicable from 1 July 2009\)](#) is a ruling by the tax office that lists assets and their useful lives. It is strongly recommended that this listing be used by the Treasurer and Accountant in determining the useful lives and therefore depreciation rates of assets (refer [Appendix 15](#)).

**Depreciation expense:** Depreciation expense is the dollar value of the write down of the asset. The depreciation expense value is calculated using the acquisition cost and the depreciation rate.

**Accumulated depreciation:** Accumulated depreciation is the sum of all depreciation that has been calculated for an asset. Each year the accumulated depreciation for an asset increases by the depreciation expense calculate for that asset. Accumulated depreciation is termed a “contra asset”. This means that it is a negative amount that is reported in the financial statements with the cost of the asset. Accumulated depreciation is shown as an opening (prior year closing) and closing (opening value plus current year depreciation) value.

**Opening and closing written down values:** These values are calculated as

Opening Written Down Value (OWDV) = Opening Cost + Opening Accumulated Depreciation

Closing Written Down Value (CWDV) = Closing Cost + Closing Accumulated Depreciation

Closing Cost = Opening Cost + Additions – Disposals

Closing Accumulated Depreciation = Opening Accumulated Depreciation + Depreciation Expense – Accumulated Depreciation on assets disposed.

The fixed asset register is to be regularly (at least annually) reconciled to the general ledger. This reconciliation is complimented by the annual fixed asset register stock take.

### 5.1.1 Mandatory compliance

- Each club is expected to hold and maintain a fixed asset register detailing all physical assets held by the club
- Supporting documentation should be kept on file for all asset additions and disposals.

## 5.2 Asset Utilisation

Asset utilisation is a measure of how intensively an asset is being used to meet the club's service delivery objectives, in relation to the asset's potential capacity.

Underutilised assets should be identified, and the reasons for this examined. It may be, for example, that the asset is no longer effective in performing the activities required of it or that it is in less than optimum condition. It may also be that the need for the services it delivers or supports has reduced. The following examples illustrate some of the reasons for underutilisation:

- physical constraints, such as poor lighting for night-time use;
- technological obsolescence; and
- management constraints, such as the hours worked by security or caretaking staff.

Action should be taken either to improve the asset's utilisation or to redeploy it (provided that service delivery needs can be met by alternative means).

Where asset utilisation is low, an assessment should be made of whether the cost of holding the asset exceeds the cost of transferring the services it delivers, and whether there is a more economical way of delivering the services. Alternative or additional uses of assets should also be considered (e.g. an underutilised group of classrooms may appropriately house a health clinic).

### 5.2.1 Mandatory Compliance

- The utilisation of each asset should be reviewed annually.

## 5.3 Asset Management Plan

As the industry is quite capital intensive it is important to be informed and abreast of the status of all assets.

Building on the fixed asset register, the asset management plan is a forward looking document that clearly identifies the asset, service level (date of last upgrade/repair and maintenance), date of next review, risk of repair (rating of importance), cost estimates, improvement schedule.

It should be noted that there are three key outputs of an asset management plan. At the most basic level asset management plans must produce these key outputs:

- Defined levels of service
- Long-term financial forecasts.
- Improvement Plan (see below for clarification).

The key **inputs**, which underpin an asset management plan, are:

- Existing levels of service.

- Future demand for infrastructure service provision.
- Quantity and quality of existing assets.
- Operational, maintenance, renewal tactics applied to those assets.
- The organisational procedures, systems and information (e.g. the way in which asset risk is identified, recorded, monitored and updated).

RQL acknowledges that some smaller non-TAB clubs do not hold significant values of fixed assets. In these circumstances, it is required that clubs still review their assets against their fixed asset register and perform an annual fixed asset stock take. This stock take confirms the existence and state of repair of each capital item.

If an asset is required to be revalued (for example land) as a result of an independent valuation then this should be taken up in the fixed asset register and the general ledger. The valuation should be treated as a new asset or sub asset of the asset being revalued, with the other side of the entry being accounted for in the Asset Revaluation Reserve. All revaluations are required to be approved by the committee.

If an asset recorded in the fixed asset register is no longer functioning then the asset should be written off. [Appendix 16](#) documents the method to account for disposals.

### 5.3.1 Mandatory Compliance

- TAB Clubs are required to update and submit to RQL an annual Asset Management Plan by the 30 September of each year.

## 5.4 Capital Expenditure

### 5.4.1 Mandatory Compliance

- The club should be compliant with the following policies on the RQL website, adopted by the Board of RQL under section 81 of the *Racing Act 2002*–

- [Policy on Spending by Non-Proprietary Licensed Clubs](#)

A race club must obtain prior approval in writing from the Chief Executive Officer of RQL before:

- Undertaking expenditure on any capital item or capital program in excess of **\$50,000**; or
- Undertaking any expenditure on activities not directly related to the conduct or encouragement of racing.
- Activities not directly related to the conduct or encouragement of racing include, for example, the establishment of gaming facilities and sponsoring non-racing-related events

- [Disposal of Club Assets Policy](#).

A race club must obtain prior written approval from the Board of RQL before disposing of assets in excess of **\$25,000**. Furthermore, all clubs should approach RQL for approval in principle prior to developing any plans regarding

asset disposals and acquisitions for replacement. All proceeds resulting from the sale of a capital item must be used by the club for the benefit of racing.

- Capital items which exceed \$2,000 in value must be depreciated in accordance with AASB 1021. Items less than \$2,000 may be expensed in the period in which the cost is incurred.
- All capital items are to be accounted for as assets of the race club, however where the race club is a lessee of the premises and a trust or the local authority owns certain assets, then these assets are not recorded as assets of the race club. Consult the club's Accountant to ensure that the club is accounting for this correctly.
- Capital items should not be purchased unless such a purchase is consistent with the committee approved annual Capital Budget, or if not provided for in the Capital Budget, approved by the Secretary/CEO or Treasurer.
- On an annual basis, the committee should review and approve a detailed Capital Expenditure Budget.
- All capital items are to be entered into a Fixed Assets Register at the time of purchase.
- For each committee meeting the Accountant is to prepare an analysis of capital expenditure incurred during the period compared with the Capital Expenditure Budget. This analysis is to be reviewed and approved by the Treasurer and presented to the committee.

**For capital expenditure items with a value in excess of \$5,000 which are included in the Capital Expenditure Budget:**

- Three independent competitive quotations from prospective suppliers should be obtained. If three quotes are unable to be obtained then reasons as to why are to be recorded on the purchase order. This could occur in cases where only one supplier exists for a particular item.
- The Secretary/CEO should approve the selection of the most appropriate supplier having regard to the five basic principals of procurement: right item, right quality, right price, right place and right time. Sufficient, appropriate documentation should be retained evidencing the selection of the preferred supplier.
- If the proposed price of the capital item is not significantly different from the amount proposed in the Capital Expenditure Budget, then a Purchase Order should be prepared by the Accountant and approved by the Secretary.
- The procedures outlined in Section 4.2 should be followed in respect of receipt of goods, processing of supplier invoices and payment of supplier invoices.

**For capital expenditure items with a value in excess of \$5,000 which are not included in the Capital Expenditure Budget:**

- The Treasurer should approve the proposed purchase.
- Three independent competitive quotations from prospective suppliers should be obtained. If three quotes are unable to be obtained then reasons as to why are to be recorded on the purchase order. This could occur in cases where only one supplier exists for a particular item.

- The Secretary should approve the selection of the most appropriate supplier having regard to the five basic principals of procurement: right item, right quality, right price, right place and right time. Sufficient, appropriate documentation should be retained evidencing the selection of the preferred supplier.
- A Purchase Order should be prepared by the Accountant and approved by the Secretary and Treasurer.
- The procedures outlined in Section 4.2 should be followed in respect of receipt of goods, processing of supplier invoices and payment of supplier invoices.

**For capital expenditure items with a value less than \$5,000:**

- The Secretary/CEO should approve the selection of the most appropriate supplier having regard to the five basic principals of procurement: right item, right quality, right price, right place and right time. Sufficient, appropriate documentation should be retained evidencing the selection of the preferred supplier.
- A Purchase Order should be prepared by the Accountant and approved by the Secretary and Treasurer.
- The procedures outlined in Section 4.2 should be followed in respect of receipt of goods, processing of supplier invoices and payment of supplier invoices.



## 6 Payroll

Staff employed at race clubs may be employed under various awards. Staff should be advised as to whether they are being paid under an award or by a separate contractual agreement. If staff are being paid via an award they should have access to the award and be informed of the details contained within. The Queensland Government maintains a website of this information that is updated regularly with information for both employers and employees.

[Fair Work Australia](http://www.fairwork.gov.au) (<http://www.fairwork.gov.au>) also contains information on leave requirements, public holidays and the rights and obligations for employers and employees.

### 6.1 Appointment of employees

#### 6.1.1 Mandatory Compliance

- The CEO/Secretary must approve the establishment of any new position within the race club.
- The CEO/Secretary is to approve the salary/wage rate for each new employee as well as revisions to any staff member's remuneration.
- The committee should approve the appointment of the CEO/Secretary, and should establish the terms and conditions of employment in respect of that position. It would also be appropriate for the Treasurer to assist the CEO/Secretary to appoint the Accountant.
- Appropriate records should be maintained evidencing the assessment of employment applications, including the checking of references for all staff proposed to be employed.
- The race club must comply with all regulatory requirements when employing new employees.
- A letter of appointment should be prepared, signed by the Secretary, and issued to each new employee outlining the terms and conditions of employment.
- A staff file should be established for each staff member. This file should contain copies of the staff member's letter of appointment, documentation in respect of regular deductions from wages, notification of changes in salary, a record of race club property issued to the employee, etc.
- Staff payroll records, and in particular staff files, are considered to be confidential documents and as such must be maintained in a safe and secure area at all times. Unauthorised persons must not have access to these records.

#### 6.1.2 Recommended Procedure

- A letter of appointment is not required for the engagement of temporary and casual staff.

## 6.2 Timesheets

### 6.2.1 Mandatory Compliance

- Timesheets should be completed by employees who are paid on an hourly basis. The Secretary, in conjunction with the Treasurer, should determine whether timesheets should be completed by non-hourly paid employees.
- If timesheets are not prepared for non-hourly paid employees, the Secretary and Accountant should establish a procedure requiring those employees to advise the Payroll Officer of annual leave, sick leave and other leave taken.
- Timesheets should be approved by an authorised officer and forwarded to the Payroll Officer.

## 6.3 Processing of payroll transactions

It is preferable that a computerised payroll system is utilised to process payroll transactions.

### 6.3.1 Mandatory Compliance

- The payroll system should contain details of the remuneration package of each employee. Access to payroll records should be restricted to those staff members responsible for the processing of payroll transactions.
- Whenever possible, the payment of race club wages and salaries should be made by direct transfer to the employee's bank account.
- Payroll costs should be accurately determined and promptly recorded in the proper accounting period.
- If payment occurs in cash, pay packets must be collected by the employee and signed for – evidence of receipt must be maintained by the Payroll Officer. Unclaimed pay packets should be appropriately secured out of working hours.
- The Payroll Officer is responsible for ensuring that all appropriate Awards and regulations (e.g. state and federal taxes) have been complied with.
- Payroll reports should be approved by the Secretary/CEO or accountant prior to the Payroll Officer releasing funds. The Secretary's review should be evidenced on the payroll report – the review should include spot checks on the existence of employees, accuracy of time recorded and accuracy of pay rates.
- Payroll transactions should be processed to the General Ledger on a timely basis.
- Payroll deductions are to be recorded in separate General Ledger accounts and reconciled monthly.

## 6.4 Leave Entitlements

### 6.4.1 Mandatory Compliance

- Leave entitlement balances should also be reflected in the General Ledger and regularly reviewed by the Accountant to ensure that leave entitlements on a per

employee basis are accurate and not in excess of reasonable limits. When calculating the salary payments of employees, the leave calculations should also be updated. A leave calculation (for both annual and long service leave) is included at [Appendix 18](#).

- If an annual leave balance exceeds **forty (40) days**, or the pro rata equivalent for part-time employees, the club may direct the employee to take some of this leave to bring their leave balance back to a reasonable level. Appropriate written notice of at least one month, will be provided if employees are required to take annual leave. Long service leave should be taken in the year that it becomes available to the employee.

## 6.5 Terminating employees

### 6.5.1 Mandatory Compliance

- The Payroll Officer should not release a termination payment unless there is appropriate evidence (such as notification from an employee's supervisor) that all race club property issued to that employee has been returned (e.g. keys to race club premises, motor vehicles, etc).
- The Payroll Officer is responsible for calculating an employee's termination pay. This should be verified by an authorised officer.
- The payroll officer is to remove terminated employees from the payroll system immediately after termination.

## **7 Petty cash**

### **7.1 Procedure**

#### **7.1.1 Mandatory Compliance**

- Petty cash purchases are defined as the purchase of goods or services where the total cost for that transaction does not exceed \$100, and the raising of a cheque in payment of such goods or services required under \$100 is not economical for the race club.
- The safeguarding of, and accounting for, petty cash should be the responsibility of a delegated staff member. This staff member should be independent of those staff claiming expense reimbursements through petty cash. Ultimately, it is the responsibility of the Accountant to ensure that petty cash is appropriately approved and safeguarded and accounted for.
- A Petty Cash Reimbursement form should be used to initiate the purchase of petty cash items.
- All receipts for which a claim is being made must be attached to the Petty Cash Reimbursement form in support of the claim. The staff member seeking reimbursement from petty cash must obtain a receipt at the time of purchase, to be eligible for reimbursement of funds from the race club.
- On a regular basis, the petty cash float should be reconciled, detailing the float balance, funds drawn (with supporting documentation attached), and the remaining balance on hand.

#### **7.1.2 Recommended Requirements**

- Petty cash funds should not be used to purchase capital items or the payment of wages.
- A petty cash float should be maintained. The float balance should be recorded in the General Ledger and not varied unless it is decided that an increase or decrease in the float is warranted.
- The petty cash reconciliation can be used as the basis of drawing a reimbursement cheque from the race club's bank account. Refer to Section 4.2 for procedures relating to the preparation of Cheque Requisitions. The Cheque Requisition should include appropriate coding to enable processing of petty cash expenditure to the General Ledger.

## **8 Revenue**

### **8.1 Cash collections, cash receipting and debtors**

#### **8.1.1 Cash floats**

##### **8.1.1.1 Mandatory Compliance**

- Cash floats should be established for each trading outlet and routinely monitored.
- The General Ledger records the balance of floats issued. The Accountant is to maintain a register of floats issued to each outlet and regularly confirm that float balances are correct. This procedure requires the Accountant to regularly 'spot-check' float balances (recount) either daily (if the float is used by the same person) or when the float is returned to the safe, confirming that the actual balance on hand is consistent with the float register.
- Cash floats should be counted by the employees when they are taken from the safe and a register signed by the employee confirming that the balance is correct.
- Cash floats must be appropriately safeguarded before and after trading commences in an appropriate manner. It is preferable that a safe be utilised which contains floats for each outlet, access to the safe be restricted to appropriate staff members designated by the Secretary, and floats be issued at the commencement of trading by an appropriate staff member.

#### **8.1.2 Cash collections and banking – general**

##### **8.1.2.1 Mandatory Compliance**

- Cash takings are to be completely and accurately recorded in the financial records of the race club.
- Cash receipt records should be maintained recording all cash takings of the race club.
- All cash receipts are to be recorded in a cash receipts register, and entered into the General Ledger by the Accountant.
- Every cheque or other negotiable instrument received, if payable to this race club will immediately upon receipt be crossed NOT NEGOTIABLE.
- If cheques or other negotiable instruments are received in error, that is, they are not payable to this race club, they will not be stamped. Such instruments will be returned to sender.
- Details of all cash received by mail will be immediately entered in the "cash by post register" on a daily basis. For the purposes of this section cash includes cheques and legal tender.
- After opening the mail the staff member responsible for this task will forward the "cash by post register" to the Accountant and the cheques/legal tender to the

staff member responsible for recording the cash takings in the cash receipts book and cash receipts register.

- The Accountant is responsible for comparing the “cash by post register” with the bank deposit details.
- All income received should be recorded by way of cash receipt and entered into the cash receipts register and bank deposit book.
- All cash and cheques received are to be banked intact on a regular basis. Significant unbanked cash balances should not be held on-site for more than one to two days.
- Additional cash receipts (direct deposits) are recorded in the financial system when the bank statement is received.

### **8.1.2.2 Recommended Requirements**

- It is preferable that a pre-numbered cash receipt book be maintained. A cash receipt should be issued for each cash taking.
- For monies (usually cheques) received through the mail, as a minimum requirement all mail will be opened in the presence of at least 2 staff:
- Consideration should be given to utilising the services of a licensed security company for transporting amounts **over \$1,000** such as Armaguard or Secutor to transport deposits to the bank. When engaging the services of a security company the club should ensure that the company is accredited and carries adequate insurances.
- Regular ‘spot-checks’ of procedures and documentation maintained should be performed by the Accountant/Treasurer.

### **8.1.3 Cash collections – Race day operations**

#### **8.1.3.1 Mandatory Compliance**

- At the end of each trading day, all monies located in registers will be ‘bagged’ by the person responsible for the register. The Bar Manager and club Secretary will supervise the person responsible for the register.
- Registers includes Bar, Catering, Gate and Tote cash registers. Till tapes will be placed in the bag with the cash and the bag will be stored in a safe until the first working day after the race meeting. Only two staff will have access to the safe and they will be independent of the banking and reconciliation functions.
- On the first working day after the race meeting, two race club staff will be responsible for counting all registers. These staff will be independent of the banking and reconciliation functions.
- Cash collections will be reconciled to a tape (bar and catering), tote system printouts (tote) or token counts (gate takings). All discrepancies will be investigated before banking. Reconciliations will be perused and authorised by the Accountant or Secretary/CEO.

- Arrangements are to be made for the collection of cash to be banked mid-morning by an independent security firm.
- Regular clearance/skims are to be made from all tills so that no more than **\$1,000** or as determined and documented by the committee remains in any cash register where practicable. Cash collected from these skims are to be directly placed in the safe until the end of trading where normal end-of-race day procedures apply. This procedure should be performed by two people, such as a staff member and security escort or two independent staff members. It is important to ensure segregation of duties here and to avoid collusion.
- Cash takings are to be banked intact in a timely manner.
- Cash is to be appropriately secured at all times.
- If the club has an ATM two people should be present in setting the float and another two people collect the cash from the ATM. Cash collected should be reconciled to the ATM reports in a timely manner. Individuals involved in setting the float and collecting the cash should sign off on reconciling documentation.

#### **8.1.4 Debtors**

The majority of the race club's accounts receivable is assumed to be bookings for functions, advertising, sponsorships, rent-horse boxes, rent and nominations and acceptances.

In order to ensure consistency and clarity, the terms and conditions of Credit in the Credit Policy should disclose the terms and conditions under which credit is to be extended to debtors. The Policy should state what procedures are to be undertaken in assessing credit worthiness and the criteria to be considered in making such assessments, for example:

- credit history
- existing record of prompt payment
- assets
- income
- strength of credit references

##### **8.1.4.1 Mandatory Compliance**

- All accounts receivable to which the race club is entitled will be promptly recorded in the accounts receivable/debtors systems. Outstanding debts are to be followed up promptly.
- All credit applications should be assessed and approved before debtors are added to the ledger.
- Before issuing an invoice to a debtor, the invoice details are to be verified with the source documentation by an officer independent of the invoice raising process. The invoice is to be certified by an officer authorised to raise invoices on behalf of the race club.
- When invoices raised in error or printed with incorrect details are detected before being issued to debtors, they are to be cancelled. If errors are detected after the

issue of an invoice, a credit note is to be raised to reverse the invoiced debt, and, where applicable, an amended debit note raised.

- The debtor's ledger must be reconciled to the general ledger each month.
- An aged receivables report is to be prepared for discussion by the club committee or the Finance Subcommittee. The Aged Receivables report lists each debtors owing money to the club and the number of days the debt has been outstanding. This report can therefore be used by the club to prompt follow up on the outstanding amount and obtain cash flow into the club in a timely manner.

#### **8.1.4.2 Recommended Requirements**

- Payment terms for all invoices issued will be 30 days unless otherwise specified by the committee.

## **8.2 Summary of key financial records to be maintained and key internal controls over revenue to be implemented**

### **8.2.1 Mandatory Compliance**

The fundamental internal control which is to be implemented is that the staff member responsible for recording cash takings in cash receipts records should be independent of the banking of takings and independent of the income generating function.



<b>Income source</b>	<b>Accounting records to be maintained</b>	<b>Minimum internal controls to be implemented</b>
Tote share	Tote takings records	<p>Tote takings are to be reconciled with Tote registers at the end of each trading period.</p> <p>The race club's share of Tote takings is to be reconciled with Tote records and recorded in the cash receipts register.</p>
Catering	<p>Cash register readings (Z reads)</p> <p>Function agreements</p>	<p>Register Z reads are reconciled at the end of each trading period with cash takings.</p> <p>Function revenue is reconciled with the number of attendees and function agreements.</p> <p>Gross profit margins (actual and %) are reviewed and analysed each month.</p> <p>The Accountant undertakes a regular 'spot-check' of procedures and cash taking records.</p>
Bar	<p>Cash register readings (Z reads)</p> <p>Stock levels</p>	<p>Register Z reads are reconciled at the end of each trading period with cash takings.</p> <p>Gross profit margins (actual and %) are reviewed and analysed each month.</p> <p>The Accountant undertakes a regular 'spot-check' of procedures and cash taking records.</p> <p>Reconciliation between bar stock level and the quantity of stock sold.</p>
Gate admissions	Token counts	Gate admissions to be reconciled with token counts for the period.

<b>Income source</b>	<b>Accounting records to be maintained</b>	<b>Minimum internal controls to be implemented</b>
Bookmakers fees	Raceway books	Bookmaker's fees to be reconciled with raceway books for the period.
Sponsorship and advertising	Sponsorship register	Register is to be reconciled to sponsorship revenue banked.
Members' fees	Members register	Register is to be reconciled with members fees banked.
Rent received	Register	Register is to be reconciled to rent revenue received and banked. Banking to be done by someone independent.
Training fees	Receipt	Receipt book is to be kept. Banking to be done by someone independent of issuing receipt.
Grants	Bank statement	Accountant to review bank statement to determine correct grants have been received in accordance with grant agreement.
Overall control of income		The Treasurer and committee review monthly results and analyse variances compared with budget and with prior period trading results.

## **9 Dishonoured cheques**

### **9.1.1 Mandatory Compliance**

If the bank dishonours any cheque banked to a bank account of the race club, the Accountant will take all reasonable steps necessary to rectify the cause of the dishonour. On receipt of advice from the bank that a cheque has been dishonoured, the Accountant will cause the transaction record to be reversed from the general ledger.

The race club will take the following action:

- If possible have the cause of the dishonour rectified at once
- Communicate immediately with the drawer of that cheque for the purpose of obtaining the correction of any irregularity in the cheque that may have caused the dishonour
- Communicate with the drawer seeking payment of the value of the dishonoured cheque
- Take whatever other action that is considered appropriate
- Retain the dishonoured cheque to support the reversal entry in the journal entry.

### **9.1.2 Recommended Requirements**

The dishonour fee charged by the bank should also be recovered from the drawer of the cheque. This can be done by raising an invoice for the fee against the drawer of the cheque.

## 10 Inventories

### 10.1.1 Mandatory Compliance

- The Accountant, in conjunction with the Treasurer, should establish a policy with respect to which purchases are to be accounted for as inventory items. It would be expected that bar, catering and some maintenance items would be accounted for as inventories.
- All race club inventories (bar, catering, and maintenance) will be promptly identified and recorded in an inventory register.
- Items of bar, catering and maintenance inventories are to be accounted for separately in the General Ledger. In most instances, these inventory balances will be accounted for on a periodic basis.
- All inventories are to be procured in a manner consistent with the procurement procedures outlined in Section 4.2.
- Inventories should be appropriately safeguarded to minimise the risk of deterioration, loss or theft.
- A stock take of all inventories on hand should be carried out at least monthly by two race club employees (one of whom is independent of inventory management functions). The Accountant should prepare stock take instructions and issue these to all staff members involved in the process.
- All race clubs must institute a procedure to count all bar stocks on the first working day after the race meeting.
- Stock takes should be recorded on pre-printed pre-numbered stock sheets.
- Stock sheets should be signed by the counters and returned to the Accountant. The Accountant should determine the cost of the inventory on hand on the basis of the lower of cost or net realisable value in accordance with Australian Accounting Standards.
- Stock take results should be recorded in the General Ledger by the Accountant.
- Monthly Management Accounts prepared by the Accountant/Treasurer should include an analysis of gross profit margins achieved in the preceding month in the bar and catering operations. The Accountant should investigate reasons for margins being outside of an acceptable range.
- On a regular basis, the Accountant should undertake 'spot-checks' of inventory management practices to ensure that they continue to be performed to an acceptable standard.

## **11 Accounting records**

### **11.1 Budgets – trading and capital expenditure**

The preparation, submission to, and approval by, the committee of an annual budget is an integral component of the race club's corporate governance framework.

Budgets are to be used to:

- Monitor and manage trading results and cash flow; and
- Monitor and manage capital expenditure requirements and commitments.

#### **11.1.1 Preparation and approval of annual budget**

##### **11.1.1.1 Mandatory Compliance**

- Prior to the beginning of each financial year, the Accountant and Secretary should prepare a detailed Trading Budget and Capital Expenditure Budget for the forthcoming year.
- The Treasurer is to review and approve the annual Trading Budget and Capital Expenditure Budget and then submit to the committee for approval.
- The Treasurer is to review and approve monthly Management Accounts including commentary on justifications for significant variances...
- Budgets are required to be sent to RQL Club Compliance **by the 30 September** of each year.

##### **11.1.1.2 Recommended Compliance**

- Budgets should be prepared for each month of the financial year.
- The accounting policies applied by the race club in the preparation of its statutory financial reports should be consistent with those policies applied in the preparation of the budgets.
- Budgets should be sufficiently detailed to enable comparison with actual expenditure incurred. The race club must ensure that budget detail is consistent with the format and content of monthly Management Accounts.

#### **11.1.2 Comparison of actual results against approved budgets**

##### **11.1.2.1 Mandatory Compliance**

- At the end of each month, the Accountant and Secretary are to prepare monthly Management Accounts which detail the trading performance of the race club for the preceding month, as well as capital expenditure transactions incurred.
- The Management Accounts should reconcile to the General Ledger.
- The Management Accounts should include the following information:
  - Actual trading information (month and year to date) for each aspect of the race club, compared with the approved Trading Budget

- Key performance indicators compared with budget, prior year actuals and recent trends – bar and catering margins, tote turnover, patronage numbers, function revenue, prizemoney paid, etc
  - A detailed analysis as to the reasons for significant variances of each revenue, expense and key performance indicator compared with budget
  - A listing and analysis of committee expenses incurred
  - A listing of each Cheque Requisition raised with appropriate description of each payment made
  - A comparison of capital expenditure incurred compared with the Capital Expenditure Budget ,including reasons for significant variances
- Management Accounts should be reviewed and approved by the Treasurer and presented to the committee for review and approval.

## 11.2 General ledger

### 11.2.1 Mandatory Compliance

- The Accountant is to prepare and maintain a Chart of Accounts.
- The Accountant is to prepare and maintain a General Ledger. Access to the General Ledger should be restricted to appropriate personnel.
- All General Ledger balance sheet accounts are to be reconciled monthly by the Accountant or staff member delegated to ensure the accuracy of the information is maintained. All reconciliations are to be authorised by the Accountant or Secretary independent of the preparer.
  - If the reconciliation does not balance to the general ledger, further investigation is to be undertaken by the Accountant and necessary action taken to correct any errors.
  - All reconciliations, once completed and authorised, are to be filed by the Accountant.
- All Journals are to be authorised by the Accountant or Secretary.
- Subsidiary ledgers should be maintained for the following accounts and regularly reconciled to the General Ledger:
  - Accounts Payable
  - Accounts Receivable
  - Leave Entitlements
  - Fixed Assets
  - Memberships

## 11.3 Bank Reconciliations

### 11.3.1 Mandatory Compliance

- The bank reconciliation will be prepared by the Accountant detailing the reconciliation of the balance recorded in the accounting system/cash books and the balance shown on the bank statement as at the end of the previous month.
- If the bank reconciliation does not balance, further investigation shall be conducted by the Accountant and necessary action taken to correct any errors. Items identified on the bank statement that are not recorded in the race club records must be recorded using a journal transaction. Such items may include (but not limited to) the following:
  - Direct deposits;
  - Bank fees;
  - Interest revenue; and
  - Computational errors.
- The bank reconciliation shall be prepared by a staff member that is not a cheque signatory or connected with any recording, receiving or disbursing functions of the bank account (where practical). The bank reconciliation is to be signed by the Secretary each month.

## 11.4 Safeguarding and retention of accounting records

### 11.4.1 Mandatory Compliance

- The following records should be appropriately safeguarded and held on premises of the race club:
  - General Ledger and Subsidiary Ledgers;
  - Committee Minutes;
  - Source records including Cheque Requisitions; Cheque Registers, cash receipt records; invoices; financial statements; and year-end accounting work papers;
  - Contracts entered into by the race club;
  - Blank cheques;
  - Taxation records (e.g. FBT returns, BAS returns, etc); and
  - Payroll records
  - Deeds, titles, invoices from fixed asset acquisitions.
- Accounting records are to be retained for periods consistent with the relevant regulatory requirements. As a general rule, all financial records should be retained for a seven years period.
- The Accountant should ensure that the archiving of financial records is undertaken in a systematic manner so that records can be easily and efficiently

sourced when required. In addition, archived records should be appropriately stored to minimise the risk of deterioration, loss or theft.

- Regular backups are to be made of all electronic files.
- Backup should be performed daily or weekly.
- It is important that a back up be made and kept on site and one other off site. This will ensure that if anything happens to offices of the club the information is able to be retrieved.
- Back ups can be performed on various media including CD, DVD, USB drives and external hard drives.
- When backing up, it is important to note the date the back up was performed, and the date pertaining to the back up (e.g. back up performed 14/07/08 for month end 30/06/08). This will ensure that if there is multiple back ups the most recent will be easily identifiable.
- Clubs should also perform regular annually checks to ensure the data that has been backed up can be recovered.

#### **11.4.2 Recommended Requirements**

- Once month end has been completed, including the preparation of reconciliations, completion of the BAS and management reporting, a back up of the general ledger and all other month end documentation should be performed.



## 12 Taxation

The Australian Tax Office (ATO) offers tax concessions for non-profit organisations. Sports clubs, community service groups and recreational clubs are classified as “Other Non-Profit Organisations” by the ATO. The ATO accepts an organisation as non-profit if its constitution prevents it from distributing profits or assets for the benefit of particular people – both during operations and when winding up.

Only a brief overview of taxation requirements has been provided in this manual. It is strongly recommended that clubs appoint a taxation advisor to ensure that all obligations of the Australian Tax Office (ATO) are met. The ATO also provides information for businesses and not-for-profit entities on its website ([www.ato.gov.au](http://www.ato.gov.au)).

### 12.1 Taxation for employees, contractors and volunteers

It is important to determine whether an individual is an employee, independent contractor or volunteer of an organisation, as this status may affect the tax treatment of transactions between the individual and the organisation. The ATO provides detailed guidance for each type of worker including the requirements and deadlines for reporting to the ATO for such matters as:

Employees	Independent Contractor	Volunteers
<ul style="list-style-type: none"> <li>■ PAYG</li> <li>■ Superannuation</li> <li>■ Fringe Benefits Tax</li> <li>■ Higher education payments</li> <li>■ Child Support</li> </ul>	<ul style="list-style-type: none"> <li>■ PAYG</li> <li>■ Superannuation</li> </ul>	<ul style="list-style-type: none"> <li>■ Fringe Benefits Tax</li> </ul>

Calculators for the amount of tax to withhold from an employees pay are available from the [ATO website](http://www.ato.gov.au) (<http://www.ato.gov.au>)

### 12.2 Income Tax

At present, all race clubs are tax exempt, meaning there is no need to pay income tax, capital gains tax or lodge income tax returns (unless specifically requested to do so). Organisations can self-assess their entitlement to income tax exemption. They do not need to be endorsed by the Tax Office to be exempt from income tax. Most have additional tests and rules that must be met before the organisation can be exempt. Further information regarding tax exempt status can be found at the [ATO website](http://www.ato.gov.au/nonprofit/content.asp?doc=/content/33868.htm) ([www.ato.gov.au/nonprofit/content.asp?doc=/content/33868.htm](http://www.ato.gov.au/nonprofit/content.asp?doc=/content/33868.htm)).

### 12.3 Goods and Services Tax (GST)

When a club is registered for GST the price of most sales of goods and services will be inclusive of GST. Similarly, the organisation may be entitled to claim GST credits

on the purchases it makes in carrying out its activities. Clubs that are registered for GST are required to prepare and submit to the tax office monthly or quarterly Business Activity Statements (BAS). If the GST on purchases (expenses) made by the club is greater than the GST collected on income (sales) then the club is entitled to a refund. BAS can be prepared by the accountant or treasurer and can be lodged either by post or via the internet. Further information can be accessed via the [ATO website for non-profit organisations](http://www.ato.gov.au/nonprofit) at (<http://www.ato.gov.au/nonprofit>).

### **Glossary of GST Terms**

**ABN** - Australian Business Number: A single identifier for all business dealings with the tax office and for dealings with other government departments and agencies. To find out more information on ABN's access the ATO website on [ABN essentials](#).

**BAS** – Business Activity Statement: Businesses use an activity statement to report and pay a number of tax obligations, including GST, pay as you go (PAYG) instalments, and PAYG withholding and fringe benefits tax. Activity statements are also used by individuals who need to pay quarterly PAYG instalments. Further information can be accessed from the ATO website on [Activity statements](#)

**GST Free** – GST Free Supplies: Information on the ATO's website under [GST essentials](#) lists various services that do not incur GST.

**ITC** – Input tax Credits: Amounts paid as Goods and Services Tax on supplies purchased for the club's purposes, which can be offset against the Goods and Services Tax collected. These credits are claimed on the monthly/quarterly BAS return submitted to the ATO.

**WHT** – Withholding Tax: PAYG withholding is the system whereby payers withhold amounts from payments to payees and send the withheld amounts to us. If the club has employees or pay employees of another business, the club must withhold an amount from payments made to them. The club may also have to withhold from payments you make to other workers such as contractors. Clubs must also withhold an amount from payments made to other businesses if they don't quote their ABN on an invoice or other document if required.

**RCTI** – Recipient Created Tax Invoice: Tax Invoices created by the receiver of the good or services or supplies generally because the amount of consideration is not clearly known or identifiable prior to the actual transaction. Agents for the supplier can also create RCTI's

## 13 Employees & Volunteers

### 13.1 Awards, Agreements, Pay Rates and Conditions

The [Fair Work Ombudsman](http://www.fairwork.gov.au/) provides an awards and wages website ([www.fairwork.gov.au/](http://www.fairwork.gov.au/)). When creating a position at the club it is important to ensure that all employment contracts and agreements are documented and approved by the committee, including details of the applicable award, position description (describing the role, functions, responsibilities and reporting lines of the position), pay rate and any fringe benefits that the employee may receive.

### 13.2 Occupational Health and Safety (OH&S)

Clubs are required to provide a duty of care to all employees and volunteers, regardless of their occupation or industry. Knowing and understanding the legal obligations in providing this duty is detailed in the *Workplace Health and Safety Act 1995* and the *Workplace Health and Safety Regulation 2008*.

The Department of Employment and Industrial Relations has a comprehensive website detailing:

- the club's OH&S obligations
- OH&S Acts, Regulations and Codes of Practice
- Getting started with OH&S
- Accidents and injuries
- Workers compensation requirements

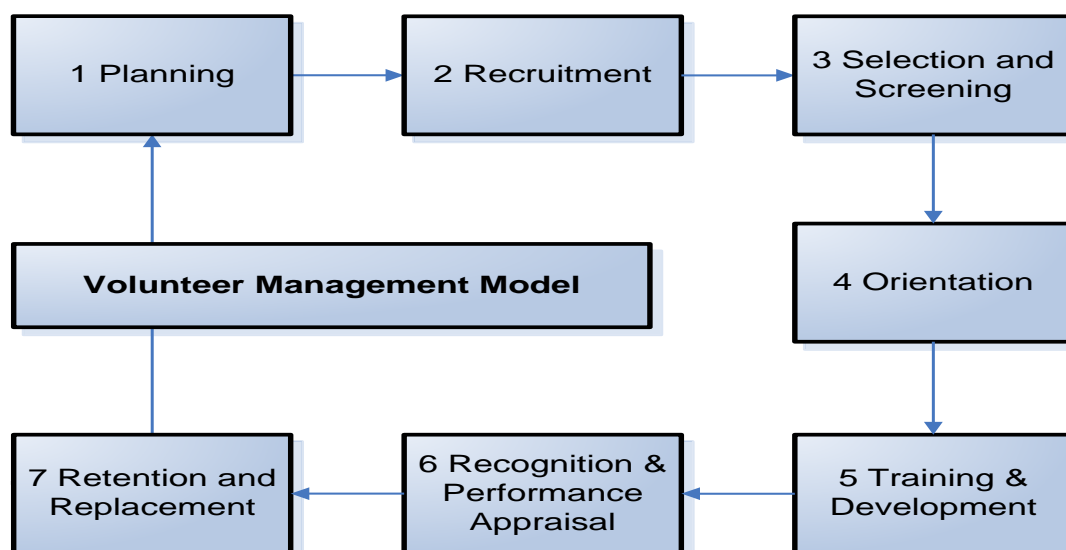
The website can be located at:-

<http://www.deir.qld.gov.au/workplace/law/legislation/index.htm>

### 13.3 Volunteer Management

Most (if not all) clubs cannot function without the help of good volunteers. The management of volunteers is therefore critical in nurturing the club's most valuable asset – people.

The Volunteer Management Model is as follows:



Clubs have the responsibility to provide a safe environment, not only to reduce the potential for injury, but also to meet legal requirements under 'duty of care'. It is considered best practice to appoint a Volunteer Manager/Coordinator or to allocate the coordination of volunteers to a committee member. An accurate record of volunteers, detailed position descriptions and time spent outlining and communicating roles and responsibilities for volunteers of the club will aid in improving the retention of volunteers. Additionally, the club needs to ensure that it has adequate insurance policies and coverage in place, including Workplace Health and Safety, when taking on volunteers.

### 13.3.2 Recruitment

By emphasising the benefits of volunteering, rather than the needs of the club, volunteers are more likely to be attracted to the club. Identification of existing member skills and matching those to volunteer position descriptions will aid in matching the best volunteers to the positions.

### 13.3.3 Selection and Screening

To ensure that volunteers are suitable for the required position it is important to have in place adequate and effective screening processes (e.g. by conducting and recoding decisions).

### 13.3.4 Orientation

A well designed orientation process reduces stress on new volunteers, makes the volunteer welcome and may reduce the likelihood of turnover. The orientation process should involve the outlining of roles and responsibilities of key volunteers and staff, familiarisation of volunteers with facilities, equipment and resources and a walk through of emergency and evacuation procedures.

### 13.3.5 Training and Development

Training is about teaching specific job skills whereas development prepares volunteers for future roles or responsibilities and satisfies individual needs for personal growth. When planning the training and development programs for volunteers it is important to adapt the training requirements to suit the needs and

educational background of individual volunteers. In order to test the knowledge of volunteers a checklist or quiz can be done once training has been completed.

### **13.3.6 Recognition and Performance Appraisal**

Appraising, recognising and rewarding volunteers for their contributions maximises the performance and satisfaction levels of those volunteers. Recognition is the club's way of thanking the volunteers and recognition can take a variety of forms, but should be individualised to each volunteer.

### **13.3.7 Retention and Replacement**

The goal of volunteer retention is to develop a sense of organisational commitment. This is done by creating and maintaining a positive working environment. Succession planning for volunteers should also be undertaken and should be linked to the club's strategic and business planning.

### **13.3.8 References**

Further information regarding volunteers can be found by visiting [www.volunteeringqld.org.au](http://www.volunteeringqld.org.au)

## 14 Dissolution of Club

The following information pertains to the winding up of an associated organisation. All licensed clubs in Queensland are associated organisations. An associated race club is one whereby all profits generated from racing are used to further racing operations of the club.

For clubs that are incorporated under *Corporations Act 2001* the club is required to comply with *Corporations Act 2001* when winding up. It is strongly recommended that legal advice be sought should this occur.

The following steps must be completed for the dissolution of an associated body:

1. The club is to inform RQL of their intentions to wind up the club, providing a listing of all assets and the clubs proposed plan of such assets to RQL in writing for consideration.
2. Once RQL has considered the club's proposal for disposal of assets, the club will be required to call a general meeting of all members to agree on the dissolution of the association and the disposal of assets.
3. Written notice of the general meeting, including the proposed special resolution, the date, time and place of the general meeting in which the special resolution is proposed to be passed must be given as required under the Association's rules, to each member who has a right to vote on the resolution.
4. At the general meeting, the special resolution is passed when 75% of the members who are present and entitled to vote, do so in favour of the special resolution.
5. Completion of Form 9a from the Office of Fair Trading is to be lodged with the Office of Fair Trading within one (1) month of passing the special resolution.

The *Associations Incorporation Act 1981* requires that surplus assets must not be distributed among members and must be given to another not for profit entity. RQL requires that any proceeds from dissolution are to be used for the sole benefit of racing in general and require RQL approval prior to the commitment of these funds.

Refer to [Appendix 18](#) for a club dissolution checklist.

## 15 Auditing

### 15.1 External Auditing

[Appendix 19](#) provides a listing of recommended club auditors. There are also details of how and where to search for a Chartered Accountant (CA) or Certified Practising Accountant (CPA) with audit specialisation (certified auditor) in the vicinity of the club. It is important to remember to select a certified auditor early to allow enough time for them to complete their audit procedures and prepare the year end accounts prior to the RQL reporting requirement of 30 September each year.

The Department of Employment, Economic Development and Innovation (<http://www.fairtrading.qld.gov.au/financial-reporting-requirements.htm>) requires that an auditor cannot be:

- a member of the association's management committee
- an employee of the incorporated association
- a business partner, employer or employee of a management committee member
- a spouse or dependant of any of the above.

### 15.2 Club Audit Process by Racing Queensland Limited

RQL will conduct periodic audits of race clubs every two years as a minimum or as deemed necessary. These audits will verify the clubs compliance status against the practices prescribed and recommended by the FMPM and RQL Policies in the areas of Corporate Governance and Financials management assessments of the club.

RQL will continue to target improvements in business practices and accountability within race clubs as a key strategic initiative for the best interests of the industry.

RQL will continue to work with clubs to ensure compliance to a minimum acceptable standard in accordance with RQL's and internal audits recommendations.

These assessments are a business improvement opportunity and in line with better practice and clubs will be ranked and benchmarked accordingly.

### 15.3 Financial Statement Reporting

The club's accountant or auditor should be able to provide the club with additional recommendations for the preparation of financial statements. It is strongly recommended that the club's President or Treasurer make time with the club's accountant to establish and document accounting policies for the club. The Australian Accounting Standards Board (AASB) is responsible for setting accounting standards in Australia. All accounting standards are documented on their website along with other useful guidelines ([www.aasb.gov.au](http://www.aasb.gov.au)). Furthermore, many accounting firms prepare model financial statements. These models document the reporting requirements in order to comply with the AASB. An example of model reports can be found on [Deloitte's website](http://www.deloitte.com/view/en_AU/au/services/assurance/accountingtechnical/illustrativefinancialreports/9b7f6a570f8af210VgnVCM200001b56f00aRCRD.htm). ([http://www.deloitte.com/view/en\\_AU/au/services/assurance/accountingtechnical/illustrativefinancialreports/9b7f6a570f8af210VgnVCM200001b56f00aRCRD.htm](http://www.deloitte.com/view/en_AU/au/services/assurance/accountingtechnical/illustrativefinancialreports/9b7f6a570f8af210VgnVCM200001b56f00aRCRD.htm)).

## 16 Other Relevant Reference Material

This manual has been designed to provide race clubs with detailed guidance as to the prescribed procedures to be applied in respect of key financial management and reporting processes.

It is recognised that there are other aspects of the financial management of race clubs which are not covered by this manual. Whilst the following areas have not been specifically documented in this manual, the sections below provide an initial point of reference:

### 16.1 Insurance

RQL along with their brokers AON Risk Services Australia Limited, have developed a state wide insurance program for Public Liability and Volunteer Insurance Program. The program includes coverage for public and products liability. Refer to the RQL website at [www.racingqueensland.com.au](http://www.racingqueensland.com.au).

All clubs should have the following insurance in place:-

- Public and Products Liability Insurance – (Through RQL for all clubs)
- Directors and Officers Insurance
- Industrial Specials Risks Insurance (Through RQL for TAB Clubs)
- Professional Indemnity Insurance
- Motor Vehicle Insurance
- Business Travel
- Workers Compensation Insurance if club has paid workers
- Volunteers Insurance for clubs who do not have paid workers through AON
- Other insurance policies as deemed appropriate by the club, insurance broker or the Control Body.

### 16.2 Marketing, advertising, promotions and media releases

Clubs should prepare a marketing plan that answers the following questions:

- Customers**
- Who are the club's existing customers?
  - How can the club sustain its existing customers? (i.e. ensure that existing customers are satisfied)
  - Who are the clubs potential customers?
  - How can the club target potential customers? (i.e. tourism operators, university orientations, reciprocal rights with other clubs)
- Competitors**
- Who are the clubs competitors?
  - What are they offering that the club is not?
  - What competitive advantage does the club have over its competitors?
  - How can the club sustain that competitive advantage?
- Sponsorship**
- Who are the clubs existing sponsors?

### 16.3 Retention and Recruitment Strategies for Members

Members may join a race club for a number of reasons. It could be to become more active in the racing industry, for social reasons or simply because they enjoy a day out at the races. It is important to understand the reasons that people join the club



in order to retain them as members. Quite often, a member may feel like the reason that they joined in the first instance is no longer there, and decide to leave the club.

Smaller clubs may not have the capital to inject into a marketing plan however there are still ways to ensure that all members are happy. Smaller clubs often have the flexibility to be able to think outside the box when marketing their club to potential members.

Below are a few tips to help retain and recruit members:

1. **Be prepared** – race days are in essence the club's biggest marketing day for new members. Patrons who have enjoyed themselves during the day are more likely to become members than those who didn't. On a race day ensure that there is someone available to sign up new members. Even a message over the loudspeaker may prompt some people.

Additionally, the club's committee are the face of the organisation. Make sure that everyone is properly briefed on how people go about obtaining membership and who they need to speak to. It goes without saying that a disorganised and unhappy committee will not attract people.

2. **Pay attention to your numbers** - For many years, larger clubs have ignored the retention issue, and it has proved detrimental. Large enrolment numbers mean nothing if these members aren't sticking around. It's the revolving door scenario - 5 come in and 15 go out. Larger clubs don't always pay attention to this because it's harder to do. For smaller clubs, it's easier to keep tabs on people and make sure that the core members are returning.
3. **Ask how you can improve** - Conduct a membership survey with an incentive for participating. The most valuable information about how your club is portrayed is going to come directly from the target of your club message. You should use this information to seek out areas of needed improvement and also to build on and perpetuate areas of strength.
4. **Review the club's application process** – a club that has a long and drawn out application process is going to turn casual members away from the start. Ensure that the application process is targeted to demographic that the club is catering for.
5. **Communicate with the members** – by conducting social functions, members have the chance to interact with each other and the committee without the pressure of conducting a race day. Additional methods of communications are newsletters and suggestion boxes. Communications should always been seen as a way of motivating members and improving the club.

## 16.4 Use of a Common Accounting Package

It is the intention of RQL to place Strategic Non-TAB clubs and other Non-TAB clubs onto a common financial accounting platform. This will ensure that the clubs are maintaining similar:

- Chart of accounts
- Treatment of accounting entries
- Consistent reporting (e.g. trial balances, aged debtor and creditor listings)

RQL will work with the strategic Non TAB clubs to implement a common accounting package.

## 16.5 Use of EIS One to Measure Club Performance against Key Performance Indicators

EIS One is Business Intelligence performance measure software RQL will use for all TAB clubs and Strategic Non TAB Strategic clubs (information may be specifically requested of other non TAB clubs) to assist clubs with performance assessment and benchmarking . The Business Intelligence suite consists of management tools used to execute and manage business intent in a simple but meaningful visual framework. It relies on the identification of cause and effect relationships covering different perspectives of the club's business. RQL will work closely with the clubs in ensuring the EIS One is successfully implemented. Key elements of EIS One include:

- The Business Intelligence suite consists of management tools used to execute and manage business intent in a simple but meaningful visual framework.
- It relies on the identification of cause and effect relationships covering different perspectives of the club's business
- The concept of leading versus lagging key performance measures is a worthwhile learning experience.
- The understanding of drivers versus outcomes is clearly articulated in the Scorecard framework.
- Business objectives and initiatives are clearly defined and linked to key performance indicators (KPI's)
- Business trends and events can be reported and managed for future success

A detailed guide on how to upload the club's information into EIS One is located at [Appendix 20](#).

Information that is required for both the monthly and annual uploads into EIS One is contained in [Appendix 4](#).

Clubs are requested to supply monthly information to RQL Club Compliance **by 21<sup>st</sup> of the subsequent month**, and annual information is due by **30 September** (refer [Appendix 8](#)).

## 16.6 Racing Queensland Limited Policies

- The RQL Website contains all policies issued by RQL:  
<http://www.racingqueensland.com.au/services/policies.aspx>
- Policy documents relating to the FMPM
  - [Policy on the Formation and Management and Licensing of Clubs](#)
  - [Policy on spending by Non-Proprietary Licensed Clubs](#)
  - [TAB Clubs Capital Works Policy](#)
  - [Policy on Dealing with Intangible Assets by Non-Proprietary Clubs](#)
  - [Risk Management Policy \(Appendix 25\)](#)
  - [Event Management Policy \(Appendix 24\)](#)

## 16.7 Further Information

For clubs that are incorporated, guidance in respect of these aspects of financial management and compliance with the *Queensland Associations Incorporation Act* can be found in the “Incorporated Associations Manual” published by Caxton Legal Centre Inc, 28 Heal Street New Farm, Queensland

Further information can also be obtained from the fair trading website at <http://www.fairtrading.qld.gov.au/incorporated-associations.htm>.

## 16.8 Other Contacts

	Topic	Contact details		
		Organisation	Website	Phone
<b>Risk Management</b>	RM Standard	SAI Global	<a href="http://www.standards.com.au">www.standards.com.au</a>	1300 360 314
	Implementation	RMIA	<a href="http://www.rmia.org.au">www.rmia.org.au</a>	(03) 9899 7100
	OH & S	DEEDI	<a href="http://www.deedi.qld.gov.au">www.deedi.qld.gov.au</a>	1300 369 925
<b>Business Continuity Management</b>	BCM Handbook	SAI Global	<a href="http://www.standards.com.au">www.standards.com.au</a>	1300 360 314
<b>Crisis Management</b>	Incident Management	AEM	<a href="http://www.em.gov.au">www.em.gov.au</a>	(02) 6256 4600
<b>Other</b>	Taxation	ATO	<a href="http://www.ato.gov.au">www.ato.gov.au</a>	13 28 66
	Employing staff	DEEDI	<a href="http://www.deedi.qld.gov.au">www.deedi.qld.gov.au</a>	1300 369 925
	Training	DET	<a href="http://www.deta.qld.gov.au/">www.deta.qld.gov.au/</a>	
	Business development	DEEDI	<a href="http://www.deedi.qld.gov.au/information-about/business.htm">www.deedi.qld.gov.au/information-about/business.htm</a>	1300 363 711
	Employee Awards	Fair Work Ombudsman	<a href="http://www.fairwork.gov.au">www.fairwork.gov.au</a>	1300 369 945
	Association state gov't. requirements	Office of Fair Trading	<a href="http://www.fairtrading.qld.gov.au/incorporated-associations.htm">http://www.fairtrading.qld.gov.au/incorporated-associations.htm</a>	13 13 04

## 17 Appendices

- [Appendix 1 FMPM Compliance Requirements](#)
- [Appendix 2 Example Constitution](#)
- [Appendix 3 Pro Forma Business Plan](#)
- [Appendix 4a Budget and Annual Reporting Template \(TAB & Strategic Non-TAB Clubs\)](#)
- [Appendix 4b Budget and Annual Reporting Template \(Non-TAB Clubs\)](#)
- [Appendix 5 Position Description Template](#)
- [Appendix 6 Performance Agreement and Appraisal](#)
- [Appendix 7 Example Handover Checklist](#)
- [Appendix 8 Financial Year End Reporting Requirements Checklist](#)
- [Appendix 9 Sponsorship Agreement Template](#)
- [Appendix 10 Purchase Order Template](#)
- [Appendix 11 Supplier Reconciliation Template](#)
- [Appendix 12 Cheque Requisition Template](#)
- [Appendix 13 Expense Reimbursement Form Template](#)
- [Appendix 14 Fixed Asset Register Template](#)
- [Appendix 15 Depreciation Calculation Methodology](#)
- [Appendix 16 Accounting for Disposals of Fixed Assets](#)
- [Appendix 17 Leave Provision Calculation](#)
- [Appendix 18 Dissolution of an Association Checklist](#)
- [Appendix 19 Listing of Recommended Club Auditors](#)
- [Appendix 20 Uploading Information into EIS One](#)
- [Appendix 21 Asset Management Plan template](#)
- [Appendix 22 Race Day Operating Performance](#)
- [Appendix 23 Donation Request Template](#)
- [Appendix 24 Event Management Policy](#)
- [Appendix 25 Risk Management Policy](#)

## 18 Glossary

Annual Report	Yearly record of a club's financial condition. It includes a description of the firm's operations, its balance sheet and income statement.
Asset	The economic resources of the club such as equipment, debtors, inventory and cash.
Asset Management Plan	The asset management plan is the document used in the process of guiding the acquisition, use and disposal of assets to make the most beneficial use of their service delivery potential and manage related risks and costs over the life of the assets.
Association	An association, society, body or other entity formed, or carried on, for a lawful purpose.
Audit Report	A section of an <a href="#">annual report</a> containing the auditor's opinion on the financial statements
Auditor	A person registered as an auditor under the Corporations Act.
Balance Sheet	The statement of the financial position of the club at a particular date showing the various categories of assets and how they have been financed (liabilities).
Capital Expenditure	Expenditure on fixed assets, such as plant and equipment, the cost of which is spread over several accounting periods through the process of depreciation. The cost of the fixed assets (less the depreciation accumulated to date) is "capitalised" on the balance sheet. The depreciation charged each year is a cost shown on the profit and loss statement.
Cash Flow	The ability of a club to generate liquid resources to meet its short term (less than one year) and long term (greater than one year) commitments.
Chairperson	The officer who presides at the meetings of an organization, in the case of most clubs this will be the President.
Club Constitution	The set of regulations which govern the conduct of the club, its committee and members.
Committee	The persons charged with the management of the affairs of the association. A committee shall consist of not less than 3 persons.
Corporate Governance	The way an organisation is managed, its corporate structures, its culture, its policies and the ways in which it deals with its various stakeholders.
Effective Life	This is the expected life span of an asset. The effective life of an asset should take into account the usage (an asset used daily is more likely to have a shorter life than one that is used only weekly or monthly) and whether or not the asset is likely to be superseded (such as a computer). The effective life is used as part of the depreciation calculation.
Expenditure	Costs such as rent, rates and salaries, which is to be accounted for in the period that it relates to.
Financial year	The 12 month period adopted by the association as its financial year in its rules.
Income	Invoiced value of the goods and services provided to customers.
Income and Expenditure Statement	A summary of the income or turnover and costs for an accounting period. This statement is concerned with the trading performance during a given period, whereas the balance sheet is concerned with the financial

	position at a particular date.
Incorporated Body	A club that has been incorporated under the <i>Association Incorporations Act 1981</i>
Internal Controls	The processes and systems implemented by the club that reduce the likelihood of fraud (intentional act to obtain unjust or illegal advantage) or error (unintentional).
Liabilities	Amounts owed by the club to others. Liabilities may be incurred through the acquisition of assets (e.g. fixed assets) or other expenditures.
L.R.	Local Rules – Racing Queensland rules
Management Accounts	Management accounts are the summarised, high level information that is provided to the Committee for review on a regular basis. The information contained within these accounts should be able to be reconciled back to the general ledger. Example of information that should be contained within these accounts are race day sales, attendance, gross profit margins, analysis of expenditure.
Model Rules	The model rules prescribed under the regulations of the club.
Officer/Officials	Includes the following individuals— (a) the association’s president; (b) the association’s secretary; (c) the association’s treasurer; (d) a member of the association’s management committee; (e) a manager appointed by the management committee for the association.
President	The member of the association’s management committee who usually presides at management committee meetings, whatever the person’s position is called.
Profit and Loss Statement	See income and expense statement
Qualified/ Certified Accountant	(a) a member of CPA Australia who is entitled to use the letters ‘CPA’ or ‘FCPA’; or (b) a member of The Institute of Chartered Accountants in Australia who is entitled to use the letters ‘CA’ or ‘FCA’; or (c) a member of the National Institute of Accountants whom is entitled to use the letters ‘MNIA’, ‘FNIA’, ‘PNA’ or ‘FPNA’.
Revenue	See income.
Risk Management	The process of identifying and evaluating <a href="#">risks</a> and selecting and managing techniques to adapt to risk exposures.
Secretary	The person elected or appointed as the association’s secretary under the Association Incorporations Act (1981).
Special Resolution	A resolution passed at a general meeting of the association by the votes of 3/4 of the members who are present and entitled to vote on the resolution.
Statement of Assets and Liabilities	See balance sheet
Trading Budget	The forecasting of revenues and expenses for accounting periods.

Treasurer	The member of the association's management committee responsible for the finances of the association, whatever the person's position is called.
Variance Analysis	Detailed analysis of the differences between two values, for example bar sales increased between 20XX and 20YY due to an increase in the average price of inventory.



## Appendix 1 – FMPM Compliance Requirements

There are many topics covered in the FMPM, some are mandatory requirements based on policy that clubs must comply with, and others are recommended best practice procedures. As there is a great variation amongst Queensland Race Clubs, it is understood that not all clubs will have sufficient staff or turnover to comply with every requirement. As a result, all Queensland Racing Clubs have been categorised into 3 different categories:

### TAB

- |                                     |                                    |
|-------------------------------------|------------------------------------|
| - Brisbane Racing Club              | - Rockhampton Jockey Club          |
| - Gold Coast Turf Club              | - Mackay Turf Club                 |
| - Sunshine Coast Turf Club          | - Townsville Turf Club             |
| - Ipswich Turf Club                 | - Toowoomba Turf Club              |
| - Albion Harness Racing Club        | - Brisbane Greyhound Racing Club   |
| - Gold Coast Harness Racing Club    | - Ipswich Greyhound Racing Club    |
| - Redcliffe Harness Racing Club     | - Townsville Greyhound Racing Club |
| - Rockhampton Greyhound Racing Club |                                    |

### Strategic Non-TAB

- |                                      |                        |
|--------------------------------------|------------------------|
| - Atherton Turf Club                 | - Barcaldine Race Club |
| - Barcoo Amateur Race Club           | - Beaudesert Race Club |
| - Bowen Turf Club                    | - Bundaberg Race Club  |
| - Burdekin Race Club                 | - Cairns Jockey Club   |
| - Central Warrego Race Club          | - Chinchilla Race Club |
| - Dalby & Northern Downs Jockey Club | - Emerald Jockey Club  |

- Gladstone Turf Club
- Gympie Turf Club
- Julia Creek Race Club
- Longreach Jockey Club
- Nanango Race Club
- Roma Turf Club
- Towers Jockey Club
- Bundaberg Greyhound Racing Club
- Cairns Greyhound Racing Club
- Goondiwindi Race Club
- Innisfail Turf Club
- Lockyer Race Club
- Mount Isa Race Club
- Richmond Turf Club
- Thangool Race Club
- Warwick Turf Club
- Marburg Harness Racing Club
- Capalaba Greyhound Racing Club

**Non-TAB Clubs**

All other clubs not listed above are categorised as Non-TAB clubs for the purpose of the FMPM.

The table below notes the minimum mandatory requirements for TAB, Strategic Non-TAB and Non-TAB clubs. This table is to be read in conjunction with the FMPM to ensure that all clubs have a comprehensive understanding of the requirements made of them by Racing Queensland and should not be solely relied upon.

Section	Area of Compliance	TAB	Strategic Non-TAB	Non-TAB
2.1	Clubs are required to comply with the following legislation: <ul style="list-style-type: none"> <li>- <i>Racing Act 2002</i></li> <li>- <i>Association Incorporations Act 1981 or Corporations Act 2001</i></li> <li>- <i>Local Government Act 1993</i></li> <li>- <i>Liquor Act 1992</i></li> <li>- <i>Workplace Health and Safety Act 1995</i></li> </ul>			

Section	Area of Compliance	TAB	Strategic Non-TAB	Non-TAB
2.1	Race clubs are to apply receipts and profits solely for the encouragement of racing or for charitable or benevolent purposes with the written approval of RQL			
2.1	Clubs are required to be incorporated under either the <i>Associations Incorporation Act</i> or the <i>Corporations Act 2001</i>			
2.1	All clubs are required to have a constitution			
2.2	A strategic plan is to be maintained and reviewed by the club. This plan is to be submitted to RQL			
2.2	Prepare an annual business plan which is to be submitted no later than 30 days after the AGM.			
2.2	A financial budget is to be prepared and submitted in the prescribed RQL format by 30 September each year.			
2.3	Clubs must establish policies with regard to committee member expenditure and reimbursement, travel, entertainment, use of corporate credit cards (if held) and appointment of staff.			
2.3	Establishment of detailed procedural statements for areas of internal control, such as receipts and revenue controls, expenditure controls and stock controls.			
2.4	Clubs must have documented position descriptions for each committee member, employed staff member and volunteer position.			
2.4.5	All meetings and decisions of committees and sub-committees are to be tabled and form part of the official record of the club's administration.			
2.4.5	All committee members must present to Racing Queensland a NPC upon their appointment.			
2.4.9	Authority limits are to be set, documented and distributed to relevant race club staff for areas prescribed in this section. These are to be reviewed on an annual basis.			
2.5	Preparation, review and submission (annual) of risk management and event management plan			

Section	Area of Compliance	TAB	Strategic Non-TAB	Non-TAB
2.6	Preparation and submission of Business Continuity Plan (annual)			
2.7	Establishment of club values and code of ethics			
2.8	Clubs are required to account for income and expenditure transactions on an accruals basis.			
2.8	Financial and statistical data are to be presented at committee meetings by the treasurer or appropriate delegate.			
2.8	Actual performance against budgeted strategies, actions and targets as detailed in the business plan is to be documented and discussed at either the committee level or by high level management.			
2.8	RQL is to receive the club's audited financial statements within 90 days of year end.			
2.8	Clubs are to provide RQL a written report on the activities on the club and a copy of any corporate, strategic or business plan within 30 days of their AGM.			
2.8	Completion and submission of the RQL Financial reporting template (Appendix 3) is due to RQL by 30 September each year			
3.1	Clubs must develop and appropriate level of event management capability			
3.2	Sponsorship agreements are not to be entered into where the sponsor or product being endorsed is a competitor or in competition with UNiTAB. Sponsors must be of a suitable purpose, standard and quality with which the club, RQL and the racing industry would desire to be affiliated with.			
3.2	A sponsorship agreement is to be prepared for all sponsorship arrangements, these agreements must be authorised within the delegation limits.			
3.2	A sponsorship register is to be kept for all sponsorship agreements			
3.3	Each club should develop a Responsible Service of Alcohol policy.			
4.2	The race club must maintain a purchase order system			
4.2	Clubs must have a documented policy and procedure for all aspects of purchasing – from procurement to paying the supplier.			

Section	Area of Compliance	TAB	Strategic Non-TAB	Non-TAB
4.2	All approvals of ordering, purchase, receipting of goods and payment must be clearly identifiable and in accordance with approved authority limits.			
4.2	Regular reviews are to be taken of unfilled purchase orders and appropriate action taken.			
4.2	Reviews of pricing should be undertaken by high use suppliers.			
4.3	Goods/services received should be verified by a race club officer independent of the initiating procurement. Goods/services received must be agreed to the accompanying delivery docket or invoice. Documentation should clearly state that either all goods/services have been received or note the variations to the initial order.			
4.3	All goods received must be appropriately stored / secured to minimise the risk of deterioration and theft.			
4.4	Purchase orders are to be matched to the supplier invoice and delivery documentation (if received)			
4.4	Invoices received from suppliers must comply with the requirements for a Tax Invoice (GST). Any omissions should be followed up with the supplier.			
4.4	Supplier invoices must be originals.			
4.5	Race clubs are to maintain an accounts payable ledger recording all details of the supplier and purchases made.			
4.5	Supplier invoices are to be recorded in the accounts payable ledger on a timely basis.			
4.5	Reports prepared by the accountant and reviewed by the Treasurer shall be presented to the committee on a timely basis as part of the monthly accounts.			
4.6	Cheque requisitions must be prepared by the Accountant or authorised delegate for each payment to be made. Supporting documentation must accompany each cheque requisition			
4.6	Cheques must be made out to the correct payee			

Section	Area of Compliance	TAB	Strategic Non-TAB	Non-TAB
4.6	Pre-printed cheques must be stored in a safe and secure location with limited access.			
4.6	Cheques are not to be pre-signed.			
4.6	An up to date record of cheque signatories must be maintained. When a signatory leaves the club or resigns from duties, the record must be updated and sent to the bank.			
4.7	Where EFT is used there must be a high level of control over segregation of duties, data security, communications security and program change controls.			
4.7	There must be effective procedures in following up amounts rejected.			
4.7	All invoices are to be authorised for payment in line with the documented authority levels.			
4.8	Clubs must have documented committee expenditure procedures. Payment must comply with documentation on paying for general expenses.			
4.9	Clubs must have documented officer and staff member expenditure procedures. Payment must comply with documentation on paying for general expenses.			
4.10	The issue of official credit cards is to be restricted to race club committee and staff members that are responsible for the purchase of goods and services and is to be used for official purposes only.			
4.11	Club expenditure for charitable, benevolent and patriotic purposes is to be approved by RQL prior to the expenditure of the funds.			
5.2	The utilisation of each asset recorded in the fixed asset register is to be assessed annually.			
5.1.1	Each club is expected to hold and maintain a fixed asset register detailing all physical assets held by the club			
5.2.2	Clubs are required and submit an annual Asset Management Plan.			
5.3	Clubs should be compliant with the Policy on Spending by Non-Proprietary Licensed Clubs; Policy on Disposal of Land by Non-Proprietary Clubs and Policy on Dealing with Intangible Assets by Non-Proprietary Licenced Clubs.			

Section	Area of Compliance	TAB	Strategic Non-TAB	Non-TAB
5.3	Capital assets must be accounted for in accordance with AASB 1021 and AAS 4.			
5.3	All capital purchases should be reviewed and approved by the Committee			
6.2	All new employee positions must be approved by the CEO/Secretary or Committee for high level positions			
6.2	Adequate documentation from the employment process (resume, reference checks, and letters of offer) should be maintained in the employees personnel file.			
6.2	The race club must comply with all regulatory requirements when employing new employees.			
6.3	A procedure should be established for the requirement of timesheet or time recording, including the positions that require this documentation and the approval required.			
6.4	The Payroll Officer is responsible for ensuring that all appropriate Awards and regulations (e.g. state and federal taxes) have been complied with.			
6.4	Whenever possible, the payment of race club wages and salaries should be made by direct transfer to the employee's bank account.			
6.4	Payroll reports should be approved by the Secretary/CEO or accountant prior to the Payroll Officer releasing funds.			
6.4	Leave entitlement balances should also be reflected in the General Ledger and regularly reviewed by the Accountant to ensure that leave entitlements on a per employee basis are accurate and not in excess of reasonable limits			
6.5	The Payroll Officer should not release a termination payment unless there is appropriate evidence that all race club property issued to that employee has been returned.			
6.5	Termination payments should be verified including calculation of any additional leave or redundancy payments.			

Section	Area of Compliance	TAB	Strategic Non-TAB	Non-TAB
6.5	The payroll officer is to disable terminated employees from the payroll system immediately after termination.			
7.1	Petty cash should be used for the payment of expenses for the supply of goods or rendering of services of a minor nature			
7.2	On a regular basis, the petty cash float should be reconciled, detailing the float balance, funds drawn (with supporting documentation attached), and the remaining balance on hand.			
8.1	Cash takings are to be completely and accurately recorded in the financial records of the race club.			
8.1	Cash receipt records should be maintained; recording all cash takings of the race club.			
8.1	Cash takings are to be banked intact in a timely manner.			
8.1	All accounts receivable are to be promptly recorded in the race club's financial records. Outstanding debts will be followed-up promptly.			
8.1	Cash is to be appropriately secured at all times			
8.1.2	Cash floats should be established for each trading outlet and routinely monitored. A register of all floats and their balance is to be maintained.			
8.1.2	The Accountant is to regularly 'spot-check' float balances (recount) either daily (if the float is used by the same person) or when the float is returned to the safe, confirming that the actual balance on hand is consistent with the float register. A count should be performed by the employee also and the amount signed off.			
8.1.3	All cash receipts are to be recorded in a cash receipts register, and entered into the General Ledger by the Accountant.			
8.1.3	Details of all cash received by mail will be immediately entered in the "cash by post register" on a daily basis. This is to be approved by the accountant.			
8.1.3	All cash and cheques received are to be banked intact on a regular basis.			
8.1.4	Supervised "bagging" of the register and till tapes is to be completed each day.			



Section	Area of Compliance	TAB	Strategic Non-TAB	Non-TAB
8.1.4	All registers are to be counted and reconciled on the first working day after each race meeting			
8.1.4	All discrepancies in cash collection are to be investigated.			
8.1.4	Arrangements are to be made for the collection of cash to be banked mid-morning by an independent security firm.			
8.1.4	Regular skims should be made of the tills and the money stored in the safe by two independent people.			
8.1.5	Clubs should have a documented Credit Policy disclosing the terms and conditions under which credit is given. All accounts receivable are to be assessed under this policy.			
8.1.5	Invoice details are to be verified with the source prior to being issued			
8.1.5	A reconciled aged receivables report is to be prepared for discussion by the club committee or the Finance Sub committee.			
8.1.5	All old debtors are to be followed up in a timely manner.			
8.2	Clubs are to have clearly documented and effective internal controls over all revenue streams.			
9.2	On receipt of advice from the bank that a cheque has been dishonoured, the Accountant will cause the transaction record to be reversed from the general ledger.			
9.2	Communications with the drawer of the dishonoured cheque are to be undertaken immediately to rectify the situation.			
10.1	All race club inventories (bar, catering, and maintenance) will be promptly identified and recorded in an inventory register.			
10.1	Inventories should be appropriately safeguarded to minimise the risk of deterioration, loss or theft.			
10.1	A regular stock take should be performed for all inventories on hand.			

Section	Area of Compliance	TAB	Strategic Non-TAB	Non-TAB
10.1	The Treasurer should review monthly trading information to ensure that variances compared with budget are appropriately understood and analysed and in particular, gross profit achieved from bar and catering operations does not deviate from an acceptable range.			
10.2	A policy is to be established to determine which purchases should be accounted for as inventory.			
10.2	A procedure to count all bar stocks on the first working day after the race meeting must be instituted.			
11.1	The Accountant and Secretary should prepare a detailed Trading Budget and Capital Expenditure budget for the forthcoming year. This is to be approved by the Treasurer prior to being sent to RQL on 30 September.			
11.1	The Treasurer is to review and approve monthly Management Accounts including commentary on justifications for significant variances. These accounts should reconcile to the general ledger.			
11.2	The Accountant is to prepare and maintain a Chart of Accounts			
11.2	The Accountant is to prepare and maintain a General Ledger. Access to the General Ledger should be restricted to appropriate personnel.			
11.2	All General Ledger balance sheet accounts are to be reconciled All reconciliations are to be authorised.			
11.2	All Journals are to be authorised by the Accountant or Secretary			
11.3	The bank reconciliation will be prepared detailing the reconciliation of the balance recorded in the accounting system/cash books and the balance shown on the bank statement as at the end of the previous month.			
11.3	All unbalanced reconciliations are to be followed up and reconciling items investigated and rectified.			
11.4	Accounting records are to be appropriately safeguarded and held on race club premises			

Section	Area of Compliance	TAB	Strategic Non-TAB	Non-TAB
11.4	Accounting records are to be held for periods consistent with the relevant regulatory requirements. During this period, all archiving should be done systematically to ensure records can be sourced as required.			
12	Clubs should ensure that they comply with all applicable taxation laws			
14	Clubs should ensure that they comply with legislative requirements for the dissolution of a club			
15	Clubs are required to have the financial statements independently audited annually. The audited financial statements are required to be submitted to RQL by 30 September.			
16.1	Clubs are to comply with all licensing requirements to ensure their club is included under applicable RQL insurance policies.			
16.5	Clubs should ensure that they upload monthly financial statements into the EIS One program.			

**Legend**

	Club compliance is required
	It is a requirement of the RQL Club Risk Management policy of TAB and Non TAB clubs that at a minimum clubs must maintain a Risk Register. This is required to be submitted to RQL by 30 September annually.
	RQL acknowledges that some smaller non-TAB clubs do not hold significant values of fixed assets. In these circumstances, it is required that the club still review these assets against their fixed asset register and perform an annual fixed asset stock take.
	A decision should be made by the Committee as to whether this step is required for their club based on their assumption on the size of the race day and operations.
	Compliance is not required.

## Appendix 2 – Constitution Template

The constitution of an association is a document prescribed by law. The requirements under law can be complicated and quite detailed. This appendix gives guidance to clubs on the preparation of a constitution, by way of a model constitution.

Clubs can be registered under either the *Associations Incorporations Act 1981* or the *Corporations Act 2001*. Under both the *Associations Incorporations Act 1981* and the *Corporations Act 2001* upon registration the internal management of clubs is governed by either the Replaceable Rules in the *Corporations Act* or the Model Rules defined in the *Associations Incorporations Act*, their Club's own Constitution or a combination.

Club's may create or amend their constitutions after they have been registered. This new constitution needs to be passed by a special resolution. All amendments to a club's constitution are to be sent to Racing Queensland Club Compliance.

Furthermore, in preparing the constitution, clubs should be aware that any rules in their constitution that directly conflict with the rules in either the *Corporations Act* or the *Association Incorporations Act* do not have the effect of law, and the rules as defined in the Acts hold.

The club should also be aware that when dealing with matters of a complex legal nature, such as these, it is best practice for the club to seek independent legal advice.

**<INSERT CLUB LOGO>**

**<INSERT CLUB NAME>**

**CONSTITUTION**

**AS AT <INSERT DATE>**

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## Part 1 – Objects, Powers and Interpretations

### **Name of Club**

The name of the club is <INSERT NAME> (“Club”).

### **Objects of the Club**

The objects for which the Club is established and maintained are to:

- (a)
- (b)
- (c)
- (d)
- (e)

<Add additional points as required>

### **Powers of Club**

Solely for furthering the objects set out above the Club as, in addition to the rights, powers and privileges conferred on it under the Act, the legal capacity and powers of a company as set out under section 124 of the Corporations Act.

### **Interpretation**

#### **Definitions**

In this Constitution unless the contrary intention appears, these words shall have the following meanings:

“**Act**” means the *Associations Incorporation Act 1981 (Queensland)* or any other act under which the Club may be incorporated from time to time.

“**Club**” means the <INSERT CLUB NAME> incorporated under the *Associations Incorporations Act 1981 (Queensland)*.

“**Committee**” means the body consisting of the Committee Directors under **paragraph x**

“**By-Law**” means any by-law, regulation or policy made by the Board under **paragraph x**

“**Director**” means a member of the Committee elected in accordance with this Constitution.

“**Executive Officer**” means the person who is appointed under this Constitution to carry out the duties set out in **paragraph x** and **paragraph x**, whether known as the executive officer, general manager or otherwise.

“**Financial Year**” means the year commencing 1 July and ending 30 June in any year.

“**General Meeting**” means the annual or any special general meeting of the Club.

“**Member**” means a registered financial individual member of the Club.

“**Intellectual Property**” means all rights or goodwill subsisting in copyright, business name, names, trade marks (or signs), logos, designs, patents or service marks



(whether registered or registrable) relating to the Club or any event, competition or activity of or conducted, promoted or administered by the Club.

“**Interested Director**” means a Director under **paragraph x**, and includes the President or Treasurer.

“**Life Member**” means an individual upon whom life membership of the Club has been conferred under **paragraph x**.

“**Member**” means a member for the time being under Part III of this Constitution.

“**President**” means the person elected to that office from time to time in accordance with **paragraph x**.

“**Racing Queensland**” means Racing Queensland Limited, the independent governing body, overseeing all racing in Queensland.

“**Seal**” means the common seal of the Club and includes any official seal of the Club.

“**Special Resolution**” means a resolution passed:

- i) at a General Meeting of the Association of which 21 days notice, accompanied by notice of intention to propose a resolution as a special resolution, has been given to the Member in accordance with this Constitution; and
- ii) By at least three quarters of votes of those Members who, being entitled to vote, vote in person at the meeting.

“**Treasurer**” means the person elected to that office from time to time in accordance with **paragraph x**

## Interpretation

In this Constitution:

A reference to a function includes a reference to a power, authority and duty;

A reference to the exercise of a function includes, where the function is a power, authority or duty, a reference to the exercise of the power or authority of the performance of the duty;

Word importing the singular include the plural and vice versa;

References to persons include corporations and bodies politic;

References to a person include personal representatives, successors and permitted assigns of that person;

A reference to a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them (whether of the same or any legislative authority having jurisdiction); and

A reference to “writing” shall unless contrary intention appears, be construed as including references to printing, lithography, photography and other modes or representing or reproducing words in a visible form, including messages by electronic mail.

## Severance

If any provision of the Constitution or any phrase contained in them is invalid or unenforceable in any jurisdiction, the phrase or provision is to be read down for the purpose of that jurisdiction, if possible, so as to be valid and enforceable. If the rule or phrase cannot be so read down it shall be severed to the extent of the invalidity or

unenforceability. Such severance shall not affect the remaining provisions of this Constitution or affect the validity or enforceability of any provision in any other jurisdiction.

### **Expression in Act**

Except where the contrary intention appears, in this Constitution, an expression that deals with a matter dealt with by a particular provision of the Act has the same meaning as that provision of the Act.

## Part II – Club Constitution

### *Status and Compliance of Club*

#### **Recognition of Club**

The Club is recognised as a licensed Club by Racing Queensland Limited, the controlling authority for racing in Queensland and subject to compliance with this Constitution and the Constitution of Racing Queensland Limited. The Club shall administer racing in accordance with the objects of the Club.

#### **Compliance of Club as a Licensed Club**

The Members acknowledge and agree the Club shall:

- i) Be incorporated in Queensland
- ii) Provide Racing Queensland Limited with copies of its audited accounts, annual report and other associated documents within 30 days of the Club annual general meeting.
- iii) Adopt in principle, the objects of Racing Queensland Limited and adopt rules in relation to the administration of racing;
- iv) Apply its property and capacity solely in pursuit of the objects of Racing Queensland Limited, the state regulating body for racing;
- v) Do all that is reasonably necessary to enable the objects of Racing Queensland and the Club to be achieved;
- vi) Act in good faith and loyalty to ensure the maintenance and enhancement of the Club, its standards, quality and reputation for the collectible and mutual benefit of the Members of the Club;
- vii) At all times operate with, and promote, mutual trust and confidence between Racing Queensland, the Club and the Members in pursuit of the objects;
- viii) At all times act on behalf of and in the interests of the Members of Racing;
- ix) Abide by the Racing Queensland Constitution in relation of the sport of thoroughbred, harness and greyhound racing.

#### **Operation of Racing Queensland Constitution**

The Club agrees:

- i) That it is bound by the Racing Queensland Constitution in relation to the sport of thoroughbred, harness and greyhound racing and operates to create uniformity in the way in which the objects of Racing Queensland and thoroughbred, harness and greyhound racing are to be conducted, encouraged, promoted and administered in Australia;
- ii) To act in good faith and loyalty to Racing Queensland to ensure the maintenance and enhancement of thoroughbred, harness and greyhound racing, its standards, quality and reputation for the collective and mutual benefit of the Members of Racing;
- iii) Not to do or permit to be done any act or thing which might adversely affect or derogate from the standards, quality and reputation of thoroughbred, harness and greyhound racing, and its maintenance and enhancement.

- iv) To make full and proper disclosure to Racing Queensland of all matters of importance to Racing Queensland or racing;
- v) Not to acquire a private advantage at the expense of Racing Queensland or any other Club;
- vi) To operate with mutual trust and confidence in pursuit of the objects of Racing Queensland;
- vii) To promote economic and sporting success, strength and stability of the Club and other Clubs and to act independently with each other in pursuings of the objects of Racing Queensland in relation to the sport of thoroughbred, harness and greyhound racing;
- viii) To act for and on behalf of the interests of thoroughbred, harness and greyhound racing, Racing Queensland and the Members; and
- ix) That should the Club have administrative, operational or financial difficulties, including but not limited to where the Club:
  - a) Takes or has taken or has instituted against it any action or proceeding, whether voluntary or compulsory, having as its object the winding up of the Club; or
  - b) Enters into a composition or arrangement with its creditors, other than a voluntary winding up by members for the purpose of reconstruction or amalgamation; or
  - c) A mortgagee or other creditor takes possession of any assets;

Racing Queensland, may in consultation with the Board in its absolute discretion act to assist the Club in whatever manner and on such conditions, as Racing Queensland considers appropriate, including, but not limited to the appointment of an administrator.

## Constitution of the Club

The constituent documents of the Club shall clearly reflect the objects of Racing Queensland and shall be in a form acceptable to Racing Queensland, with such incidental variations as are necessary or appropriate, having regard to the State Act applicable to the Club.

The constituent documents of a licensed Club shall clearly reflect the objects of Racing Queensland and will conform with this Constitution, subject to any requirements on the Act, and at least to the extent of:

- i) The objects of Racing Queensland;
- ii) The structure and membership categories of Racing Queensland;
- iii) Recognising Racing Queensland as the state peak body for thoroughbred, harness and greyhound racing in Queensland and the Australian Racing Board as the national peak body for the sport of thoroughbred racing in Australia; Harness Racing Australia as the national peak body for the sport of harness racing in Australia and Greyhounds Australasia as the national peak body for the sport of greyhound racing in Australia.
- iv) Recognising Racing Queensland as the final arbiter on matters pertaining to racing in Queensland, including disciplinary proceedings and the Australian Racing Board as the final arbiter on matters pertaining to thoroughbred racing in Australia, including disciplinary proceedings; Harness Racing Australia as the final arbiter on matters pertaining to harness racing in Australia, including disciplinary proceedings;

and Greyhounds Australasia as the final arbiter on matters pertaining to greyhound racing in Australia, including disciplinary proceedings.

v) such other matters as are required to give full effect to the Constitution of Racing Queensland; with such incidental variations as are necessary having regard to the Act.

Each licensed Club shall take all steps necessary to ensure its constituent documents conform with the Constitution of Racing Queensland at least to the extent set out in **Rule x** and shall ensure its documents are amended in conformity with future amendments made to the Constitution of Racing Queensland, subject to any prohibition or inconsistency in the Act.

### **Amendments to Club Constitution**

The Club shall take all steps necessary to ensure its constituent documents and rules are in a form acceptable to Racing Queensland and shall ensure its documents are amended in conformity with future amendments made to the Racing Queensland Constitution, subject to any prohibition or inconsistency in the Act.

The Club shall provide to Racing Queensland a copy of its Constitution and all amendments to the Constitution. The Club acknowledges and agree that Racing Queensland has the power to recommend any provision in the Constitution, which, in Racing Queensland's reasonable opinion, is contrary to the objects or Racing Queensland.

### **Register of Members**

The Club shall maintain, in a form and with such details as are acceptable to Racing Queensland, a register of all Members in their club. The Club shall provide a copy of the register at a time and in a form acceptable to Racing Queensland, and shall provide prompt and regular updates of that register to Racing Queensland when requested.

### **Availability of Licensed Club Constitution**

The constituent documents of each Licensed Club shall, at the earliest available opportunity, but within two years of the commencement of this Constitution, recognise Racing Queensland as the state peak body for racing in Queensland and the Australian Racing Board as the national peak body for thoroughbred racing in Australia, and the respective objects, Harness Racing Australia as the national peak body for the sport of harness racing in Australia, and the respective objects, and Greyhounds Australasia as the national peak body for the sport of greyhound racing in Australia, and the respective objects,

## Part III – Membership

### *Membership*

#### **Category of Members**

The Membership Categories of the Club shall consist of:

- i) Individual Members, who subject to this Constitution, may attend General Meetings, and have right to debate or vote at General Meetings;
- ii) Life Members, who subject to this Constitution, may attend and debate at General Meetings, and have a right to vote at General Meetings;
- iii) such new categories of Members, created in accordance with **Rule x** below and the number of Members of each class of memberships set out in this Rule may only be limited to resolution of the Committee.

#### **Creation of New Categories**

The Committee has the right and power from time to time to create new categories of membership with such rights, privileges and obligations as are determined applicable (other than voting rights), even if the effect of creating a new category is to alter rights, privileges or obligations of an existing category of Members. New categories of membership may be granted voting rights.

#### **Life Members**

Members may nominate through the Committee any person who has rendered distinguished or special services to thoroughbred, harness and greyhound racing at the club level, for life membership. The nomination must be on the prescribed form (if any) and must be submitted to the President at least fourteen (14) days before the date set down for the Annual General Meeting.

The nomination for Life Member shall be considered at the Annual General Meeting. A resolution of the Annual General Meeting to confer life membership must be passed by special Resolution. The vote on such resolution will be taken by secret ballot.

Conditions, obligations and privileges of life membership shall be as prescribed in the By-Laws.

#### **Club Members**

#### **Application for Membership**

An application for membership by a Member must be:

- i) in writing on the form prescribed from time to time by the Committee, from the applicant and lodged with the Club; and
- ii) accompanied by the appropriate fee.

#### **Discretion to Accept or Reject Application**

The Club may accept or reject an application and shall not be required or compelled to provide any reason for such acceptance or rejection.

Where the Club accepts an application, the applicant shall become a Member of the Club. Membership of the Club shall be deemed to commence upon acceptance of the application by the Club. The Secretary shall amend the register accordingly as soon as practicable.

Where the Club rejects an application the Club shall refund any fees forwarded with the application and the application shall be deemed rejected by it.

## **Membership Renewal**

Individual Members must:

- i) renew their membership with the Club in accordance with the procedures applicable from time to time;
- ii) otherwise remain registered financial members of the Club in accordance with the procedures applicable from time to time; and
- iii) must pay the annual fees prescribed by the Club from time to time to the Club.

## ***Miscellaneous Membership Provisions***

### **Deeming Provisions**

All persons who were life, individual, (howsoever described) of the Club prior to the time of approval of the Racing Queensland Constitution under the Act, shall be deemed Life Members, Individual Members, from time of approval of this Constitution under the Act, and will be entitled to such benefits as are conferred on them by the Club, whether directly or indirectly.

The Club shall, whenever requested by Racing Queensland, provide such details of Members as are required by the Constitution of Racing Queensland.

### **Appeal against rejection or termination of membership**

A person whose application for membership has been rejected, or whose membership has been terminated, may give the President written notice of the person's intention to appeal against the decision.

A notice of intention to appeal must be given to the President within one (1) month after the person received written notice of the decision.

If the President receives a notice of intention to appeal, the President must, within three (3) months after the day of receipt, call a Committee meeting to decide the appeal.

At the meeting, the applicant must be given a full and fair opportunity to show why the application should not be rejected or the membership should not be terminated.

Also, the Directors who rejected the application or terminated the membership must be given an opportunity to show why the application should be rejected or the membership terminated.

An appeal must be decided by a vote of the members present at the meeting.

If a person whose application has been rejected does not appeal against the decision within one (1) month after receiving written notice of the decision, or the person appeals but the appeal is unsuccessful, the President must, as soon as practicable, refund the application fee paid by the person.

## ***Subscriptions and Fees***

The annual membership subscription, fees and any levies payable by Members (or any category of members) to the Club, the basis of, the time fore and manner of payment shall be determined by the Committee from time to time.

Any Member which or who has not paid all monies due and payable by that Member to the Club shall (subject to the Committee's discretion) have all rights under this Constitution immediately suspended from the expiry of the time prescribed for payment of those monies.

Such rights will be suspended until such time as the monies are fully paid or otherwise in the Committee's discretion. In the meantime, the Member shall have no automatic right to resign from the Club, and shall be dealt with in the Committee's discretion, which includes the right to expel, suspend, disqualify, fine, discipline or retain that Member as a Member, or impose such other conditions or requirements as the Committee considers appropriate.

## ***Register of Members***

### **Secretary to Keep Register**

The Secretary shall keep and maintain a register of Members in which shall be entered such information as is required under the Act from time to time.

### **Inspection of Register**

Having regard to confidentiality considerations, an extract of the register, excluding the address of any Delegate, Life Member, Individual Member, shall be available for inspection (but not copying by any means) by Members, upon reasonable request.

## ***Effect of Membership***

Members acknowledge and agree that:

- i) This Constitution constitutes a contract between each of them and the Club and that they are bound by this Constitution and the By-Laws;
- ii) they shall comply with and observe this Constitution and the By-Laws and any determination, resolution or policy, which may be made or passed by the Committee or any duly authorised committee;
- iii) by submitting to this Constitution and the By-Laws they are subject to the jurisdiction of the Club;
- iv) this Constitution is made in pursuit of a common object, namely the mutual and collective benefit of the Club, the Members and thoroughbred, harness and greyhound racing;
- v) this Constitution and By-Laws are necessary and reasonable for promoting the objects of the Club and particularly the advancement and protection of thoroughbred racing; harness racing and greyhound racing.
- vi) they are entitled to all benefits, advantages, privileges and services of club membership.



## ***Discontinuance of Membership***

### **Notice of Resignation**

Subject to this Constitution any Member which has paid all monies due and payable to the Club and has no other liability (contingent or otherwise) to the Club may resign from the Club by giving one (1) months notice in writing to the Club of such intention to withdraw or resign and upon the expiration of that period of notice, the Member shall cease to be a Member. A Life Member who has paid all monies due and payable to the Club may resign by notice in writing with immediate effect.

### **Expiration of Notice Period**

Subject to **Rule x** upon the expiration of any notice period applicable under **Rule x** and entry, recording the date on which the Member who or which gave notice ceased to be a Member shall be recorded in the register.

### **Forfeiture of Rights**

A Member who or which ceases to be a Member, for whatever reason, shall forfeit all rights in and claim upon the Clubs and its property including Intellectual Property. Any Club documents, records or other property in their possession, custody or control of that Member shall be returned to the Club immediately.

### **Membership may be Reinstated**

Membership, which has lapsed, been withdrawn or terminated under this Constitution, may be reinstated at the discretion of the Committee, on application in accordance with the Constitution and other wise on such conditions as it sees fit.

### **Cessation of Membership**

Where the person ceases to be a Member in accordance with this and the Racing Queensland Constitution or the Act, the members may cease or remain members to the extent (if any) and for such time (if any) as is determined in the sole discretion of the Committee.

## ***Discipline of Members***

### **Disciplinary Action**

Where the Committee is advised or considers that a Member has allegedly:

- i) Breached, failed, refused or neglected to comply with a provision of this Constitution, the By-Laws or any resolution or determination of the Committee or any duly authorised committee; or
- ii) acted in a manner unbecoming of a Member or prejudicial to the objects and interests of the Club or thoroughbred, harness and greyhound racing; or
- iii) brought the Club into disrepute.

The Committee may commence or cause to be commenced disciplinary proceedings against that Member, and that Member will be subject to, and submits unreservedly to the jurisdiction, procedures, penalties and appeal mechanisms (if any) of the Club set out in the By-Laws.

## Part IV – General Meetings

### ***General Meetings of the Club***

An Annual General Meeting of the Club shall be held in accordance with the provisions of the Act and this Constitution and on a date and at a venue to be determined by the Committee.

All General Meetings other than the Annual General Meeting shall be Special General Meetings and shall be held in accordance with this Constitution.

### ***Notice of General Meetings***

#### **Notice of General Meetings**

Notice of every General Meeting shall be given to the Members at the address appearing in the register kept by the Club. No other person shall be entitled as of right to receive notices of General Meetings.

Notice of Annual General Meeting shall be given at least twenty-one (21) days prior to the Annual General Meeting and shall specify the place and day and hour of the Annual General Meeting.

The agenda for the General Meeting stating the business to be transacted at the General Meeting shall be given at least seven (7) days prior to the General Meeting, together with any notice of motion received from the Members.

#### **Entitlement to Attend General Meeting**

Notwithstanding any other Rule, no Member shall be represented at, or take part in a General Meeting, unless all monies (set in accordance with **Rule x**) then due and payable to the Club are paid.

### ***Business***

#### **Business of General Meetings**

The business to be transacted at the Annual General Meeting includes the consideration of audited accounts, reports of the Committee (including in relation to the activities of the Club during the last preceding Financial Year) and auditors and the election of Directors and Life Members.

All business that is transacted at a General Meeting, and also all that is transacted at the Annual General Meeting, with the exception of those matters set out in **Rule x** shall be special business. “Special business” is business of which a motion has been submitted in accordance with **Rule x**.

#### **Business Transacted**

No business other than that stated on the notice shall be transacted at that meeting.

### ***Notices of Motion***

All notices of motion for inclusion as special business at a General Meeting must be submitted in writing (in the required form) to the President not less than fourteen (14) days (excluding receiving date and meeting date) prior to the General Meeting.

## ***Special General Meetings***

### **Special General Meetings May be Held**

The Committee may, whenever it thinks fit convene a Special General Meeting of the Club and, where, but for this Rule more than 15 months would elapse between Annual General Meetings, shall convene a Special General Meeting before the expiration of that period.

### **Requisition of Special General Meetings**

The Committee shall on the requisition in writing of 30% of the Members convene a Special General Meeting.

The requisition for a Special General Meeting shall state the object(s) of the meeting shall be signed by the Members making the requisition and be sent to the Club. The requisition may consist of several documents in a like form, each signed by one (1) or more of the Member(s) making the requisition.

If the Committee does not cause a Special General Meeting to be held within three (3) months after the date on which the requisition is sent to the Club, the Member(s) making the requisition, or any of them, may convene a Special General Meeting to be held not later than three (3) months after that date.

A Special General Meeting convened by the Members under this Constitution shall be convened by the Committee.

## ***Proceedings at General Meetings***

### **Quorum**

No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. A quorum for General Meetings of the Club shall be 15% of the registered Members.

### **Adjournment of Meeting**

If within half an hour from the time appointed for the General Meeting a quorum is not present the meeting shall be adjourned to such other day and such other time and place as the chair may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting will lapse.

The Chair may, with the consent of any General Meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting other than the business left unfinished at the meeting from which the adjournment took place.

When a General Meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

Except as provided in **Rule x** it shall not be necessary to give any notice of adjournment or the business to be transacted at any adjourned meeting.

### **Voting Procedure**

At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded:

- i) by the Chair, or

- ii) by the majority of the Delegates.

## **Recording of Determinations**

Unless a poll is demanded under **Rule x**, a declaration by the Chair that a resolution has on show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the book containing the minutes of the proceedings of the Club shall be conclusive evidence of the fact without proof of the number of the votes recorded in favour of or against the resolution.

## **Where Poll Demanded**

If a poll is duly determined under **Rule x** it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the Chair directs and the result of the poll shall be the resolution of the meeting at which the poll was demanded.

## **Resolutions at General Meetings**

Except where a special Resolution is required, all questions at General Meetings shall be determined by the majority of votes (as set out in **Rule x**). Except as otherwise provided in this Constitution, in the case of an equality of votes on a question at a General Meeting, the Chair is entitled to a casting vote.

## **Minutes**

The Secretary shall keep minutes of the resolutions and proceedings of each General Meeting in books provided for that purposes, together with record of the names of persons present at all meetings.

## ***Voting at General Meetings***

Each Member in attendance shall, subject to this Constitution, be entitled to one (1) vote at General Meetings.

## ***Proxy and Postal Voting***

### **Proxy Voting Not Permitted**

Proxy voting shall NOT be permitted at General Meetings.

### **Postal Ballot**

Should an issue arise between General meetings which requires a decision or ratification by Members the committee may call a postal vote in such a manner as it considers necessary.

## Part V – The Committee

### ***Existing Committee Members***

Upon approval of this Constitution under the act, the Committee of the Club shall determine which persons hold the positions on the Committee as set out in **Rule x** to **x** until the next Annual General Meeting following the approval of this Constitution. At the next Annual General Meeting following the approval of this Constitution, the President and two (2) of the Directors shall be elected until the conclusion of the second Annual General Meeting following then the Directors shall be elected until the conclusion of the next Annual General Meeting following, to allow for alternative elections of Directors.

### ***Powers of the Committee***

Subject to the Act and this Constitution the business of the Club shall be managed, and the Committee shall exercise the powers of the Club. In particular, the Committee as the controlling authority of the Club shall be responsible for acting in all club issues in accordance with the objects of the Club and shall operate for the collecting and mutual benefit of the Club and shall:

- i) govern racing in the Club in accordance with the objects of the Club;
- ii) determine major strategic directions and policies of the Club;
- iii) review the Club's performance in achieving its pre-determined aims, objectives and policies; and
- iv) manage club responsibilities.

### ***Composition of the Committee***

#### **Committee Composition**

The Committee shall comprise of:

- i) The President elected by the Members in accordance with **Rule x**;
- ii) The Treasurer elected by the Members in accordance with **Rule x**;
- iii) The Secretary elected by the Members in accordance with **Rule x**;
- iv) Other delegates in accordance with the Club which may be elected in accordance with **Rule x**.

### ***Election of Committee***

#### **Qualifications for Committee Members**

Nominations for Committee Member positions on the Committee (including President and Treasurer) must meet qualifications as prescribed from time to time by the Committee and set out in the By-Laws.

Nominees for Committee Member positions on the Committee must declare any position they hold in a State or National Association, including as an office bearer, director or paid appointee.

## **Elections of Committee Members**

The Committee shall call for nominations a minimum of twenty-one (21) days before the date of the Annual General Meeting. All Members shall be notified of the call for nominations.

Nominations for Committee Members must be:

- i) in writing;
- ii) on the prescribed form (if any) provided for that purpose;
- iii) signed by a Member; and
- v) certified by the nominee (who must be a Member) expressing his or her willingness to accept the position for which he or she is nominated.

Nominations must be received by the President at least fourteen (14) days prior to the Annual General Meeting.

If the number of nominations received from the Committee is equal to the number of vacancies to be filled or if there are insufficient nominations received to fill all vacancies on the Committee, then those nominated shall only be elected if the Members elect them by secret ballot in such usual and proper manner as the chair directs. If the nominees are not elected or if there are vacancies to be filled, further nominations shall be called for at the Annual General Meeting from the floor.

If the number of nominations exceeds the number of vacancies to be filled, a secret ballot shall be taken in such usual and proper manner as the Chair directs.

The voting shall be conducted by exhaustive ballot, the procedure for which will be detailed in By-Laws.

## **Term of Appointment**

Committee Members shall be elected in accordance with this Constitution for a term of two (2) years, which shall commence from the conclusion of the Annual General Meeting at which the election occurred until the conclusion of the second Annual General Meeting following.

The President and other Directors shall be elected in each year of odd number and two (2) other Directors shall be elected in each year of even number.

Should any adjustment to the term of Interested Directors elected under this Constitution be necessary to ensure rotational terms in accordance with the Constitution, the Board shall determine this. Elections to subsequent Boards shall then proceed in accordance with the procedures in this Constitution with approximately half the Board retiring each year.

A Director may only service a maximum of two (2) consecutive terms and then must step down for a minimum of twelve (12) months from a position.

## ***Vacancies of Committee***

### **Grounds for Termination of Committee Members**

In addition to the circumstances (if any) in which the position of a Director becomes vacant by virtue of the Act, the position of a Director becomes vacant if the Director:

- i) dies,
- ii) becomes bankrupt or makes any arrangement or composition with his/her creditors generally;

- iii) becomes of unsound mind or a person whose person or estate is liable to be dealt with in anyway under the law relating to mental health;
- iv) resigns his office in writing to the Club;
- v) is absent without the consent of the Committee from two (2) consecutive meetings of the Committee;
- vi) without prior consent or later ratification of the Members in General Meeting holds any office of profit under the Club;
- vii) is directly or indirectly interested in any contract or proposed contract with the Club and fails to declare the nature of his interest;
- viii) is removed from office by special Resolution under **Rule x**; or
- ix) would otherwise be prohibited from being a director of a corporation under the Corporations Act or is disqualified from office under the Act.

A Director has no right of appeal against his or her removal from office under this clause.

### **Removal of a Director**

The club in a General Meeting may by Special Resolution remove any Director, before the expiration of their term of office. If a Director is removed in accordance with this Rule the office of the Director becomes vacant and shall be filled in accordance with the procedure set out in **Rule x**.

Where the Director to whom a proposed resolution referred to in **Rule x** makes representations in writing to the President and requests that such representations be notified to the Members, the President may send a copy of the representations to each Member or, if they are not so sent, the Director may require that they be read out at the meeting, and the representations shall so be read.

### **Casual Vacancies**

A vacancy in the position of President shall be filled by the Members by way of postal vote. Any other Interest Director casual vacancy shall be filled by the Directors until the next Annual General Meeting of the Club. If the term of the Director has not expired, the Members shall fill the vacancy for the remainder of the Directors term.

### **Remaining Directors May Act**

In the event of a casual vacancy or vacancies in the office of a Director, the remaining Directors may act but, if the number of remaining Directors is not sufficient to constitute a quorum at a meeting of the Committee, they may act only for the purpose of increasing the number of Directors to a number sufficient to constitute such a quorum.

### ***Meetings of the Committee***

#### **Committee to Meet**

The Committee shall meet at least once every three (3) calendar months or as often as is deemed necessary for the dispatch of business and may adjourn and, subject to this Constitution otherwise regulate, its meetings as it thinks fit. The President shall, on the requisition of two (2) Directors, convene a meeting of the Committee within a reasonable time.

## Decisions of Committee

Subject to this Constitution, questions arising at any meeting of the Committee shall be decided by a majority of votes and all questions shall for all purposes be deemed a determination of the Committee. All Directors shall have one (1) vote on any question. The Chair shall also have a casting vote where voting is equal.

## Resolutions not in Meeting

A resolution in writing signed or assented to by telegram, cablegram, radiogram, facsimile or other form of visible or other electronic communication by all the Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held. Any such resolution may consist of several documents in like form each signed by one (1) or more of the Directors.

Without limiting the power of the Committee to regulate their meetings as they think fit, a meeting of the Committee may be held where one (1) or more of the Directors is not physically present at the meeting, provided that:

- i) all persons participating in the meeting are able to communicate with each other effectively, simultaneously and instantaneously, whether by means of telephone or other form of communication;
- ii) notice of the meeting is given to all the Directors entitled to notice in accordance with the usual procedures agreed upon or laid down from time to time by the Committee and such notice specified that Directors are not required to present in person;
- iii) in the event that a failure in the communications prevents condition (i) from being satisfied by that number of Directors which constitutes a quorum, and none of such Directors are present at the place where the meeting is deemed by virtue of further provisions of this Rule to be held, then the meeting shall be suspended until condition (i) is satisfied again. If such condition is not satisfied within fifteen (15) minutes from the interruption the meeting shall be deemed to be terminated;
- iv) any meeting held where one (1) or more of the Directors is not physically present shall be deemed to be held at the place specified in the notice of meeting provided a Director is there present and if no Director is there present the meeting shall be deemed to be held at the place where the Chair is located.

## Quorum

At meetings of the Committee, the number of Directors whose presence (or participation under **Rule x**) is required to constitute a quorum is the majority of the Directors, but shall be a minimum of three (3) Directors.

## Notice of Committee Meetings

Unless all Directors agree to hold a meeting at shorter notice (which agreement shall be sufficiently evidenced by their presence) not less than seven (7) days written notice of the meeting of the Committee shall be given to each Director by the President. The agenda shall be forwarded to each Director not less than three (3) days prior to such meeting.

## Validity of Committee Decisions

A procedural defect in decisions taken by the committee shall not result in such decision being invalidated.



## **Chair of Committee Meeting**

The President shall preside at every meeting of the Committee. If the President is not present, or is unwilling or unable to preside, the Directors shall choose one of their number to preside as Chair for that meeting only.

## **Conflicts**

### **Directors' Interests**

A Director is disqualified by holding any place of profit or position of employment in the Club, or in any company or incorporated association in which the Club is a shareholder or otherwise interest or from contracting with the Club either as vendor, purchaser or otherwise except with express resolution of approval of the Committee. Any such contract or arrangement entered into by or on behalf of the Club in which any Director is in any way interest will be voided for such reason.

### **Conflict of Interest**

A Director shall declare his interest in any:

- i) contractual matter;
- ii) selection matter;
- iii) disciplinary matter; or
- iv) other financial matter;

in which a conflict of interest arises or may arise, and shall, unless otherwise determined by the Committee, absent himself from discussions of such matter and shall not be entitled to vote in respect of such matter. If the Director votes, the vote shall not be counted. In the event of any uncertainty as to whether it is necessary for a Director to absent himself from discussions and refrain from voting, the issue should be immediately determined by vote of the committee, or if this is not possible, the matter shall be adjourned or deferred.

### **Disclosure of Interest**

The nature of the interests of such Director must be declared by the Director at the meeting of the Committee at which the contract or other matter is first taken into consideration if the interest then exists or in any other case at the first meeting of the Committee after the acquisition of the interest. If a Director becomes interested in a contract or other matter after it is made or entered into the declaration of the interest must be made at the first meeting of the Committee held after the Director becomes so interested.

## General Disclosure

A general notice that a Director is a member of any specified firm or company and is to be regarded as interest in all transactions with that firm or company is sufficient declaration under **Rule x** as regards such Director and the said transactions. After such general notice it is not necessary for such Director to give a special notice relating to any particular transaction with that firm or company.

## Recording Disclosure

It is the duty of the President to record in the minutes any declaration made or any general notice given by a director in accordance with **Rule x** and **Rule x**.

## Part IV – Miscellaneous

### ***By-Laws***

#### **Committee to Formulate By-Laws**

The Committee may (by itself or by delegation) formulate, approve, issue, adopt, interpret and amend such by-laws, regulations and policies (“By-Laws”) for the proper advancement, management and administration of the Club, the advancement of the objects of the Club and racing as it thinks necessary or desirable. Such By-Laws must be consistent with this Constitution and with the policies, By-Laws and Constitution of Racing Queensland Limited and the Australian Racing Board, Harness Racing Australia and Greyhounds Australasia.

#### **By-Laws Binding**

All By-Laws made under this Rule shall be binding on the Club and Members.

#### **By-Laws Deemed Applicable**

All by-laws, regulations and policies of the Club in force at the date of the approval of this Constitution under the Act insofar as such by-laws, regulations and policies are not inconsistent with, or have been replaced by this Constitution, shall be deemed to be By-Laws under this Rule.

#### **Notices Binding on Members**

Amendments, alterations, interpretations or other changes to By-Laws shall be advised in writing to Members by means of notices approved by the Committee and prepared and issued by the President. Notices are binding upon all Members.

### ***Records and Accounts***

#### **President to Keep Records**

The President shall establish and maintain proper records and minutes concerning all transactions, business, meetings and dealings of the Club and the Committee and shall produce these as appropriate at each Committee meeting or General Meeting.

#### **Accuracy of Minutes**

To ensure the accuracy of minutes recorded under **Rule x**:

- i) the minutes of each Committee meeting must be signed by the Chairperson of the meeting, or the Chairperson of the next Committee meeting, verifying their accuracy; and
- ii) the minutes of each General Meeting must be signed by the Chairperson of the meeting, or the Chairperson of the next General Meeting, verifying their accuracy; and
- iii) The minutes of each annual general meeting must be signed by the chairperson of the meeting, or the chairperson of the next annual general meeting, verifying their accuracy.

## Records Kept in Accordance with the Act

Proper accounting and other records shall be kept in accordance with the Act, generally accepted accounting principles and/or applicable code of conduct. The books shall be kept in the care and control of the President.

## Club to Retain Records

The Club shall retain such records for seven (7) year after the completion of the transactions or operations to which they relate.

## Committee to Submit Accounts

The Committee shall submit the Annual General Meeting the accounts of the Club in accordance with the Act.

## Negotiable Instruments

All cheques, promissory notes, bankers draft, bills of exchange and other negotiable instruments, paid by the Club, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by any two (2) of the following Committee members approved by the Committee:

- i) the President
- ii) the Secretary
- iii) the Treasurer
- iv) another Member approved by the Committee.

## Additional Accounting Requirements

The President or other authorised officer must:

- i) receive all amounts paid to the Club and, if asked, immediately give a receipt for the amounts; and
- ii) as soon as practicable deposit each amount into the Club's account with a financial institution, and
- iii) as soon as practicable enter the particulars of each amount received, and payments made by the Club, into the Club's cashbook.

Payments of less than \$100 may be made from a petty cash account kept by the Club.

Payments of \$100 or more must be made by cheque or electronic funds transfer.

Particulars of all payments from, and reimbursements to, the petty cash account must be recorded in the petty cash book.

The Committee must:

- i) approve or ratify the Club's expenditure; and
- ii) ensure the approval or ratification is recorded in the Committee's minute book.

The Club's expenditure must be supported by adequate documentation filed in chronological order and kept at a place deemed by the Committee.

The President, or other authorised officer, must regularly:

- i) balance the cash book; and

- ii) make reconciliation between the cash book and the balance of the Club's account with a financial institution.

The Club must keep its financial records:

- i) in the State of Queensland; and
- ii) for at least seven (7) years.

## **Auditor**

A properly qualified auditor or auditors shall be appointed and the remuneration of such auditor or auditors fixed by the Committee. The auditor's duties shall be regulated in accordance with the Act, or if no relevant provisions exist under the Act, in accordance with generally accepted accounting principles and/or any applicable codes of conduct.

## **Notice**

### **Manner of Notice**

Notices may be given by the President to any Member by sending the notice by post or facsimile transmission or where available, by electronic mail to the Member's registered address, facsimile number or electronic mail address.

Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing and posting the notice. Service of the notice is deemed to have been effected two (2) days after posting.

Where a notice is sent by facsimile transmission, service of the notice shall be deemed to be effected upon receipt of a confirmation report confirming the facsimile was sent to or received at the facsimile number to which it was sent.

Where a notice is sent by electronic mail, service of the notice shall be deemed to be effected upon receipt of a confirmation report confirming the electronic mail message was received at the electronic mail address to which it was sent.

### **Notice of General Meeting**

Notice of every General Meeting shall be given in the manner authorised and to the person entitled to receive notice under this Constitution.

### **Notice to Individual Members**

Notice to Individual Members (where appropriate or required) shall be deemed given by notice being given in accordance with this Constitution to the Member.

## **Seal**

### **Safe Custody of Seal**

The President shall provide for safe custody of the Seal.

### **Affixing Seal**

Authority of the Committee shall only use the Seal and two (2) Directors or a Director and the President shall sign every document to which the seal is affixed.

## **Director's Interest**

A Director may not sign a document to which the seal of the Club is fixed where the Director is interested in the contract or arrangement to which the document relates.

## ***Alteration of Constitution***

This Constitution shall not be altered except by Special Resolution.

In addition, there shall be no alteration or amendment to **Rule x** or **Rule x** without the consent of the relevant Minister to other authority under the Act.

An amendment, repeal or addition to this Constitution is valid only if it is registered by the President.

## ***Indemnity***

### **Directors to be Indemnified**

Every Director, auditor, manager, employee or agent of the Club shall be indemnified to the extent provided under the directors and officers insurance policy of the Club (if any) against any liability incurred by him/her in his/her capacity as Director, auditor, manager, employee or agent in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour or in which he/she is acquitted or in connection with any application in relation to any such proceedings in which relief is, under the act, granted to him/her by the Court.

### **Club to Indemnify**

The Club shall indemnify its Directors and employees to the extent provided under the directors and officers insurance policy or the Club (if any) against all damages and costs (including legal costs) for which any such Director or employee may be or become liable to any third party in consequence of any act or omission except wilful misconduct:

- i) in the case of a Director performed or made whilst acting on behalf of and with the authority express or implied of the Club; and
- ii) in the case of an employee, performed or made in the course of, and within the scope of, his/her employment of the Club.

## ***Winding Up***

### **Winding Up of the Club**

Subject to this **Rule x**, the Club may be wound up in accordance with the provisions of the Act.

### **Liability of Members**

The liability of the Members of the Club is limited.

### **Member's Contribution**

Every Member of the Club undertakes to contribute to the assets of the Club in the event of it being wound up while a Member, or within one (1) year of ceasing to be a Member for payment of the debts and liabilities of the Club contracted before the time at which he or she ceases to be a Member, and the costs, charges and expenses or

winding up and for an adjustment of the rights of contributors among themselves, such amount as may be required not exceeding \$1.00.

### **Distribution of Property on Winding UP**

If upon winding up or dissolution of the Club there remains after satisfaction of all its debts and liabilities any assets or property, the same shall not be paid to or distributed amongst the Members of the Club but shall be given or transferred to some body or bodies having objects similar to the objects of the Club and which prohibits the distribution of its or their income and property among its to their Members to an extent at least as great as imposed on the Club by this Constitution and which is also not carried on for profit and which is similarly exempt (or entitled to be exempt) from income tax. Such body or bodies to be determined by the Members of the Club at or before the time of dissolution, and in default thereof by such judge of the relevant Supreme Court or such other court as may have or acquire jurisdiction in the matter.

### **Authority to Trade**

The Club is authorised to trade in accordance with the Act.

### **Source of Funds**

The funds of the Club may be derived from annual membership subscriptions, fees and levies payable by Members, donations, grants, sponsorships and such other sources as the Committee determines.

### **Application of Income**

#### **Income and Property Applied to Objects**

The income and property of the Club shall be applied solely towards the promotion of the objects of the Club as set out in this Constitution.

#### **No Income to Members**

Except as prescribed in this Constitution:

- i) no portion of the income or property of the Club shall be paid or transferred, directly or indirectly by way of dividend, bonus or otherwise to any Member; and
- ii) no remuneration or other benefit on money or money's worth shall be paid or given by the Club to any Member who holds any office of the Club.

#### **Payments in Good Faith**

Nothing contained in **Rule x** shall prevent payment in good faith or to any Member for:

- i) any services actually rendered to the Club whether as an employee or otherwise;
- ii) goods supplied to the Club in the ordinary and usual course of operation;
- iii) interest on money borrowed from any Member;
- iv) rent for premises demised or let by any Member to the Club;
- v) any out-of-pocket expenses incurred by the Member on behalf of the Club, or

vi) any other reason, provided that any such payment shall not exceed the amount ordinarily payable between ordinary commercial parties dealing in a similar arm's length transaction.

## **Grievance Procedure**

### **Grievance by a Member**

Where a Member of the Club has a grievance with another Member of the Club (but not being any of the grounds set out in **Rule x**) and that Member considers the grievance warrants investigation and action by the Club, the Member shall follow the procedure set out in **Rule x**.

### **Grievance Officer**

The Member shall contact, either by telephone or in writing, the Club's grievances officer ("Grievance Officer"), appointed by the Committee (but not a member of the Committee), and advise that they have a grievance which they wish to discuss. The identity of the nominated Grievance Officer will be communicated to all Members of the Club by written notice.

If a grievance is to be submitted it must be in writing addressed clearly to the Grievances Officer and marked "Private and Confidential".

### **Action by Grievances Officer**

Where a grievance has been received by the Grievances Officer he/she shall, as soon as practicable, meet with the aggrieved Member. The Grievances Officer may take whatever steps and conduct whatever investigations necessary to determine whether the grievance is legitimate.

Where the Grievances Officer determines the grievance is legitimate he/she will take all reasonable steps to resolve the grievance.

Where the Grievances Officer determines the grievance is not legitimate he/she will advise the aggrieved Member accordingly. If the aggrieved Member is not satisfied with the Grievances Officer's determination they may take whatever further action they consider necessary or appropriate.

Where the Grievances Officer is unable to resolve a grievance or considers the grievance of a very serious nature they shall report the grievance to Racing Queensland Limited for action.

All grievances received by the Grievances Officer, and all information surrounding the circumstances of a grievance which is discovered by the Grievances Officer on investigation shall be confidential and may be communicated only to the President and/or the Committee.

### **Procedures by Grievances Officer**

In investigating a grievance and/or determining legitimacy, the Grievances Officer shall observe and apply the procedures applicable to a proceeding under **Rule x**, in so far as they are applicable.



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***(TITLE PAGE)***

***(Club Name)***

***Business Plan***

***For the period 20xx – 20xx***

***(Current date)***

***Month, 20xx***

***Prepared by:***

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## 1. Executive Summary

*The Executive Summary expresses the whole business plan succinctly in one or two pages.*

*This section should be compiled last, because it highlights and summarises the key issues from the whole plan. Read through each section of your plan and identify the key issue(s) in point form. You can break this section up with sub-headings to improve readability, although it commonly appears without sub-headings.*

*It is likely to be the most read section of your report.*

*Include in this section your key objectives and graphs of your key financial projections, such as*

*Objective 1 – (Define your objective)*

- (List components of the objective) (indicate time frame if appropriate)
- 
- 
- 

*Objective 2 – (list as many key objectives as are in the plan)*

- (List components of the objective) (indicate time frame if appropriate)
- 
- 
- 

*Financial Summaries*

*Graphical summaries of key financial projections, including:*

- *Profit and Loss*
- *Balance Sheet*

## 2. Introduction

### 2.1. Purpose

*State the purpose of the plan in the introduction section, including what you want to achieve from the process of writing the plan.*

*It is also relevant to include the following sections.*

### 2.2. Description of the Club

*Include details such as:*

- *history*
- *members*
- *sponsors*
- *key activities.*

### 2.3. Scope

### 2.4. Assumptions

### 2.5. Definitions

## **3. General Analysis**

### **3.1. Club Mission**

*Define your Club's mission. This is a general statement that incorporates the*

- *Values of the organization*
- *Purpose of the club and need it fulfills*
- *The market served*
- *Commitment to customers*
- *Commitment to members*
- *Goals*
- *The nature of the business*

### **3.2. Business Structure and Management**

*The proposed business and operational structure.*

*Operational structure includes the staffing and duties of the key personnel.*

### **3.3. Market Environment**

*Include details on:*

- *The competition*
- *Entry and exit barriers*
- *standards in the industry*
- *Industry or organization figures that are available*

### **3.4. Plant & Equipment**

*Outline the requirements of the business venture*

### **3.5. Skills Assessment**

*Assess the skills required for the business, and those currently held by the proprietors. Identify areas of training and professional development required.*

---

### **3.6. Risk Analysis**

*Consider the Strengths, Weaknesses, Opportunities and Threats as you see them. The SWOT analysis will identify a number of threats and weaknesses. Record the SWOT details in the Appendix.*

*In this section identify those threats and weaknesses in terms of the threats they pose to the success of your Club. Undertake a Risk Analysis by developing strategies for dealing with the weaknesses and threats identified.*

*While you will not be able to create guarantees, the process of analysing your risks can help early identification and proactive action.*

## 4. Operational Plan

### 4.1. Key Business Objectives

*Using the data collected in the previous section, develop goals and objectives.*

*Goals and objectives should be devised using the “SMART” system:*

- *S – Specific*
- *M – Measurable*
- *A – Achievable*
- *R – Results orientated*
- *T – Time line*

Objective 1 – (Define your objective)

- (List components of the objective) (indicate time frame if appropriate)
- 
- 
- 

*List as many objectives as you feel are necessary and relevant.*

#### 4.1.1. Implementation Strategy

*Create a timeline of your objectives, allocating tasks to on a monthly basis for the first year of operation, then on a yearly basis for the next 2-3 years. Present summarised version in the body of the report, and a fully detailed version in the Appendix.*

200x-200x

<u>Development</u>	<u>Brief description &amp; rationale</u>	<u>Cost</u>
	•	
	•	
	•	



## **4.2. Marketing**

*Develop a marketing plan including details on the following sections.*

### **4.2.1. Market Research**

*Outline the market research already done in order to compile the business plan and any other information to be researched in the future.*

### **4.2.2. Positioning in the Market**

*Define the market niche or position that your product/service will take to differentiate you from your competitors. What will be your unique selling point.*

### **4.2.3. Pricing Strategy**

*Outline your pricing structure and strategy behind determining that position. Discuss your competitors, target market sensitivity and positioning strategy.*

### **4.2.4. Target Market**

*Create a profile of the typical and most common type of customer for your product or service. Include:*

- *Demographics*
- *Motivation – why they want your product*
- *When they will buy*
- *Their buying patterns*
- *How much they will buy*
- *How much they will spend and level of price sensitivity*
- *Communication channels to reach this group*

### **4.2.5. Promotional Strategy**

*A promotional strategy should define the promotional activities and create a timeline and budget for these events.*

*Define specific strategies for the next 12 months dealing with:*

*Advertising to*

- *New business*

- *Repeat business*
- *Past clients*

*Packaging or Customer Service*

*Publicity*

#### **4.2.6. Sales Targets**

*These should be inline with your promotional strategies and the capacity of your business infrastructure.*

### **4.3. Financial Plan**

*The financials are arguably the most important section of your business plan. If the financials do not present a sustainable position, then the Club's operations are fundamentally flawed.*

*One of the most critical elements of running your own business is a mastery of the financial aspects – both at the planning phase and once operating.*

*This section is a combination of hard numeric data on forecasts of capital, cash flow, profitability and equity, and descriptive explanations of pertinent points for each. The forecasts should be collated using the implementation strategies and budgets of earlier sections. Using a package such as Excel the forecast documents can be quite elaborate with dynamic links to help you test "what if" situations.*

*From a presentational view point include graphs or charts in the body of the report for each of the following sections, along with text to explain the key issues and trends.*

*The charts of raw data should be contained in the Appendix.*

#### **4.3.1. Historical Figures**

*Include actual historical figures for the past 3 years.*

#### **4.3.2. Capital**

*Itemise the capital, budgeted amount, and amount needed through financing.*

### **4.3.3. Assessment of Financial Viability of Club**

*Analyse the viability of the big picture, prior to getting into the detail of the cash flow projections. To do this:*

- *Determine the profits needed to provide adequate wages and return on your investment. (ie \$40,000 wages and 30% annual return on owner's equity)*
- *Calculate the sales level needed to earn this profit. (I.e. if profit margin is 10% your business would need to make \$800,000 sales for \$80,000 profit).*
- *Ask if the sales levels are achievable.*
- *Calculate a break even position, above which profits start to be realised.*

*Break even is where Sales equal Fixed Costs plus Variable Costs.*

### **4.3.4. Cash Flow/Cash Position**

*Analysis of revenues against itemised expenditure:*

- *monthly basis for the first 12 months*
- *quarterly for the second year*
- *annually for the following 2-3 years*

### **4.3.5. Profit and Loss**

*Forecasts as per the cash flow position but taking into account depreciation into to determine bottom line profit/loss.*

### **4.3.6. Balance Sheet**

*Forecast equity position for the next 3-5 years of operation.*

### **4.3.7. Ratio Calculations**

*Using the forecast figures analyse them in terms of financial ratios such as:*

- *Profitability*
  - *Return on Assets %*
  - *Return on Sales %*
- *Debt*
  - *Debt to Assets*

---

- *Quick Assets Ratio or Current Assets Ratio*

*Equity*

- *Return on Equity*

*Provide detail on financial strategies that will be used to ensure achievement of forecasts, and to deal with any variations. These could include alternative finance sources such as overdraft provision.*

## Appendix 1 – SWOT Analysis

**STRENGTHS**

**WEAKNESSES**

- 

**OPPORTUNITIES**

**THREATS**

-

## Appendix 2 – Timeline of Goals & Objectives

200x-200x

<u>Development</u>	<u>Brief description &amp; rationale</u>	<u>Cost</u>
	•	
	•	
	•	

*Continue for as many years as goals are relevant. Usually about 3-5 yearly projections.*

## Appendix 3– Marketing Implementation Plan & Budget

## Appendix 4– Financials

### Historical Profit & Loss and Cash Flow figures

#### Ratios

##### Profitability

$$\text{Return on Assets \%} = \frac{\text{Earnings before Interest \& Tax (EBIT)}}{\text{Assets}}$$

$$\text{Return on Sales \%} = \frac{\text{Earnings before Interest \& Tax (EBIT)}}{\text{Sales}}$$

##### Debt

$$\text{Debt to Assets} = \frac{\text{Total Debt}}{\text{Total Assets}}$$

$$\text{Quick Assets Ratio} = \frac{\text{Quick Assets}}{\text{Quick Liabilities}}$$

$$\text{Current Assets Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$\text{Times Interest Earned} = \frac{\text{EBIT}}{\text{Interest Charges}}$$

##### Equity

$$\text{Return on Equity} = \frac{\text{Net Income for Members}}{\text{Member's Equity}}$$

**Appendix 4a. Refer to Excel version for full content.**  
**Racing Queensland Limited**  
**Completing this Workbook**

**Step 1**

Enter the information required into the Statistics Sheet. This will allow the Club's name and reporting period to filter through to all other worksheets.

**Step 2**

Save a copy of the club's trial balance to excel for the current period and prior period. The trial balance used should be for the period of time that the club is wanting to report on (e.g. monthly as opposed to YTD format). This should be saved to the **2. Trial Balance** tab in the workbook. This worksheet will be used to collate all the different periods and will be the source of information uploaded into the following schedules:

- 3. Bar & Catering
- 4. Tote
- 5. P&L Statement
- 6. Balance Sheet
- 7. Cash Flow Statement


**Step 3**

Once the trial balance is uploaded, the profit and loss and balance sheet categories should be allocated to each account. To allocate a category, simply copy and paste the category from either the **2. P&L Statement** or **3. Balance Sheet** tab. A check is performed on the bottom of the worksheet to ensure that the balances add to zero. If the check doesn't equal zero, you should check through the accounts to see which ones have not been mapped or have the wrong terminology. For example Cost of Goods Sold will not return the same value as Costs of Goods Sold. Ensure that the P&L statement has returned the correct profit and the balance sheet also looks reasonable.

**Step 4**

Comment on any large or unusual variances at the bottom of the **2. P&L Statement** or **3. Balance Sheet** worksheets.

**Step 5**

Complete the cash flow for the period.

**Step 6**

Enter in the budget for the forthcoming period.

**Step 7**

Enter the details for all sponsorship agreements that have taken place during the year. The income and expenditure recorded on this work paper should reconcile back to the **2. P&L Statement** worksheet.

**Step 8**

**Email Appendix III to clubcompliance@racingqueensland.com.au**  
**All queries please contact:-**



**Appendix 4b. Refer to Excel version for full content.**  
**Racing Queensland Limited**  
**Completing this Workbook**

**Step 1**

Enter the information required into the Statistics Sheet. This will allow the Club's name and reporting period to filter through to all other worksheets.

**Step 2**

Save a copy of the club's trial balance to excel for the current period and prior period. The trial balance used should be for the period of time that the club is wanting to report on (e.g. monthly as opposed to YTD format). This should be saved to the **2. Trial Balance** tab in the workbook. This worksheet will be used to collate all the different periods and will be the source of information uploaded into the following schedules:

- 3. Bar & Catering
- 4. Tote
- 5. P&L Statement
- 6. Balance Sheet
- 7. Cash Flow Statement


**Step 3**

Once the trial balance is uploaded, the profit and loss and balance sheet categories should be allocated to each account. To allocate a category, simply copy and paste the category from either the **2. P&L Statement** or **3. Balance Sheet** tab. A check is performed on the bottom of the worksheet to ensure that the balances add to zero. If the check doesn't equal zero, you should check through the accounts to see which ones have not been mapped or have the wrong terminology. For example Cost of Goods Sold will not return the same value as Costs of Goods Sold. Ensure that the P&L statement has returned the correct profit and the balance sheet also looks reasonable.

**Step 4**

Comment on any large or unusual variances at the bottom of the **2. P&L Statement** or **3. Balance Sheet** worksheets.

**Step 5**

Complete the cash flow for the period.

**Step 6**

Enter in the budget for the forthcoming period.

**Step 7**

Enter the details for all sponsorship agreements that have taken place during the year. The income and expenditure recorded on this work paper should reconcile back to the **2. P&L Statement** worksheet.

**Step 8**

**Email Appendix III to clubcompliance@racingqueensland.com.au**  
**All queries please contact:-**



## Appendix 5 – Position Description Template – Club Secretary

### **Objectives**

To ensure that appropriate administrative support is provided to the President, Co-ordinators and General Committee of the Club.

### **Responsibilities**

- ✓ Race club secretaries must ensure their club provides full documentation for its licence application.
- ✓ Establish a meeting schedule for general and executive Committees for the current year.
- ✓ Provide secretarial support to the committee.
- ✓ Maintain an accurate copy of the Constitution of the Club.
- ✓ Provide administrative support to the committee in ensuring all relevant responsibilities are dealt with appropriately.
- ✓ Maintain a complete record of all activities of the Club.
- ✓ Be familiar with the rules of the Club, relevant Racing Queensland Limited policies and any other body that has governance and to give advice to the President and Committee as required.
- ✓ Prepare minutes of all Committee and General Meetings of the Club and distribute in accordance with the Constitution & Rules of the Club.
- ✓ Receive all correspondence directed to the Club.
- ✓ Prepare and send correspondence in accordance with the direction of the President and committee.
- ✓ Ensure all licences required by the Club are current.
- ✓ Co-ordinate all reports to be presented at Committee and General Meetings.
- ✓ Act as the Public Officer of the Club (Incorporated Association).
- ✓ Report activities of the portfolio to the membership at the Annual General Meeting.
- ✓ Prepare a comprehensive report of all activities of the Club for presentation to the membership at the Annual General Meeting.

### **Relationships**

- ✓ Reports to the President and General Committee.
- ✓ Liaises with the President as and when required.
- ✓ Liaises with all Co-ordinators and the General Committee.
- ✓ Liaises with relevant Racing Queensland Limited staff.
- ✓ Liaises with all external contacts including local Councils, sub-contractors etc.

### **Accountability**

- ✓ The Secretary is accountable to the President and the General Committee.
- ✓ The Secretary shall provide a monthly report to the General committee.

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## Performance Agreement and Appraisal

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### Confidential

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**Period Commencing:** 1 July

**Period Ending:** 30 June

**Employee:** ..... **Position:** .....

**Department:** ..... **Supervisor:** .....

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This document contains two parts; the first is a performance agreement, the second is a performance appraisal.

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## **PART A - PERFORMANCE AGREEMENT FOR NEXT 12 MONTHS**

### **1. Plan to a Page**

I have read and discussed the attached 'plan to a page' with my supervisor. I understand the required level of performance and will work toward achieving set objectives.

**Employee Signature:**..... **Date:**.....

**Supervisor Signature:**..... **Date:**.....

At the end of the 6 month period, your supervisor will sit down with you to discuss your current level of performance against agreed outcomes on the 'plan to a page' document. This discussion is intended to be an open two-way dialogue that provides a realistic perspective on employee performance and the employee/employer business relationship.

At the end of the 12 month period, your supervisor will sit down with you to:

- discuss your performance against agreed goals and outcomes;
- discuss your performance; and
- summarise your annual performance.

**Plan to Page**

<b>Objective:</b>	
<b>By When: (if applicable)</b>	
<b>Outcome Required:</b>	
<b>Comment:</b>	

<b>Objective:</b>	
<b>By When: (if applicable)</b>	
<b>Outcome Required:</b>	
<b>Comment:</b>	

<b>Objective:</b>	
<b>By When: (if applicable)</b>	
<b>Outcome Required:</b>	
<b>Comment:</b>	

<b>Objective:</b>	
<b>By When: (if applicable)</b>	
<b>Outcome Required:</b>	
<b>Comment:</b>	

## PART B - PERFORMANCE ASSESSMENT

### 1. Interim – Six Month Discussion

This discussion and assessment is intended to provide an employee with guidance in how they are performing against agreed outcomes and goals.

#### Interim Rating Standards

<b>Unacceptable</b>	Work performance is inadequate and below the expected standards of performance for the position. Performance at this level cannot continue.
<b>Improvement Needed</b>	Work performance does not consistently meet the standards of performance for the position. Effort is needed to improve performance.
<b>Meeting or Exceeding Expectations</b>	Work performance consistently meets or exceeds the standards of performance for the position.

**Interim Rating** (to be completed by supervisor, inclusive of discussing reasons for rating with employee). **Please place an 'X' in the appropriate box**

- Unacceptable
- Improvement Needed
- Meeting or Exceeding Expectations

**Employee Signature:**..... **Date:**.....

**Supervisor Signature:**..... **Date:**.....

**2. Annual – 12 Month Performance Assessment** *(completed by supervisor)*

This discussion and assessment is intended to provide an employee with guidance in how they are performing against agreed outcomes and goals.

**Overall Rating** *(to be completed by supervisor, inclusive of discussing reasons for rating with employee).* **Please place an ‘X’ in the appropriate box**

- Unacceptable
- Improvement Needed
- Meeting or Exceeding Expectations

**Overall Rating Standards**

<b>Unacceptable</b>	Work performance is inadequate and below the expected standards of performance for the position. Performance at this level cannot continue.
<b>Improvement Needed</b>	Work performance does not consistently meet the standards of performance for the position. Effort is needed to improve performance.
<b>Meeting or Exceeding Expectations</b>	Work performance consistently meets or exceeds the standards of performance for the position.

**Supporting Assessment Table** (Supervisor to complete by placing a cross in the appropriate box according to above legend)

<b>Assessable Criteria</b>	<b>Assessed Performance</b>	<b>Assessed Performance</b>	<b>Assessed Performance</b>
	<i>Unacceptable</i>	<i>Improvement Needed</i>	<i>Meeting or Exceeding Expectations</i>
Job knowledge			
Conducts accurate work			
Responsive to requests			
Displays commitment to team success			
Communicates effectively			
Follows instructions			
Completes work on schedule			
Reliable			
Flexible and adaptable			

***Training and Development***

Received training during 12 month period      yes         no  

Training and development requests/requirements for next 12 months

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**Employee Signature:**.....      **Date:**.....

**Supervisor Signature:**.....      **Date:**.....

***General Comments***

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## Appendix 7 – Example Handover Checklist

The following handover check list has been prepared based on the treasurer's duties for a full accounting cycle, assuming they have the full accounting duties for the club. This checklist is intended to be used as a guide only and it is strongly recommended that club's prepare a comprehensive checklist for each of their committee members and strategic personnel and ensure that the checklist is signed by the outgoing treasurer and incoming treasurer and placed on the personal file.

Task	Signed by:
<b>Governance</b>	
A copy of the club's FMPM, constitution and policies and procedures has been made available.	
<b>Expenditure</b>	
<b>Procurement:</b> The completion of purchase orders has been explained and the purchase order book has been handed over.	
<b>Receipt:</b> The method by which the club takes delivery of goods and services has been explained and documented (both physically and for accounting purposes).	
<b>Accounts Payable:</b> The method and frequency by which the accounts payable ledger is reconciled has been documented and explained.	
<b>Payment:</b> The method of payment of accounts payable is explained, including credit cards, cheques and EFT and the documentation required for payment approval.	
<b>Reconciliations:</b> The frequency and timing of reconciliations between the general ledger and supporting documentation has been documented and explained. .	
<b>Reporting:</b> Management reporting requirements, such as accounts payable aging, has been explained and documented	
<b>Other:</b> Regular suppliers (e.g. electricity) have been advised of the change in contact details.	
<b>Capital Expenditure &amp; Fixed Assets</b>	
<b>Approval:</b> The approval limits and quotation requirements have been explained and documented.	
<b>Receipt:</b> As for normal expenditure	
<b>Fixed Asset Register:</b> The method by which assets are entered and depreciated into the fixed asset register has been documented and explained.	
<b>Reconciliation:</b> The frequency and timing of reconciliations between the general ledger and fixed asset register has been documented and explained.	
<b>Reporting:</b> Management reporting requirements, such as analysis of assets purchased compared to the capital budget has been documented and explained.	
<b>Payroll</b>	
<b>Appointment of new employees:</b> The procedure for hiring new employees, including position descriptions, approval requirements from	



the management committee, required paperwork including letter of appointment and TFN declaration is documented and explained.	
<b>Maintenance of records:</b> The secure location of all employee files and those approved to access them has been discussed.	
<b>Processing payroll:</b> The system and method of processing payroll transactions, including wages, annual and long service leave accruals and sick leave, and the approval of the payroll transactions has been documented and explained.	
<b>Payment of employees:</b> The method of employee payments including approval has been documented and explained.	
<b>Termination of employees:</b> The required paperwork, such as a resignation letter, has been documented. The method for calculating the final pay and its approval has been discussed and documented	
<b>Petty Cash</b>	
<b>Purchases:</b> The maximum limit for purchases to be made through petty cash has been documented. The required documentation to be kept with the petty cash float has been documented and explained.	
<b>Reconciliations:</b> The frequency and method of reconciling the petty cash float has been documented and explained.	
<b>Float Reimbursement:</b> The method by which the float is topped up has been documented and explained.	
<b>Revenues</b>	
<b>Invoicing:</b> The details required are to be included on an invoice and the method and frequency by which this is done has been documented and explained.	
<b>Receipting Payments:</b> The manner in which cash, cheques and EFT payments are receipted has been documented and explained. This is to include the banking of monies received and the issue of receipts if required.	
<b>Reconciliation:</b> The manner by which the accounts payable sub ledger is reconciled to the general ledger has been documented and explained.	
<b>Reporting:</b> The required reporting to the management committee, such as accounts receivable aging, has been documented and explained.	
<b>Inventory</b>	
<b>Inventory listing:</b> A detailed inventory master file should be kept and maintained to include all inventory required to be kept for bar, catering and maintenance operations. This listing should include minimum levels to be kept on hand. The procedure for monitoring inventory levels and the method by which they are reordered has been documented and explained.	
<b>Stock take:</b> The procedures for conducting a stock take have been documented and explained, including the frequency (i.e. before and after race days, end of month/year). The manner in which variations are treated has also been noted.	

<b>Reconciliation:</b> The method by which the inventory listing and stock take information is reconciled to the general ledger has been discussed and documented.	
<b>Reporting:</b> The frequency and manner in which inventory balances are reported to the management committee has been documented and discussed.	
<b>Cash</b>	
<b>Reconciliation:</b> The manner and frequency in which cash payments and receipts resulting from the day to day transactions of the club is to be reconciled with the bank statement has been documented and discussed.	
<b>Other:</b> Log in information for internet banking has been set up if required. Cheque books for the club have handed over. The bank has been provided with a new listing of cheque signatories.	
<b>Tax</b>	
<b>GST Compliance:</b> The preparation of BAS forms has been discussed and documented, including from where the information should be sourced and a listing of regular transactions and their GST status. If the BAS is reviewed by external accountants prior to submission with the tax office, deadlines for review should also be noted.	
<b>Race day transactions</b>	
The club should have thoroughly documented the procedures for race days, including the set up of change floats for bar, catering and tote, the banking of money received, reconciliations between the end of day tills listings and cash banked, staffing or volunteer labour requirements etc.	
<b>General Reporting</b>	
<b>Monthly:</b> Reconciliations are performed for all required general ledger accounts. These reconciliations and their supporting documentation should be filed in a secure place. Variances to budget should be documented and analysed. Back ups of the accounting system should be performed once all reconciliations have been finalised and approved.	
<b>Annually:</b> All reconciliations are prepared for the year. Auditors have been appointed and dates arranged to comply with the 30 September reporting deadlines of RQL. The RQL formatted financial statements have been completed including statistical information and forwarded to the RQL office in Brisbane. Reports have been prepared and reviewed for the club's AGM.	
<b>Management Committee Reporting:</b> All management reporting requirements have been documented and discussed. Prior to year end, the format, reporting requirements and due dates of reports should be discussed and agreed.	
<b>EIS One:</b> A request for new password and log on has been sent to Racing Queensland at <a href="mailto:clubcompliance@racingqueensland.com.au">clubcompliance@racingqueensland.com.au</a> The procedure for uploading the monthly financial statements has been	

addressed. Reporting requirements for the Committee and RQL have been explained.	
<b>Other:</b> All suppliers' invoices, invoices to customers, monthly reconciliations, payroll files, books of cheque butts and bank statements should all be filed in a secure, orderly manner for review by the auditors or other accountants.	

<Insert Outgoing Name>

\_\_\_\_\_

<Position Title>

\_\_\_\_\_ Date

I acknowledge that I have read the contents of the FMPM Checklist and accept the offer of employment on the terms and conditions set out in this Agreement.

<Insert Incoming Name>

\_\_\_\_\_ Signature

\_\_\_\_\_

\_\_\_\_\_ Date

## Appendix 8 – Financial Year End Reporting Requirements Checklist

The following checklist is to be used as a guide for the year end reporting requirements of the Club, including information for Club licensing renewals:

Requirements	Date Required	Completed – Date & Sign
Appointment of auditor – complying with the Club's Constitution and the <i>Incorporated Associations Act 1981</i> and <i>Corporations Act 2001</i>	Mid – Year and/ or AGM	
Contact the auditor to arrange a site visit. Obtain a list of requirements from the auditor.	Prior to year end.	
Club license renewal fee to be paid to Racing Queensland (payment is to be received by RQL by 1 July)	Prior to 30 June	
Ensure all invoicing is complete	30 June	
Ensure all supplier invoices are entered if dated prior to or on 30 June	7 July	
Complete reconciliations for all balance sheet accounts	31 July	
Complete Club draft financial statements	31 July	
Complete requirements listing for auditors	31 July	
Auditor to undertake audit of financial statements	Complete no later than 31 August	
Conduct Annual General Meeting	No later than 30 December	
Provide Racing Queensland with: <ul style="list-style-type: none"> <li>- Financial statements in RQL format including budget and statistical information (refer Appendix III)</li> <li>- Audited Financial Statements including auditors report and opinion;</li> <li>- Trial Balance for the financial year</li> </ul>	30 September	
<b>Provide Racing Queensland with:</b> <ul style="list-style-type: none"> <li>- <b>Written report on the activities of the Club</b></li> <li>- <b>Copy of business plan (all Clubs); or strategic plan (TAB and Strategic Non-TAB clubs only)</b></li> <li>- <b>Advice with the names of executive elected at the AGM;</b></li> <li>- <b>Copy of the AGM minutes noting acceptance of the audited financial statements and appointment of executive positions;</b></li> <li>- <b>National Police Certificates for all newly elected officials</b></li> <li>- <b>Asset Management Plan (TAB Clubs only)</b></li> <li>- <b>Risk Management Plan and Risk Register (TAB Clubs only)</b></li> </ul>	<b>30 days from AGM</b>	

## Appendix 9 – Sponsorship Agreement Template

### SPONSORSHIP AGREEMENT

**BETWEEN:**

**(The Sponsor)**

**AND <INSERT CLUB NAME>**, an incorporated organisation established under the *Associations and Incorporations Act 1981 or Corporations Act 2001*

**(The Sponsored)**

**WHEREAS** The Sponsor has agreed to provide sponsorship in accordance with this agreement.

**AND** The Sponsored has agreed to provide services in return for the sponsorship.

#### **This Agreement provides:**

1. The Sponsor will provide the following sponsorship to the Sponsored:  
Details of Sponsorship [If insufficient space annex details]
  - Money (here detail the sum of any monies to be paid to the Sponsored)
  - Support (here detail all support services including the value thereof to be supplied to the Sponsored)
2. The Sponsored will provide the following services to the Sponsor: [If insufficient space annex details]
  - Services (here detail all services including their value to be supplied by the Sponsored in return for the sponsorship)
3. It is hereby acknowledged that:
  - (a) The Sponsored will issue a recipient created tax invoice to the Sponsor to meet Goods and Services Tax obligations in relation to the supply of money and for support;
  - (b) The Sponsor will issue a recipient created tax invoice to the Sponsored to meet Good and Services Tax obligations in relation to the supply of services.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_

**SIGNED AS AN AGREEMENT**

**SPONSOR** .....

Full name of authorised officer .....

Signature of authorised officer .....

Signed in the presence of .....

**SPONSORED** <INSERT CLUB NAME>

Full name of authorised officer .....

Signature of authorised officer .....

Signed in the presence of .....

## Appendix 10 - Purchase Order Template

### Purchase Order

Name of Race Club
A.C.N (if applicable)
Address
Telephone and fax numbers

Insert delivery details
-------------------------

Purchase order number and date
Contact person/telephone
Our reference
Your sales person

Suppliers name \_\_\_\_\_

Suppliers address \_\_\_\_\_

Suppliers fax number \_\_\_\_\_

Delivery date \_\_\_\_\_

Terms of payment: (insert days)

Item	Material	Description	Order qty.	Unit	Price per unit	GST	Net value

Total net item including GST

\$AUD

Authorised: \_\_\_\_\_

Date: \_\_\_\_\_

## Appendix 11 - Supplier Reconciliation Template

Supplier Name		
Month		
Balance per General Ledger	<b>A</b>	
Less invoices not received:		
These are items on the suppliers statement that aren't yet recorded in the general ledger.		
Total invoices not yet received	<b>B</b>	
Add Credits not yet received:		
These are credit notes requested from the supplier that have not yet been received from the supplier.		
Total credit notes not yet received	<b>C</b>	
Other		
Total other reconciling items:	<b>D</b>	
Expected Supplier Statement Balance	<b>E=A+B+C+D</b>	
Actual Balance	<b>F</b>	
Difference	<b>=E-F</b>	



## Appendix 12 – Sample Cheque Requisition

### Cheque Requisition

Cheque Details	General Ledger Details
<p><b>Cheque #</b></p> <p><b>Date</b></p> <p><b>Payee:</b></p> <p><b>Address</b></p> <p><b>Ref #</b></p>	<p style="text-align: right;"><b>GL #</b></p> <p><b>Amount</b></p> <p><b>GST</b>      _____</p> <p><b>Total</b>      _____ - _____</p> <p><b>A.B.N.</b></p>

**Signature 1:** \_\_\_\_\_

**Date:**

**Signature 2:** \_\_\_\_\_

**Date:**

## Appendix 13 - Expense Reimbursement Template

### Employee Reimbursement

This form should be completed for reimbursement of work related expenses and requires supporting documentation.

**All supporting documentation for expenditure to be reimbursed must include details of the recipient(s), i.e. List of all attendees on reverse side of the invoice or receipt.**

**Name:** \_\_\_\_\_ **Position:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Dept:** \_\_\_\_\_

Signature: I declare that the following information has been recorded appropriately (including the FBT & GST treatment) \_\_\_\_\_

<b>Expense details</b>
------------------------

Item No.	Expense Description	Reason for expenditure	FBT?	GST?	G/L code	Amount

**Authorised signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## Appendix 14 - Fixed Asset Register Template

See Excel version for full content

### Summary & Reconciliation

This sheet provides a summary of the critical information that has been calculated on the supporting schedules.

A space is provided to enter the balances per the general ledger to ensure that at the Fixed Asset Register reconciles to the General Ledger.

#### Asset Cost

	Balance per FAR	Balance per GL	Difference
Land & Buildings			
Plant & Equipment			
Furniture & Fittings			
	<hr/>		
	<hr/>		

#### Accumulated Depreciation

	Balance per FAR	Balance per GL	Difference
Land & Buildings			
Plant & Equipment			
Furniture & Fittings			
	<hr/>		
	<hr/>		

#### Depreciation Expense

	Balance per FAR	Balance per GL	Difference
Land & Buildings			
Plant & Equipment			
Furniture & Fittings			
	<hr/>		
	<hr/>		

## Appendix 15 - Depreciation Calculation Methodology

The Australian Tax Office has published a guide to depreciating assets held by businesses. The guide can be downloaded from <<http://www.ato.gov.au>>.

The ATO also produce a listing of assets and an assessment of their useful lives. This document can be accessed from <<http://law.ato.gov.au>>

The preferred method of calculating the depreciation on fixed assets is the straight line method. This method apportions the value of the asset in equal parts over the life of the asset. The formula for the straight line depreciation method is:

$$\frac{100}{\text{Asset Useful Life}} = \text{depreciation \%}$$

The following table shows common club assets, their useful lives and depreciation rates to be used based on the straight line depreciation method:

Asset	Useful Life	Depreciation Rate
Tractor	8 years	12.50%
Irrigation system	10 years	10.00%
Stable Accommodation	33.3 years	3.00%
Air conditioning and upgrades	15 years	6.66%
Fencing	20 years	5.00%
Drainage	50 years	2.00%
Catering tents/marquees	5 years	20.00%
<b>Bar Refurbishments/Upgrades</b>	<b>15 years</b>	<b>6.66%</b>

## Appendix 16 - Accounting for Disposals of Fixed Assets

If the club disposes of an asset that has been sold or scrapped the club must correctly account for the disposal in both the fixed asset register and the general ledger.

### Fixed Asset Register

Each club will maintain a different format of fixed asset register, e.g. excel spreadsheet, additional accounting package module, and as a result every the treatment of disposal will be different. It is important to keep the details of the asset after it has been disposed of, do not simply delete the asset. It is important to note, prior to disposing of an asset from the fixed asset register, the cost and accumulated depreciation associated with the asset. Once disposed of the asset should be removed from the fixed asset register.

### General Leger

The following entries should be posted in the fixed asset register when an asset is disposed of:

Dr	Accumulated Depreciation Category
Cr	Fixed Asset Category (e.g. PPE)
Dr/Cr	(Profit)/Loss on sale of fixed assets

Clubs should confirm that the accounting treatment used with their Accountants.

## Appendix 17 - Leave Provision Calculation

### Long Service Leave 30-June-2009

Leave entitlement 8 weeks per 520 weeks												
EMPLOYEE NAME	Start Date	Weeks	Leave Accrued	Hrs Taken	Weeks Taken	Net Hours Conv to Weeks	Rate	Hours worked per week	Value	Current	Non Current	
Employee A	26/01/1986	1222.286	18.8044	320	16	2.8044	25.292	20.0	1,418.58	1,418.58		
Employee B	1/10/1987	1134.714	17.4571	0	0	17.4571	20.749	38.0	13,764.29	13,764.29		
Employee C	7/02/1994	803.1429	12.3560	0	0.000	12.3560	21.475	38.0	10,083.24	10,083.24		
Employee D	25/02/2000	487.5714	7.5011	0	0	7.5011	81.540	37.5	22,936.49	-	22,936.49	
Employee E	13/02/1997	645.7143	9.9341	0	0.000	9.9341	24.292	38.0	9,169.91	-	9,169.91	
Employee F	11/12/2000	446.1429	6.8637	0	0	6.8637	42.010	37.5	10,812.83	-	10,812.83	
Employee G	6/07/1985	1251.429	19.2527	0	0	19.2527	19.737	38.0	14,439.60	14,439.60		
Employee H	27/05/1995	735.4286	11.3143	0	0	11.3143	30.000	8.0	2,715.43	2,715.43		
						<b>Sub-Total</b>						
						<b>On Costs</b>	12%					
						<b>Total</b>						
						<b>Current Month</b>						
						<b>Previous Month</b>						
						<b>Increase (Decrease)</b>						
										<b>TOTAL</b>		
										85,340.37	42,421.14	42,919.22
										10,240.84	5,090.54	5,150.31
										<b>95,581.21</b>	<b>47,511.68</b>	<b>48,069.53</b>
										<b>95,581.22</b>	<b>47,511.68</b>	<b>48,069.53</b>
										<b>90,000.00</b>	<b>43,000.00</b>	<b>47,000.00</b>
										<b>5,581.22</b>	<b>4,511.68</b>	<b>1,069.53</b>
												A/c # 2.2590
<b>JOURNAL ENTRY</b>							<b>Debit</b>	<b>Credit</b>				
<b>Total Monthly Provision</b>												
Debit AL (Payroll Related)							4,511.68	-				
Credit AL Provision (Liability)							-	4,511.68				
<b>Current/Non-Current</b>												
Debit LSL (Payroll Related)							1,069.53	-				
Credit LSL Provision (Liability)							-	1,069.53				

## ANNUAL LEAVE CALCULATION 30-June-2009

Leave entitlement		4 weeks		per		52 weeks						
EMPLOYEE NAME	Start Date	Weeks Accrued	Leave Hrs Taken	Weeks Taken	Net Hours Conv to Weeks	Rate	Hours worked per week	Value	Current	Non Current		
Employee A	26/01/1986	1222.286	94.0220	1840	92	2.0220	25.292	20.0	1,022.80	1,022.80		
Employee B	1/10/1987	1134.714	87.2857	3154	83	4.2857	20.749	38.0	3,379.12	3,379.12		
Employee C	7/02/1994	803.1429	61.7802	2128	56.000	5.7802	21.475	38.0	4,716.99	4,716.99		
Employee D	25/02/2000	487.5714	37.5055	1387.5	37	0.5055	81.540	37.5	1,545.68	1,545.68		
Employee E	13/02/1997	645.7143	49.6703	1558	41.000	8.6703	24.292	38.0	8,003.38	8,003.38		
Employee F	11/12/2000	446.1429	34.3187	1162.5	31	3.3187	42.010	37.5	5,228.11	5,228.11		
Employee G	6/07/1985	1251.429	96.2637	3648	96	0.2637	19.737	38.0	197.80	197.80		
Employee H	27/05/1995	735.4286	56.5714	448	56	0.5714	30.000	8.0	137.14	137.14		
<b>Sub-Total</b>										<b>24,231.02</b>	<b>24,231.02</b>	<b>-</b>
<b>On Costs 12%</b>										<b>2,907.72</b>	<b>2,907.72</b>	<b>-</b>
<b>Total</b>										<b>27,138.74</b>	<b>27,138.74</b>	<b>-</b>
<b>Current Month</b>										<b>27,138.74</b>	<b>27,138.74</b>	<b>-</b>
<b>Previous Month</b>										<b>25,000.00</b>	<b>25,000.00</b>	<b>-</b>
<b>Increase (Decrease)</b>										<b>2,138.74</b>	<b>2,138.74</b>	<b>0.00</b>
<b>TOTAL</b>												
A/c # 2.2590												
<b>JOURNAL ENTRY</b>						<b>Debit</b>	<b>Credit</b>					
	<b>Total Monthly Provision</b>											
	Debit AL (Payroll Related)					<b>2,138.74</b>	<b>-</b>					
	Credit AL Provision (Liability)					<b>-</b>	<b>2,138.74</b>					

## Appendix 18 - Dissolution of an Association Checklist

It is the role of the secretary to ensure that all of the relevant documentation has been completed correctly and sent to the relevant organisations.

This checklist has been completed on the basis of a voluntary dissolution.

Task	Completed?
<p>Prepare a detailed listing of all assets and liabilities held by the club.</p> <p>Club treasurer to analyse the listing and determine how the liabilities will be repaid and how the assets will be sold. The aim is convert all assets to cash. This should then be formally documented in a plan for presentation to the management committee.</p> <p>Management committee to discuss and agree on the plan.</p> <p>Notice on dissolution and assets listing sent to RQL in writing.</p> <p>Notice of general meeting sent to each member with voting rights including details of special resolution, time, date and place of the meeting.</p> <p>75% of present voting members accept the plan</p> <p>Complete and submit <a href="#">Associations Incorporations Form 9A</a> and documentation required by the form within one month of the meeting where the special resolution was passed.</p> <p>To enable the cancellation of the registration of the association, the Club Secretary must also lodge the following documents to the Office of Fair Trading:</p> <ul style="list-style-type: none"> <li>- statutory declaration signed by the Secretary stating that the association has ceased to exist;</li> <li>- a copy of the special resolution to wind up the association signed by two office bearers;</li> <li>- receipts from any organisations receiving the surplus assets;</li> <li>- the original certificate of incorporation</li> <li>- the association’s final financial statement.</li> </ul> <p>If all of these documents can not be provided, submissions of the documents on hand should be made along with a statutory declaration stating why.</p> <p>The Club’s accountant or Treasurer should contact the ATO to update the Club’s status and submit the required documentation.</p>	

The Australian Securities and Investment Commission’s website provides detailed guidance about the voluntarily winding up of a company. Information can be viewed at <http://www.asic.gov.au>



## Appendix 19 – Listing of Recommended Club Auditors

The Australian Securities and Investments Commission (ASIC) provides a free online register of auditors. To check to see if your auditor is registered with ASIC go to [www.asic.gov.au](http://www.asic.gov.au)

Furthermore, the Chartered Accountants (CA) website allows people to search for registered members the profession with specific accounting expertise required in your area. To search go to <http://www.charteredaccountants.com.au/> and then click on “Find a Chartered Accountant”.

To search for a Certified Practising Accountant (CPA) go to <http://www.cpaaustralia.com.au/apps/finder/cpa/showfind.aspx> and enter the field of expertise and the Club’s location.

## Appendix 20 - Uploading Information into EIS One

### ***Set Up Requirements***

Prior to using EIS One for the first time, clubs should contact RQL's Club Compliance department to ensure that your club has access to the program and set up template files for your club. These templates will be:

- Monthly template for the current year
- Annual templates showing historical information
- Budget template

In addition, the files will contain predetermined KPI's. These KPI's have been predetermined by RQL, however, the club does have the ability to tailor KPI's to suit their individual requirements.

At this time, RQL will also arrange a time to visit the club to provide training to club members on the program, including how to set up new files, tailor information and produce meaningful reports as required by the club.

### ***Information Required***

All information that is required to set up a file in EIS One is recorded in [Appendix 3](#). Historical trial balances will also be required for the initial set up. This information is due to RQL by 30 September (refer [Appendix 1](#)).

For monthly reporting, clubs are to supply RQL with a monthly trial balance by the 21<sup>st</sup> of the subsequent month. The annual template ([Appendix 3](#)) can also be used for monthly uploads.

### ***Uploading Information in EIS One***

Note: These procedures assume that the club has an existing log on and files in EIS One. If your club is not already set up in EIS One please contact RQL's Club Compliance ([clubcompliance@racingqueensland.com.au](mailto:clubcompliance@racingqueensland.com.au)) and they will arrange this information as well as training for your club.

#### **Step 1**

Using [Appendix 3](#) ensure that all information has been completed including:

1. Statistics
5. P&L Statement
6. Balance Sheet.

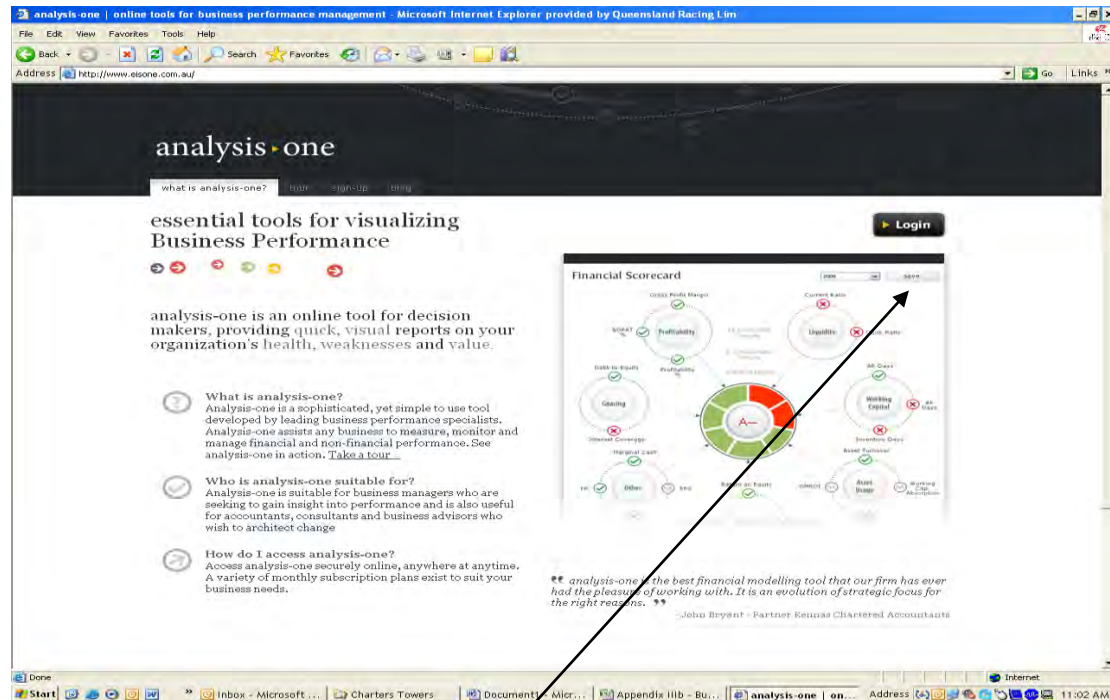
All information that feeds into 11. EIS One Upload Act. is contained in these workpapers.

## Step 2

Copy and paste values from 11. EIS One Upload Act. to the EIS One upload .csv file supplied to you by RQL. You will only need to copy the column of new data across. Ensure that there are no calculation errors (e.g. #DIV/0, #REF!) in the csv file. These should be replaced with 0 values.

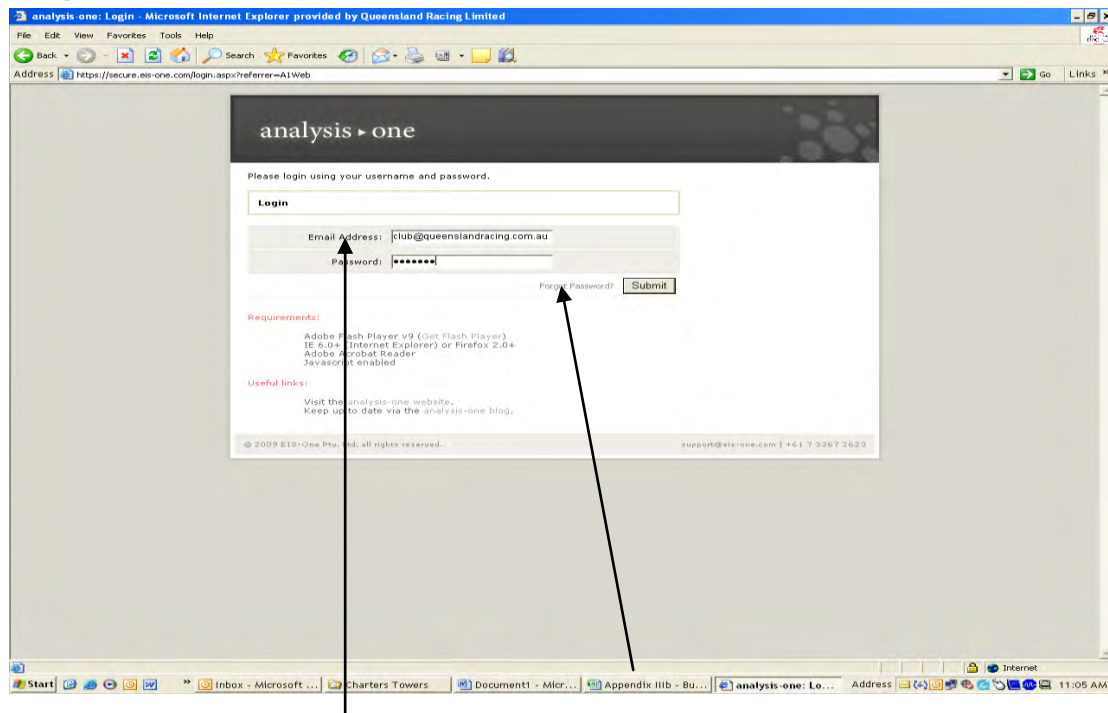
## Step 3

Open Internet Explorer and access the page [www.eisone.com.au](http://www.eisone.com.au)



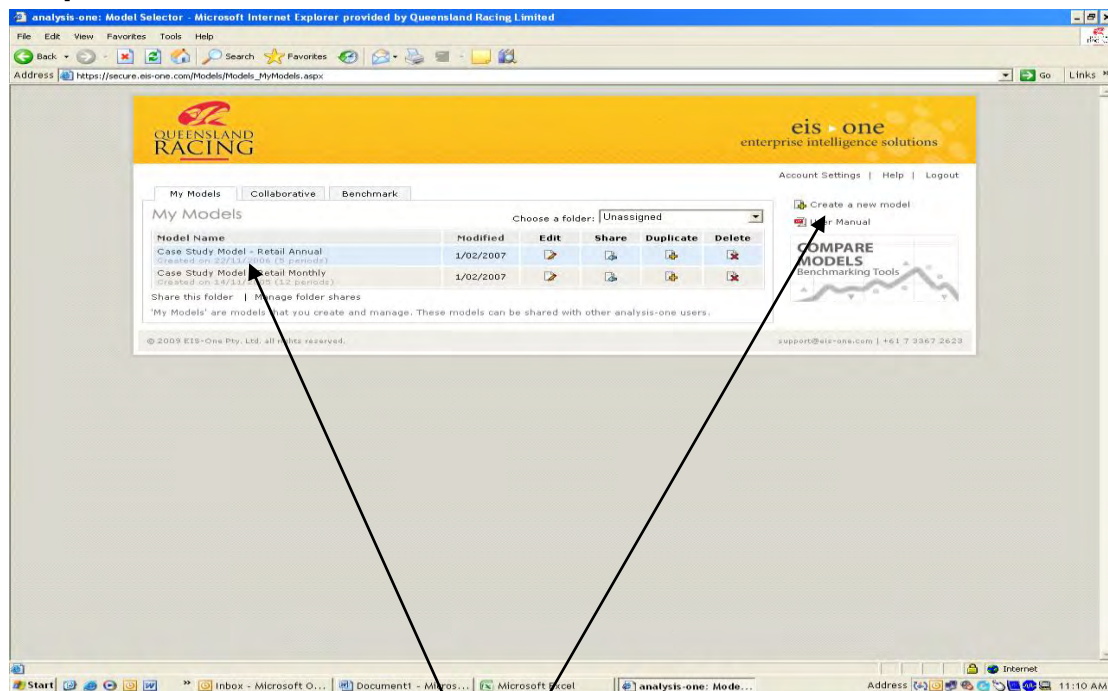
In the top right corner click “Login”.

## Step 4



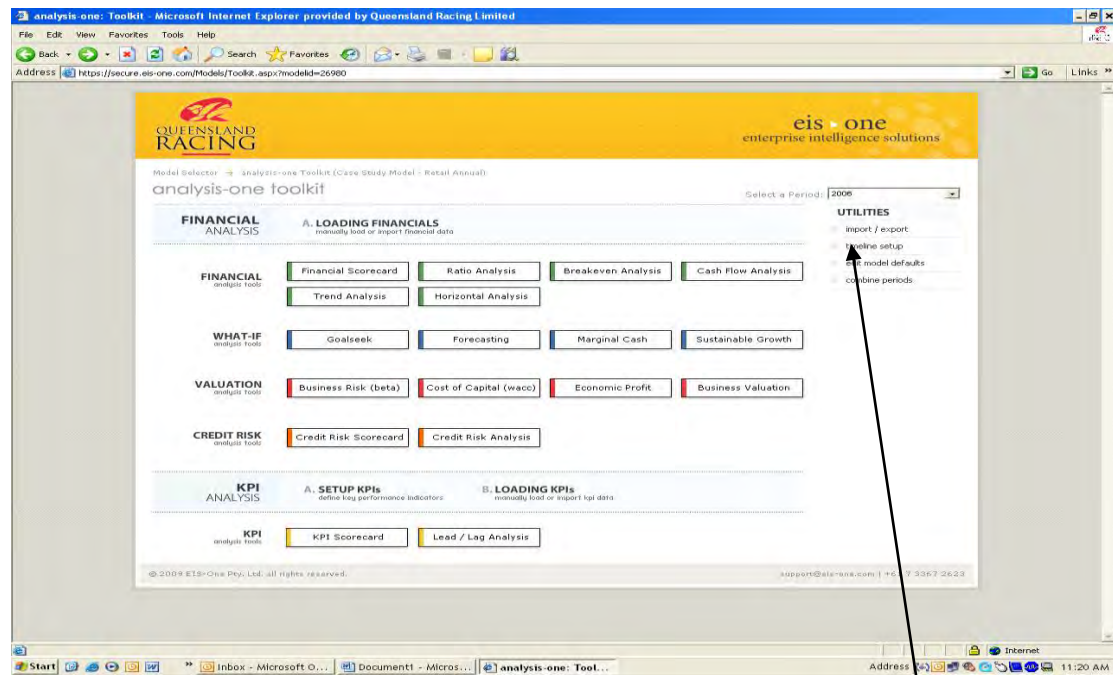
Enter your club’s email address and password details as supplied to your club on initial set up. Click on submit.

## Step 5



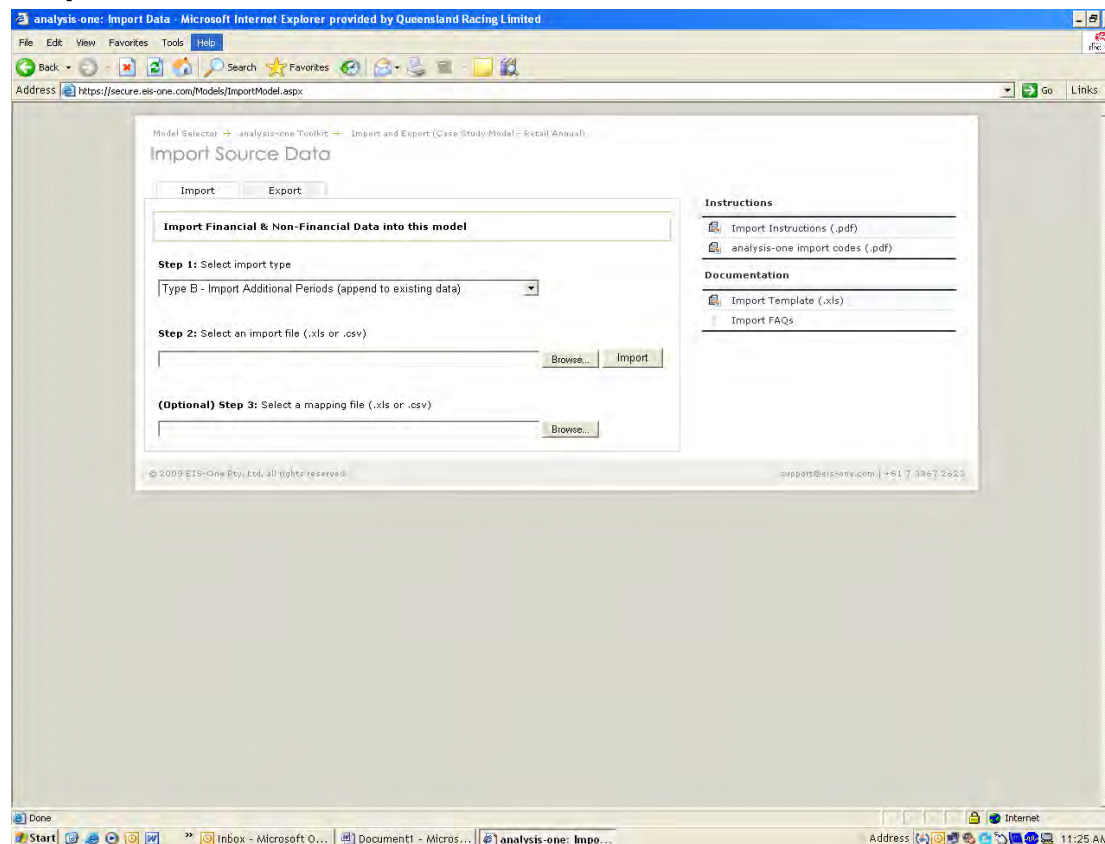
At the My Models screen select the model you wish to view by clicking in the models name. This will take you to the Analysis-one toolkit.  
To view the detailed user manual and frequently asked questions select the support button on the right of the screen.

## Step 6



At the top right of the screen under the Utilities heading select import/export.

## Step 7



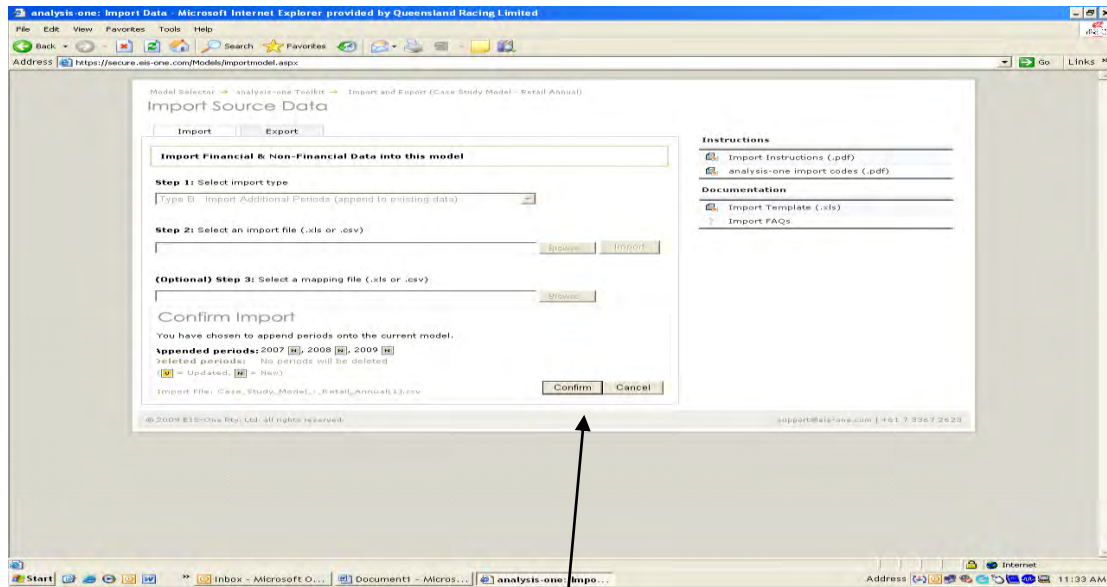
On the Import Source Data screen, Step 1: Select import type should be Type B – Import Additional Periods (append to existing data). This is why only the current period was copied onto the csv file in step 2.

If you choose Type A, all data in the EIS One file will be overwritten. Any changes that have been made directly to the EIS One interface and not duplicated into the source data will be overwritten.

At Step 2, click “Browse” to search for the csv file to be uploaded. Once the file has been found and selected, click “Import”.

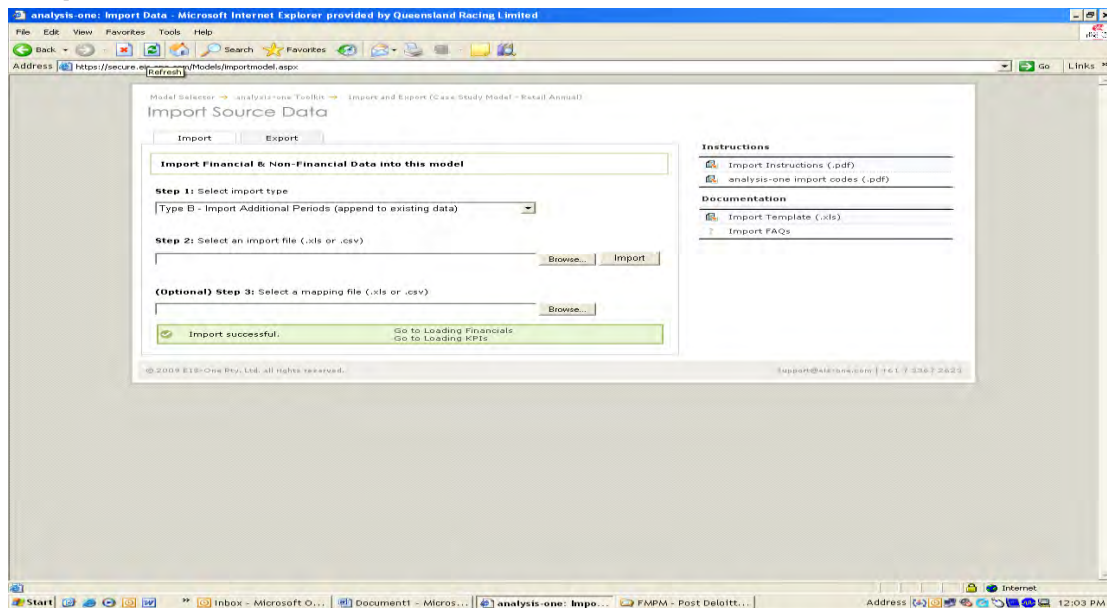
Ignore Step 3 on this screen.

## Step 8



You will now be requested to confirm that the selected new periods to be imported are correct. Click “Confirm” to continue.

## Step 9



The next screen will notify you if the import has been successful. If the import was unable to be uploaded, first check the data to ensure that there are no errors and then recommence import from Step 6. If you continue to encounter errors contact RQLClub Compliance.

If successful click on either “Go to Loading Financials” or “Go to Loading KPIs” to review the information that has been uploaded into the program.

## Appendix 21 – Pro forma Asset Management Plan

As the racing industry is quite capital intensive, it is important to be informed and abreast of the status of all assets. While the fixed asset register contains data on acquisition, asset identification, accountability information, performance and disposal, it is primarily used for accounting purposes. Building on this, the asset management plan is a forward looking document that clearly identifies the asset, service level (date of last upgrade/repair), date of next review, risk of repair (rating of importance), cost estimates and improvement schedule.

A basic asset management plan should:

### 1. Define the service levels

An asset management plan should define the level of service required of the asset. Service levels are defined as "defined service quality for an activity or service area (e.g. the track) against which service performance may be measured. Service levels offered should be determined through stakeholder consultation.

Service levels relate to (for example):

- |                                      |  |
|--------------------------------------|--|
| <input type="checkbox"/> quality     | <input type="checkbox"/> safety                      |
| <input type="checkbox"/> quantity    | <input type="checkbox"/> responsiveness              |
| <input type="checkbox"/> aesthetics  | <input type="checkbox"/> capacity                    |
| <input type="checkbox"/> reliability | <input type="checkbox"/> environmental acceptability |

An assessment of the impact of changes in demand over time on the level of service offered should be made.

### 2. Define the timeframe

Define the length of time the asset will be able to deliver the required service, e.g. indefinite life (asset in perpetuity) or a defined lifecycle.

### 3. Adequately describe the asset

The asset management plan should include data and information on:

- Physical identification - quantity, location, construction materials, year built (or estimate); condition, capacity, performance
- Financial information - original cost (if known), current replacement cost, estimate of remaining life, written down current cost replacement cost
- The capacity to aggregate and disaggregate both physical and financial information

### 4. Incorporate strategies for the management of risk

The asset management plan should incorporate a strategy for the management of risk associated with the assets involved. The strategies should be consistent with the overall risk policy of the club.



## 5. Include financial information

The AM plan should include financial forecasts for at least the ensuing 5-10 years of expected expenditure. The forecasts should be costed out in a way that clearly reflects the translation of physical aspects of the planned maintenance into financial terms. Estimated costs must:

- Be based on known and provable unit assets cost;
- Be logically and clearly compiled and available as evidence;
- Be updated regularly ;
- Be recorded in present day costs;
- Be easily assimilated into financial recording systems;
- Provide a clear link to the Business Plan

## 6. Include sufficient information to enable changes in service potential of the asset to be recognised

Service potential describes the output or service capacity of an asset and is determined by quantity and quality of output and estimates of useful life. Any decline in service potential must be recognised as an expense in yearly statements of financial performance in accordance with Australian Accounting Standards. All categories of maintenance, renewals (or various terminology such as restoration, rehabilitation etc) and creation should be defined and stated as to their effect on service potential.

## 7. State assumptions and confidence levels

The asset management plan should:

- List all assumptions and qualifications under which the AM plan is prepared
- Indicate the degree of confidence in the reliability of the data underpinning outputs e.g. - accuracy of asset inventory, accuracy of data on condition of assets, accuracy of asset performance data or; and demand/growth forecasts
- Confirm the remaining useful lives of assets
- On the basis of the preceding assumptions and confidence of underlying data provide a level of precision, or confidence, of the forecasts of renewal and maintenance expenditure for the asset.

## 8. Outline an improvement program

All asset management plans should state what needs to be done to improve asset management practices (processes, systems, data, commercial tactics, and organisational/ people issues).

- What are the weak areas?
- What are the improvement targets?
- The actions needed to address the “gaps”;
- The timeframe over which the improvements will take place
- The resources (human and financial) needed.

## **9. Be prepared by qualified persons**

The person who has primary responsibility for the performance of the asset should prepare the asset management plan.

## **10. Have clear linkages to other strategic documents**

The AM plan should link into the club's Business plan, and budget.

## **11. Be regularly reviewed**

An asset management plan template is included below.

# Asset Management Plan

<b>Table of Contents</b>	<b>Page No.</b>
Introduction	163
Strategic Plan	163
Planning Frame work	163
Methodology	164
Rating	165
Asset Management Plan	166

## Introduction

The objective of an Asset Management Plan (AMP) is to provide the physical asset status of the <Insert Club Name>, Racecourse in the current state and future development

The AMP will aim to optimise the efficiency for maintenance and capital programmes for major buildings/structure.

The AMP should be aligned or be related to the <Insert Club Name> Strategic Plan and Business Plan.

## Strategic Plan

There are five (5) areas of focus within the strategic plan for

- Increasing membership and patronage
- Improving facilities and green spaces
- Higher quality racing and increased prize money
- Creating/improving the “ Experience”
- Developing complimentary business activities and revenue streams

## Planning Framework

The AMP needs to combine current and future capital and maintenance programmes in conjunction with the five key focus areas of the strategic plan

The alignment of these two areas will then provide the framework for the future of the race club.

Strategic Plan	Asset Management Plan
Increase Members and patronage Improve facilities and green spaces Creating the Experience	Landscaping Physical upgrades to facilities Ease of access through automated entry points
Development of income streams and business opportunities	Enhancement of non race day conference market and facilities
High quality racing and increasing prize money	Racing surface – continual capital improvements Overall performance of track Training facility, including stables and all weather tracks

The above table provides the relationship between the Asset Management Plan and the Strategic Plan. The Asset Management Plan will play a major role in providing the required outcomes of the Strategic Plan.

## Methodology

The <Insert Club Name>, Asset Management Plan will be segregated into a number of key areas of the racecourse facility:

- Members Stand
- Public Stand
- External/Internal emergency exit area
- Course Proper and race day infrastructure
- Thoroughbred, Harness and Greyhound Training and associated facilities
- Turnstile and access points
- Car parks and external hard surfaces
- Maintenance facility

The following guidelines will be used for assessing each defined segment:

- The asset
- Service level
- Timeframe
- Risk
- Financial
- Improvement schedule

The above guidelines will be able to assist a Rating system which will determine the status of the asset.

## Rating

A – First Class asset

B – Acceptable asset

C – Average asset

D – Below standard asset

E – Needs urgent attention

Additional to the rating system the schedule for each segment will also provide the following information:

- Most recent upgrade
- Current rating as per rating schedule
- Required rating
- List of any defects
- Action required
- Time frame for upgrade, whether immediate, in two, five or 10 years

## Asset Management Plan

### Segment: Level: Date:

	Latest Upgrade Date	Current Rating A,B,C,D,E	Required Rating	Defects	Action	Time Frame	Estimation \$
<b>Floor Coverings</b>		B	B	Nil	Nil	2012	\$10k
<b>Painted Surfaces</b>		B	B	Nil	Nil	2010	\$5k
<b>Timber / Cabinet</b>		B	B	Nil	Nil	2012	\$10k
<b>Electrical / Lighting</b>		A	A	Nil	Nil	2012	\$10k
<b>Air Conditioning</b>		B	B	Nil	As per capital reports from engineer	2008	\$5k/yr
<b>Fire Services</b>		A	A	Nil	Continual upgrades to meet code	2008	\$5k/yr
<b>Kitchen / Bar</b>		B	B	Nil	Nil	2012	\$5k
<b>Furniture</b>		B	B	Nil	Nil	2010	\$10k
<b>Audio / Visual</b>							
<b>Internal walls – Gyprock/masonry</b>	Masonry/	B	B	Nil	Painting	2008	\$15k
<b>External Walls - Masonry</b>	Masonry	B	B	Nil	Painting	2008	\$75k
<b>Roof material - Iron</b>	N/A	N/A	N/A				

*Rating: **A** – First Class Asset, **B** – Acceptable Asset, **C** – Average Asset, **D** – Below Standard Asset, **E** – Needs urgent Attention*



## **Appendix 22 - Race Day Operating Performance**

### **See Excel version for full content**

### **Completing this Workbook**

The Race Day Operating Performance template is to be used by Clubs for each Feature Race Day.

The information contained in the workpaper is information that Racing Queensland will request from you on completion of the Race Day.

The information requested in the sheet relates only to income and expenses incurred relating to the Race Day only. No additional overhead information (such as Administration costs, Committee costs) are to be included in the spreadsheet.

The spreadsheet is to be completed in the following manner:

- 1.** Enter the budgeted amounts for the race day (income and expenditure). This information should be taken from the Club's overall operating budget.
- 2.** Once the race day has been held and the amounts have been recorded in the general ledger, complete the "actual" column. The variances to budget will be automatically calculated both in dollar terms and as a percentage.
- 3.** There is a section at the bottom of the worksheet for the Club to provide commentary on the differences between actual and budget. commentary must be given on all variances greater than 15% or 20% of income.

## Appendix 23 – Request for approval of donations.

This template has been designed to provide clubs with guidance as to the information they are to provide to RQL when requesting approval for expenditure to any charitable, benevolent or patriotic purpose. The letter should be sent on the club's letter head.

---

<Date>

Mr Adam Carter  
Chief Financial Officer  
Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

Dear Mr Carter,

### **RE: Request for approval for club spending for charitable, benevolent or patriotic purposes**

The *<insert club name>* requests approval from the Board of Racing Queensland Limited for a donation of *<insert amount>* to be made to *<insert charity or fund>* on behalf of the club.

*<Insert details as to why the charity or fund is seen to be important to the club>.*

*<Insert details regarding how the funds will be donated, e.g. sponsorship, lump sum gift, percentage of ticket sales>.*

Should you have any queries in relation to the details of the donation, please don't hesitate to contact *<insert name and position in the club>* on *<insert phone number>*.

Kind regards,

*<Name>*  
*<Position>*



## Racing Queensland Limited

### EVENT MANAGEMENT POLICY

#### COMMENCEMENT DATE

This policy comes into effect on 1 July 2010.

#### PURPOSE

The *Racing Act 2002* authorises Racing Queensland Limited (RQL) to develop policies for the sound management of the industry. It is also RQL's role to initiate, develop and implement policies it considers conducive to the development and welfare of the racing industry and the protection of the public interest, in relation to the racing industry. A key component of RQL's suite of policies is the event management policy.

The purpose of this event management policy is to outline the RQL preferred event management approach to assist racing clubs in the development of appropriate event management procedures. The policy has been generated to assist TAB and non-TAB racing clubs assess and control risks presented by racing industry related events. In the context of sound risk management processes, this policy should be read in conjunction with broader RQL Risk Management Policy.

#### OBJECTIVES

The objectives of this policy are to ensure that:

- a consistent approach to the planning and management of events is adopted within the racing industry
- the management of the risk associated with staging events, contributes to the achievement of club objectives
- all significant risks associated with events are identified, assessed and managed appropriately.

#### BACKGROUND

RQL recognises the importance of a structured approach to event management. This industry based policy, will assist in the development of a consistent industry-wide approach to the management of event risks and will provide guidance for racing clubs in developing the capability to better prepare and manage their event.

More specifically, the benefits of such an approach include:

- greater awareness, understanding and management of risk associated with the conduct of events
- improved staff and patron welfare
- the opportunity to maximise return and minimise the cost of losses arising from events thereby enhancing club long term sustainability
- increased opportunities for long term sponsorship from the corporate and community sectors
- more timely and planned response to unplanned event incidents
- improved stakeholder relationships

- better informed decision making
- enhanced reputation and image.

## SCOPE OF POLICY

This policy sets out RQL's preferred event management approach for racing clubs. The policy considers the current racing industry environment and generic event risk management requirements.

## POLICY STATEMENT

RQL requires that all racing clubs develop an appropriate level of event management capability to better deal with event related incidents. In order to achieve this requirement, RQL will assist by:

- defining the event management approach for the racing industry
- providing suitable event management templates and checklists
- providing an appropriate level of event management support to racing clubs
- encouraging racing clubs to commit to achieving an appropriate level of event risk management competence through continuous improvement
- conducting forums facilitating the exchange of information, ideas and experiences

## ASSOCIATED POLICY

In addition to this policy, racing clubs must understand and comply with relevant legislation and policies including:

- The *Racing Act 2002* (Queensland Government)
- Liquor Act 1992 (Queensland Government)
- Liquor Regulation 2002 (Queensland Government)
- Wagering Regulation 1999 (Queensland Government)
- Gaming Machine Act 1991 (Queensland Government).

Specific racing policies and rules include:

- Australian Rules of Racing (Australian Racing Board)
- Greyhounds Australasia Rules
- Australian Harness Racing Rules & Regulations
- Risk management policy (RQL)
- Policy on safeguarding the public interest (RQL)
- Policy on the standards for licensed venues (RQL)
- Policy on the way races are to be held (RQL)
- Financial management procedures manual (RQL)
- Policy on sexual harassment, bullying and unlawful discrimination in the racing industry (RQL)
- TAB clubs capital works policy (RQL)
- Rules of Racing Policy (RQL).

## ROLES AND RESPONSIBILITIES

Key event management roles and appointments include:

- *Event manager* – has overall responsibility for the safe and appropriate conduct of an event at a racing club
- *Event co-ordinator* - works under the direction of the event manager and is responsible for the effective planning, marketing, communications and conduct of an event at a racing club
- *RQL event management contact* – a representative from RQL who provides top level advice to clubs on the planning and conduct of events. The contact point at RQL for event management queries is the Racing Services Manager.

## RACING INDUSTRY EVENTS

RQL defines an event as any planned activity involving a racing industry participant as the principle organiser, where any structure (permanent or temporary), open area, roadway, fenced or unfenced area will contain a number of persons greater than that normally found in that area or location at one time. This activity may affect the location or surrounding area prior to, during or after the event. This may include activities (events) such as, but not restricted to:

- Race meetings.
- Birthday parties, weddings and functions.
- Carnivals, festivals, displays and shows.
- Community markets.
- Exhibition, competitions and social gatherings.

There is a wide variety of racing and non-racing events held by racing clubs across Queensland. Two important factors that need to be considered which are common to all events are the number of patrons attending and whether alcohol is going to be served. Ineffective alcohol management, particularly irresponsible serving practices, can create risks for staff, event patrons and the public.

RQL classifies events simply as racing or non-racing events.

### Racing Event

A racing event is any event allocated by RQL that involves harness racing or the racing of thoroughbred horses or greyhounds and requires the involvement of stewards and wagering resources. This includes the following:

- TAB group and listed 'feature' race day
- TAB race day – non-group and listed 'feature' race day
- Non-TAB race day meetings.

### Non-Racing Event

A non-racing event is any event not involving harness racing or the racing of thoroughbred horses or greyhounds and does not involve stewards and wagering resources. This type of event may require advice from RQL on the basis of insurance coverage and any other considerations. Non-racing events include:

- Phantom race meetings (no actual oncourse racing)
- Other non racing industry event – large gathering (e.g. concerts, fairs, trade shows)
- Other non racing industry event – small gathering (e.g. weddings, formals)

With non-racing events, clubs must make an informed decision based on an event assessment to ensure that the benefits of conducting a particular event far outweigh the potential harm, losses, adverse publicity or damage to their club.

## EVENT MANAGEMENT STAGES

### Overview

RQL recommends a staged approach to the management of racing industry events. These stages include *analyse*, *develop*, *conduct* and *post event* and are displayed iteratively in figure 1 below. A detailed flowchart of the event management process is outlined in Appendix A.

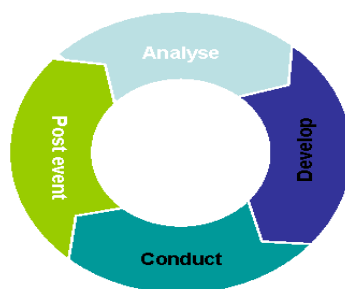


FIGURE 1: EVENT MANAGEMENT STAGES

The analyse stage involves developing an understanding about a club's internal facilities, operations, systems and resources. The develop phase involves the production of plans, insurances and venue preparation. The conduct phase relies on the work completed in the analyse and develop phases and involves event activities. The post event phase involves developing an understanding about the strengths and weaknesses of your event by documenting and implementing lessons learnt for incorporating into subsequent future events.

### **Analyse**

It is important that clubs make informed risk management decisions before conducting events. In line with RQL's Risk Management Policy, a risk assessment of the key event threats should be conducted in order to determine, evaluate and prioritise risk control measures. The risk assessment should consider the likelihood and consequence of an incident associated with the conduct of an event.

In addition, the assessment should consider vulnerable points at the event site and surrounding areas (e.g. traffic/ pedestrian interface; crowd/ horse interface; temporary structures; uneven surfaces; unstable surfaces; obstructed exits). Risk mitigation resources and strategies should be directed towards minimising the likelihood and consequence (risk management) of particular families of threats or individual threats. Often a well designed single mitigation strategy can reduce the likelihood or consequence associated with a number of threats with similar characteristics.

Examples of key threat and hazard categories are outlined in Table 1 with common high level industry specific threats highlighted in bold.

**TABLE 1: THREAT AND HAZARD CATEGORIES**

<b>People</b>	<b>Technology</b>
<b>Alcohol related issues</b> <b>Underage gambling</b> <b>Workplace health and safety</b> <b>Over crowding</b> Patron behaviour Lost children Non-arrival of performers	<b>Tote machine failure</b> Computer failure Data failure Communications failure Mechanical failure (e.g. starting gates)
<b>Transport</b>	<b>Legal</b>
Multiuse/shared spaces (e.g. vehicles, pedestrians & horses) Access points Visibility (driver, pedestrian) High volume spaces Non arrival of deliveries	Misuse of security powers Legal compliance Violence Interaction with law agencies
<b>Event</b>	<b>Field of play</b>
<b>Track invasion including streakers</b> Communication equipment Asset protection Access control	Proximity of audience Officials safety Throwing objects Patron overload
<b>Infrastructure</b>	<b>Fire</b>
Structural integrity Fit for purpose Public safety Entry and exit points	Dangerous goods Electrical equipment condition Evacuation Fire fighting equipment
<b>Natural</b>	<b>Competition</b>
Adverse weather Wildlife (e.g. snakes, kangaroos) Bushfire Terrain (unstable land)	Foreign betting agencies

**Major considerations.** Major considerations include a thorough understanding of:

- *Public liability insurance.* Event managers have a responsibility in relation to duty of care, negligence and workplace health and safety issues. All licensed clubs have public liability insurance arranged through RQL. This covers “legal liability to third parties in respect of bodily injury or property damage or advertising arising from the business of the insured”. If a function is not racing or club related, it is preferred that clubs obtain a copy of separate public liability cover from the third party’s organising committee. Furthermore, the club should obtain a letter from the third party stating that any claims arising out of the non-racing function will be first claimed against the third party’s policy.
  - All reasonable steps should be taken following an accident or loss to protect the property or person from any further damage or injury. Event managers should maintain a detailed Incident Register to assist if legal action is taken against event organisers or the racing club. Actions to be taken when claiming against the clubs insurance policy are located on the Racing Queensland website or by contacting RQL.
- *Liquor Licensing.* The Liquor Licensing Division stipulates through the *Code of Practice for the Responsible Service Supply and Promotion of Liquor June 2005*, a number of obligations on licensees and permittees in the conduct of business on licensed premises. These relate directly to Section 148A of the *Liquor Act 1992* and include:
  - Maintain a safe environment for patrons and staff of the premises
  - Ensure liquor is served, supplied and promoted in a way that is compatible with minimising harm from the use of liquor and preserving the peace and good order of the neighbourhood of the premises.

In addition, the code of practice commits the event organiser to:

- Assess the risk of all promotions and practices in accordance with the risk assessment guideline before the practice or promotion is commenced
- Develop a management plan where any high risk is identified to demonstrate any risks can be controlled before the practice or promotion is commenced
- Not conduct promotions and practices if there is any unacceptable risk, or any high risk cannot be adequately controlled
- Immediately cease any practice or promotion that is underway if patrons consume liquor rapidly or excessively, or engage in unsafe behaviour.

Experience has shown that the management of a successful event requires a detailed planning and consultation process. The analyse stage must therefore address all relevant planning considerations and stakeholder management issues. The early involvement of key stakeholders along with the commitment of adequate and suitable resources will greatly reduce potential event concerns.

### **Develop**

All major events require approval and / or notification from relevant organisations. Depending on the nature of the event approval and / or notification may be required from the Liquor Licensing Division (where alcohol is served), RQL, and Queensland Police Service, Queensland Transport, local government, taxi companies and the media.

**Documentation.** The need and level of documentation required for an event is dependant on the size and complexity of the race club and the type of event being held. Once the appropriate documentation has been initially developed, the documentation only needs to be updated to reflect the requirements of the individual event and any major changes in the operating environment. Primary event management documentation that may be required includes:

- *Event risk assessment* – this is an initial risk assessment of the proposed event that assists in the key club decision of whether an event should occur or not. Refer to the RQL Risk Management Policy for supporting templates
- *Event management plan* – this is the primary document used by the event manager to document and co-ordinate details relating to the conduct of a particular event. The event management plan should detail key appointments including the event manager, event coordinator and other relevant appointments. A suggested event management plan template is attached as Appendix B
- *Event management checklist* – the primary role of the checklist is to act as a cheat list of actions required to adequately plan and conduct an event. A suggested event management checklist template is attached as Appendix C
- *Stakeholder contact list (matrix)* – this is an essential record of key stakeholders, suppliers and customers. This list must be current in order to remain relevant.

The following secondary documentation may be required if not addressed sufficiently within the event management plan includes:

- Evacuation plan
- Emergency procedures
- Alcohol management plan
- Crowd management plan
- Traffic management plan
- Security plan
- Health and safety plan
- Venue and facilities maps
- Evidence of relevant insurance policies, licenses and permits.

Any event plans compiled must be clear, complete, well documented and widely distributed in a timely manner.

**Other activities.** Other activities in the develop phase may include:

- Event preparation meetings
- Community and industry consultation
- Staff awareness and training
- Pre-event briefs with key staff and stakeholders
- Venue preparation



- Acquisition or hire of additional resources
- Marketing and public relations.

### **Conduct**

This phase involves implementing the plans and event day activities, monitoring of event day activities and communication strategies and activities. The outcome of this phase is reliant on the preparatory work conducted in the analysis and development phases. During the event, activities may include:

- Event day briefs
- Continuous monitoring of crowd, employees and activity
- Communication with patrons, staff and stakeholders
- Responding to incidents.

In order to facilitate an effective event, the employment and acquisition of a range of pre-existing and additional resources is required. These resources may include:

- PA system
- Internal communication system e.g. handheld radios
- Staff including security and bar staff
- Event access system that allows easy calculation of patron numbers
- First aid stations
- Emergency Services
- Shelter.

The ability to call on at short notice primary and alternate suppliers of goods and services will provide the additional flexibility often required for the conduct of events.

### **Post event**

Racing clubs should conduct debrief sessions to appraise the strengths and weaknesses of the planning and conduct associated with the event. Minutes of post event debriefs should be recorded and made available to RQL upon request.

In addition, should a significant incident occur in relation to the staged racing industry event, a report outlining the time, date, context, circumstances, persons involved and action(s) taken should be presented to RQL and other appropriate authorities e.g. Queensland Police, Liquor Licensing Division, etc.

## **REVIEW AND MONITORING**

RQL may periodically conduct a review of Racing Queensland Club's (TAB and non-TAB) event management plans.

Individuals responsible for event management within Racing Clubs must be competent and confident in their ability to manage risk effectively. In addition, Racing Clubs must ensure that all their staff have an awareness of event management procedures.

## **APPENDICES**

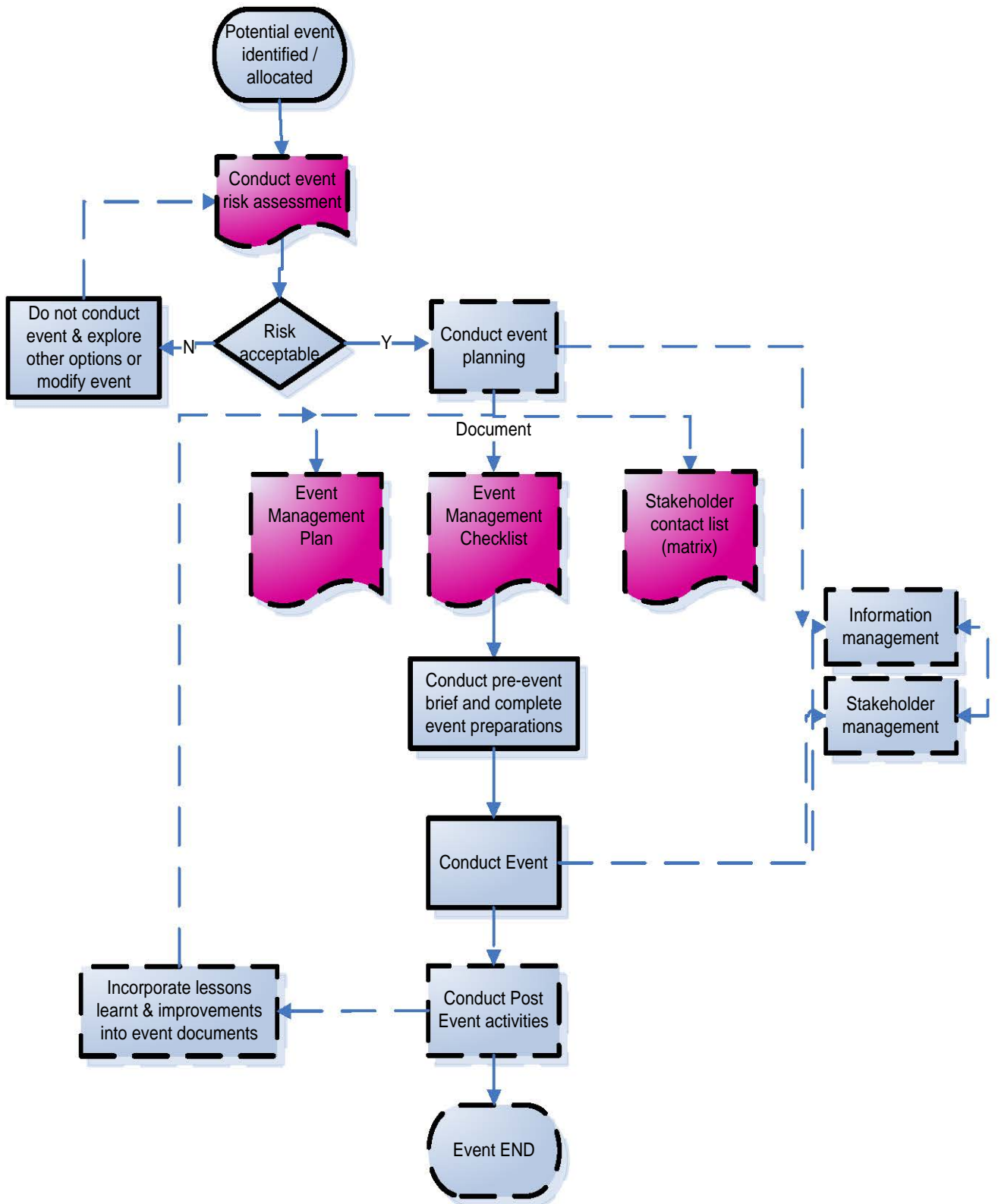
Appendix A	Event management process flowchart
Appendix B	Event management plan templates
Appendix C	Event checklist templates

## **REVIEW**

This policy was reviewed on 1 July 2010.  
Next review date will be 1 May 2012.

This policy was made by Racing Queensland on 1 July 2010 under s.81(w) of the *Racing Act 2002*. For further information contact Paul Brennan, Director of Product Development, by phoning (07) 3869 9721 or emailing [pbrennan@racingqueensland.com.au](mailto:pbrennan@racingqueensland.com.au)

**APPENDIX A: EVENT MANAGEMENT PROCESS FLOWCHART**



## APPENDIX B: EVENT MANAGEMENT PLAN TEMPLATES

### EVENT MANAGEMENT PLAN TEMPLATE EXAMPLES

Samples of event management plans can be found at the links below. Each example has a slightly different focus and therefore clubs should select the one that best corresponds to their specific needs. Clubs with a pre-existing event management plan template may continue to use that template provided it is suitable and addresses the major headings as highlighted below.

- ‘Alcohol, Safety and Event Management’  
<http://www.liquor.qld.gov.au/Documents/Events/Event+management.pdf>
- ‘A Planning Guide for Event Managers: ALCOHOL, SAFETY and EVENT MANAGEMENT’  
<http://www.liquor.qld.gov.au/Documents/Events/Event+Management+Plan.pdf>
- ‘Event Management Planning Guide for Event Managers in Victoria’  
[http://www.mansfield.vic.gov.au/Files/Event\\_Management\\_Guide.pdf](http://www.mansfield.vic.gov.au/Files/Event_Management_Guide.pdf)
- ‘Safety Planning Guidelines for Events’  
<http://www.huttcity.govt.nz/upload/documents/Leisure%20Active/Event%20Safety%20Guidelines.pdf>

### EVENT MANAGEMENT PLAN HEADINGS

Event management plans typically contain the following **indicative** headings in line with the size and complexity of both the club and the event:

#### **Event details**

*This introductory section outlines key details concerning the event including key appointment and documentation requirements.*

- Event overview
- Description of the event
- Key event appointments
- Patron details
- Documentation requirements.

#### **General considerations**

*This section contains general considerations that must be established prior to more detailed planning.*

- Finance
- Liquor licence details
- Public liability
- Permit requirements.

#### **Consultation with key stakeholders**

*This section outlines stakeholder requirements. It is essential that events are developed, conducted and reviewed in consultation with identified key stakeholders.*

- Key stakeholders
- Consultation register
- Planning meeting
- Briefing — before event
- Debriefing — after event
- Consultation log.

### **Planning for the event**

*This section captures key planning considerations for the conduct of an event. As each event will be different, the relevance and level of detail required in specific topic areas will vary.*

- Selection of a venue
- Site plan
- Event promotion and ticketing
- Signage
- Traffic management
- Emergency management
- Security management
- Entry and exit details
- Health and medical
- Noise
- Weather
- Information centre and communication
- Food
- Water
- Lighting and power
- Toilets
- Other logistics requirements.

### **Management of alcohol**

*This section outlines the event requirements for responsible alcohol management. Responsible alcohol management particularly serving practices will reduce risks for staff, event patrons and the public.*

- Liquor licence
- Permit conditions
- BYO and non-BYO events
- Responsible service of alcohol
- Minors
- Beverage options
- Beverage containers
- Trading hours
- Alcohol consumption areas.

## APPENDIX C: EVENT MANAGEMENT CHECKLISTS

### EVENT MANAGEMENT CHECKLIST EXAMPLES

Samples of event management checklists can be found at the links below. Each example has a slightly focus and therefore clubs should select the one that best corresponds to their specific needs. Clubs with a pre-existing event management plan checklist may continue to use that checklist provided it is suitable and addresses the major points as highlighted below.

- ‘Planning Safe Public Events – Practical Guidelines’  
[http://www.crimeprevention.gov.au/agd/WWW/ncphome.nsf/Page/Information\\_Kits](http://www.crimeprevention.gov.au/agd/WWW/ncphome.nsf/Page/Information_Kits)
- ‘Event Management’  
<http://www.ourcommunity.com.au/files/EventManagementGIO.pdf>
- ‘Sport and Recreation’  
<http://www.ourcommunity.com.au/files/SPORT%20AND%20RECREATIONGIO.pdf>
- ‘Emergency and Safety’  
<http://www.ourcommunity.com.au/files/EMERGENCYANDSAFETYGIO.pdf>

### EVENT MANAGEMENT CHECKLIST POINTS

Event Management checklists typically contain the following points:

<b>Complete the following checklist to ensure that all relevant activities have been conducted.</b>	
<input checked="" type="checkbox"/> Event management plan	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Stakeholder contacts	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Sponsorship letters	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Application for licences/permits	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Outward correspondence (including faxes and email)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Media releases	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Site plan	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Promotional material – posters, flyers	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Contracts	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Employment records	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Quotes for services or products	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Details of committee members	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Record of meetings	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Licenses/permits	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Inward correspondence (including faxes and email)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Emergency plan	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Complete the following checklist to ensure that all relevant activities have been conducted.**

<input checked="" type="checkbox"/> Event program	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Tickets	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Logos	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Accounts	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> File notes of telephone conversations	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Press articles, TV	<input type="checkbox"/> Yes <input type="checkbox"/> No

# End of Event Management Policy



## **Racing Queensland Limited**

### **RISK MANAGEMENT POLICY**

#### **COMMENCEMENT DATE**

This policy comes into effect on 1 July 2010.

#### **PURPOSE**

The *Racing Act 2002* authorises Racing Queensland Limited (RQL) to develop policies for the sound management of the industry. In addition, RQL's role is to initiate, develop and implement policies it considers conducive to the development and welfare of the racing industry and the protection of the public interest. A key component of RQL's suite of policies is the risk management policy.

The purpose of this risk management policy is to outline the RQL preferred risk management approach and methodology to assist racing clubs in the development of appropriate risk management capabilities.

#### **OBJECTIVES**

The objectives of this policy are to ensure that:

- a consistent approach to the management of risk is adopted within racing clubs
- all significant risks to racing clubs are identified, evaluated and managed
- the process of management of risk enhances the performance of racing clubs.

#### **BACKGROUND**

RQL recognises the importance of a structured approach to risk management. This industry based policy is intended to provide guidance for racing clubs in developing the capability to better understand potential threats and their consequences for their business. It will also assist racing clubs to make more informed decisions about risk management options, including whether to accept, transfer, reduce, or share those risks.

The benefits of effective risk management include:

- improved planning and performance
- the opportunity to minimise the cost of losses arising from crisis events
- greater protection for business assets and income flow through the identification of risk
- a better understanding about the need to achieve a balance between the costs (financial and non-financial) involved in mitigating risk, against the benefits derived from the activity, in order to achieve an appropriate level of business resilience
- improved stakeholder relationships
- improved information for decision making
- enhanced reputation.

Risk management is particularly important within the Queensland racing industry due to:

- the complexity of the industry



- the criticality of maintaining integrity within the industry
- stakeholder expectations
- the high probability of a variety of threats including equine or canine disease.

## **SCOPE OF POLICY**

This policy sets out RQL's preferred risk approach, vision, definition, and methodology for the Queensland racing industry. The policy has been designed to provide a platform for racing clubs to develop sound risk management understanding and practices.

## **POLICY STATEMENT**

In accordance with RQL's vision, all racing clubs should develop an appropriate and continuous level of risk management capability. In order to achieve this level of risk management, RQL will assist by:

- defining the risk approach for the racing clubs
- providing an appropriate level of support to racing clubs.

## **APPLICATION**

This policy applies to all RQL clubs and other significant entities with a commercial interest in the Queensland racing industry. The racing club's risk management plan should reflect the complexity and size of the individual organisation. *Relevant appendices to this policy have been developed with their individual applicability based on a club's TAB status.*

## **DOCUMENT PRECEDENCE**

Should there be any conflicting information provided in this policy document, the following list of precedence applies:

1. Racing Act 2002
2. Australian Rules of Racing 2008
3. RQL Regional Rules of Racing
4. RQL Local Rules of Racing
5. Greyhounds Australasia Rules
6. Australian Harness Racing Rules & Regulations
7. RQL Risk Management Policy.

## **PRINCIPLES OF RISK MANAGEMENT**

AS/NZS 31000:2009 Risk Management contains a comprehensive list of risk management principles. The risk management principles captured below reflect AS/NZS 31000:2009 but have been contextualised for RQL clubs.

### **Integration of risk management with business planning**

Risk management is an integral component of business planning. A first step in the annual business planning process is the identification and assessment of risks, in particular assessing whether there have been any significant changes in your club's risk profile.

### **Full racing club commitment**

Leadership needs to be shown by the Board and Chief Executive of each club to ensure that all racing clubs are committed to the process. In turn this commitment should be extended down to all staff by involving them in the risk management process and where appropriate, assigning specific responsibilities with risk management to individuals.

It is important to note that in smaller organisations the major responsibility for risk management may befall on only one or two individuals.

### **Review, monitoring and reporting of risks**

Formal mechanisms for review, monitoring and reporting of identified risks should be in place.

### **Cost benefit assessment**

Risk treatment options enable the management of identified risks at a tolerable or acceptable level within financial and/or other policy constraints. Although all risks can never be eradicated,

effective risk management provides the tools for the management of risks using a systematic and documented risk assessment process.

### **Scalable and fit for purpose**

The risk management process is a scalable, modular and flexible methodology. Risk management must therefore be applied to racing clubs based on their size, complexity and other relevant factors.

## **RISK MANAGEMENT PROCESS**

The policy is aligned with the Australian and New Zealand risk management standard AS/NZS 31000:2009 and considers the current Queensland racing industry environment and risk management requirements. The risk management process is the same for all racing clubs but scalable to individual needs. Additional information is contained in the appendices as outlined below:

- key terms and abbreviations (**all clubs**) are contained in [Appendix A](#)
- an overview of the risk management process (**non-TAB clubs**) is contained in [Appendix B](#)
- a more detailed description of the risk management process steps (**TAB and strategic non-TAB clubs**) in the context of the Queensland racing industry is contained in [Appendix C](#)
- a risk register worksheet (**all clubs**) is contained in [Appendix D](#).

## **ROLES AND RESPONSIBILITIES OF RISK MANAGERS**

The initial step in the risk management program should be to designate a senior person who will be responsible and accountable for the risk management program and determine the required documentation. This step is important to ensure that the risk management program has ownership within your organisation. An indicative risk management organisational structure (**TAB and strategic non-TAB clubs**) is attached in [Appendix E](#).

## **RISK MANAGEMENT DOCUMENTATION**

Each stage of the risk management program should be recorded appropriately and in accordance to the legal and business needs of your organisation. Important benefits of keeping documentation include:

- enable decisions or processes to be reviewed
- provide evidence showing a systematic approach
- build and retain internal knowledge
- communication and demonstration to stakeholders that the risk management process has been conducted appropriately.

Consideration should be given to the costs of developing and maintaining records and to the benefits of keeping such records. Maintaining certain documentation may be considered unnecessary and therefore an assessment of the required documentation needs to be undertaken on an individual racing club basis.

The Risk Management Plan *brings together in one document the results of the risk assessment* and should contain:

- risk management roles and responsibilities
- list of risks identified, analysed and evaluated (contained in the risk register as an appendix)
- summary of risk treatments for major risks (contained in the risk treatment schedule)
- an outline of the approach to monitoring and reporting on risks.

A suggested Risk Management Plan Outline (**TAB and strategic non-TAB clubs**) is attached in Appendix F. In addition to the Risk Management Plan there should be documentation kept on risk reviews, outcomes of audits, details of previous recommendations and follow up activity; as well as an incident database which is used to track and uncover patterns in incidents and priority areas to address vulnerabilities. As a minimum **non-TAB clubs** must maintain an up to date Risk Register.

## RISK REPORTING AND TRAINING REQUIREMENTS

TAB clubs are required to submit a risk management plan to RQL by the 30<sup>th</sup> September each year. In addition, **TAB and strategic non-TAB clubs** are required to submit a Club Risk Reporting Form ([Appendix G](#)) when there has been a significant material deterioration of a risk. This form is designed to highlight and communicate in a consistent manner any changes in a club's risk profile (e.g. new service/event offering) to RQL.

## KEY CONTACTS

Key contact points at RQL are the:

- Chief Financial Officer
- Business Analyst
- Senior Corporate Counsel/Company Secretary

Racing clubs must nominate and report to RQL on the designated risk management officer. These details must also be stated in the risk management plan.

## REFERENCES

This policy has been developed using the following standards and guides:

- AS/NZS 31000:2009 – Risk Management – Principles and Guidelines
- HB 327:2010 – Communicating and Consulting about Risk (Companion to AS/NZS 31000:2009)

## AUTHORITY AND OTHER INFORMATION

*Racing Act 2002*

*Australian Rules of Racing 2008*

*Greyhounds Australasia Rules*

*Australian Harness Racing Rules & Regulations*

## APPENDICES

<a href="#">Appendix A</a>	Key terms and abbreviations ( <b>all clubs</b> )
<a href="#">Appendix B</a>	Risk Management process overview ( <b>non-TAB clubs</b> )
<a href="#">Appendix C</a>	Risk Management process in detail ( <b>TAB and strategic non-TAB clubs</b> )
<a href="#">Appendix D</a>	Risk Register Worksheet ( <b>all clubs</b> )
<a href="#">Appendix E</a>	Roles and responsibilities organisational structure ( <b>TAB and strategic non-TAB clubs</b> )
<a href="#">Appendix F</a>	Risk Management Plan Outline ( <b>TAB and strategic non-TAB clubs</b> )
Appendix G	Club Risk Reporting Form ( <b>TAB and strategic non-TAB clubs</b> )

## REVIEW

This policy was reviewed on 1 September 2010.

Next review date will be 1 May 2012.

This policy was made by Racing Queensland on 1 July 2010 under s.81(w) of the *Racing Act 2002*. For further information contact Adam Carter, Chief Financial Officer by phoning (07) 3869 9702 or emailing [acarter@racingqueensland.com.au](mailto:acarter@racingqueensland.com.au)

## APPENDIX A: KEY TERMS AND ABBREVIATIONS (ALL CLUBS)

The following risk management terminology has been adopted by RQL in this policy.

<i>Control</i>	Measure that is modifying <b>risk</b> (AS/NZS 31000:2009).
<i>Consequence</i>	Outcome of an <b>event</b> affecting objectives (AS/NZS 31000:2009).
<i>Event</i>	Occurrence or change of a particular set of circumstances (AS/NZS 31000:2009).
<i>Level of Risk</i>	Magnitude of a <b>risk</b> or combination of risks, expressed in terms of the combination of <b>consequences</b> and their <b>likelihood</b> (AS/NZS 31000:2009).
<i>Likelihood</i>	chance of something happening (AS/NZS 31000:2009).
<i>Non-TAB Clubs</i>	As per the <i>Racing Act 2002</i> - clubs for which TattsBet does not or is unlikely to offer wagering on the majority of the clubs' harness races or races of thoroughbred horses or greyhounds.
<i>RQL</i>	Racing Queensland Limited.
<i>Risk</i>	The effect of uncertainty on objectives. An effect is a deviation from the expected – positive or negative.
<i>Risk Assessment</i>	Overall process of <b>risk identification</b> , <b>risk analysis</b> and <b>risk evaluation</b> (AS/NZS 31000:2009).
<i>Risk Management</i>	Coordinated activities to direct and control an organization with regard to <b>risk</b> (AS/NZS 31000:2009).  This policy does not intend to eliminate risk completely; rather it outlines an approach for effectively managing the risks involved in all racing industry participant activities (AS/NZS 31000:2009).
<i>Risk Management process</i>	Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing <b>risk</b> (AS/NZS 31000:2009).
<i>Risk Owner</i>	Person or entity with the accountability and authority to manage a <b>risk</b> (AS/NZS 31000:2009).
<i>Risk Tolerance</i>	Is the level of risk an organisation is prepared to accept without insisting on action to either reduce the level of incidence or the likelihood of the event occurring.
<i>Risk Treatment</i>	Process of selection and implementation of measures to modify risk.
<i>Risk Types</i>	
<i>Inherent Risk</i>	Level of risk assuming no controls are in place or those that are in place are totally ineffective

<i>Managed Risk</i>	Level of risk taking onto consideration the effectiveness of existing controls (also know as the managed risk)
<i>Residual Risk</i>	Risk remaining after the implementation of a risk treatment (AS/NZS 31000:2009).
<i>Strategic Non-TAB Clubs</i>	<p>Clubs that are strategically located to ensure regional sustainability. These clubs currently provide increased levels of infrastructure to support training and racing requirements within each region. The following listed clubs are designated as strategic non-TAB clubs:</p> <ul style="list-style-type: none"> <li>• Atherton Turf Club</li> <li>• Barcaldine Racing Club</li> <li>• Barcoo Amateur Race Club</li> <li>• Beaudesert Race Club</li> <li>• Bowen Turf Club</li> <li>• Bundaberg Race Club</li> <li>• Burdekin Race Club</li> <li>• Cairns Jockey Club</li> <li>• Central Warrego Race Club</li> <li>• Chinchilla Race Club</li> <li>• Cloncurry &amp; District Race Club</li> <li>• Cunnamulla &amp; District Diggers' Race Club</li> <li>• Dalby &amp; Northern Downs Jockey Club</li> <li>• Emerald Jockey Club</li> <li>• Gladstone Turf Club</li> <li>• Goondiwindi Race Club</li> <li>• Gympie Turf Club</li> <li>• Innisfail Turf Club</li> <li>• Julia Creek Turf Club</li> <li>• Lockyer Race Club</li> <li>• Longreach Jockey Club</li> <li>• Mt Isa Race Club</li> <li>• Nanango Race Club</li> <li>• Richmond Turf Club</li> <li>• Roma Turf Club</li> <li>• Thangool Race Club</li> <li>• Towers Jockey Club</li> <li>• Warwick Turf Club</li> <li>• Bundaberg Greyhound Racing Club</li> <li>• Cairns Greyhound Racing Club</li> <li>• Capalaba Greyhound Racing Club</li> <li>• Marburg Harness Racing Club</li> </ul>
<i>TAB Clubs</i>	<p>Clubs for which TattsBet offers wagering on the majority of the clubs' harness races or races of thoroughbred horses or greyhounds. A TAB Club will have either a Metropolitan or Provincial Club status. The following clubs are classified as TAB Clubs:</p> <ul style="list-style-type: none"> <li>• Brisbane Racing Club (Doomben &amp; Eagle Farm racecourses)</li> <li>• Gold Coast Turf Club</li> <li>• Ipswich Turf Club</li> <li>• Sunshine Coast Turf Club</li> <li>• Mackay Turf Club</li> <li>• Rockhampton Jockey Club</li> <li>• Toowoomba Turf Club</li> <li>• Townsville Turf Club</li> <li>• Albion Harness Racing Club</li> <li>• Gold Coast Harness Racing Club</li> <li>• Redcliffe Harness Racing Club</li> <li>• Brisbane Greyhound Racing Club</li> </ul>

- Ipswich Greyhound Racing Club
- Townsville Greyhound Racing Club
- Rockhampton Greyhound Racing Club
- Any other club conducting a race meeting, other than Metropolitan, on which a full TAB service and offcourse television coverage applies, or was to apply.

*Threat*

Anything (e.g. object, substance, human etc) that is capable of causing harm to a racing industry participant. Threats can be specific to a racing industry participant (e.g. disgruntled former employee) or industry specific (e.g. Equine Influenza).

**Refer to AS/NZS 31000:2009 for a full list of risk management terms and definitions.**

## APPENDIX B: RISK MANAGEMENT PROCESS OVERVIEW (NON-TAB CLUBS)

### OVERVIEW

Figure 1 outlines the risk management steps adapted from AS/NZS 31000:2009. These steps form the basis of RQL's preferred risk management process.

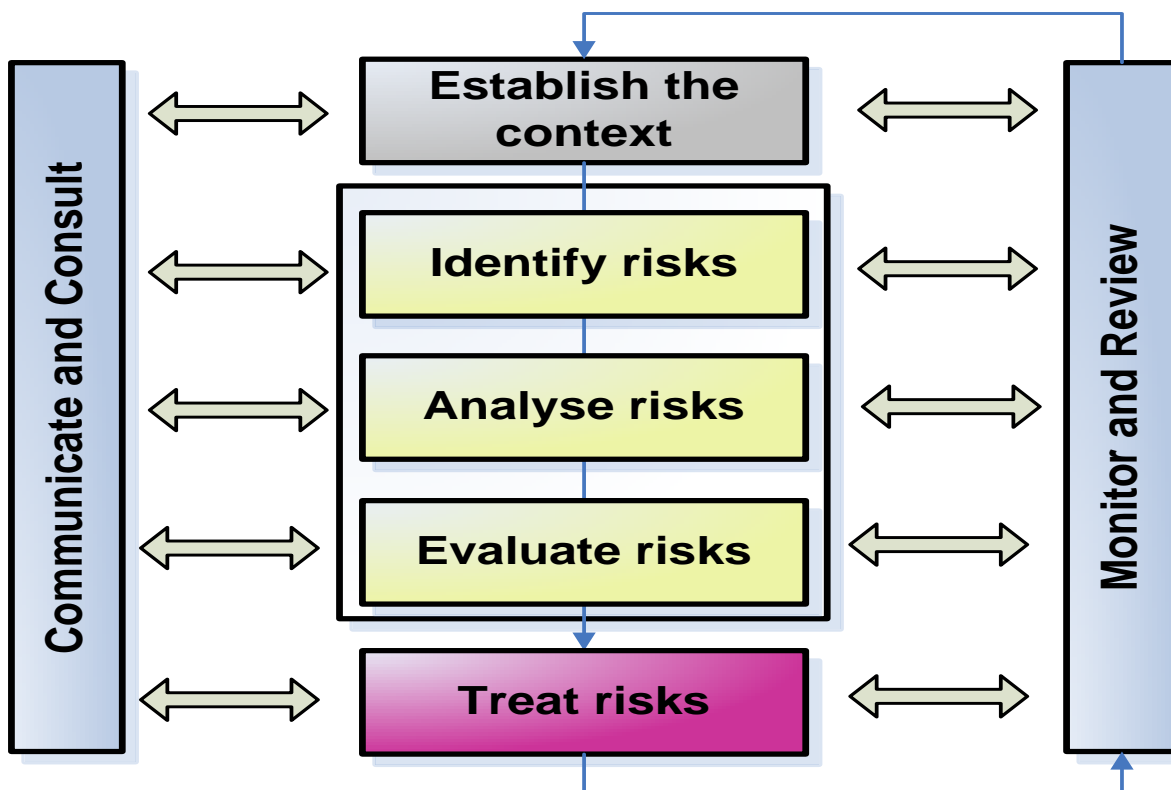


FIGURE 1: RISK MANAGEMENT PROCESS (SOURCE: AS/NZS 31000:2009)

### COMMUNICATE AND CONSULT

- This is a process not an outcome and should be considered at each step
- Engage important stakeholders in two-way communication on a continuous basis
- Integrates multiple perspectives and builds trust.

### ESTABLISH THE CONTEXT

- Have somebody overall responsible for the management of risk
- Understand the relationship between the club and its external context by investigating the political, economic, social, competitive, environmental and legal environments
- Understand your internal club context including key revenue sources, important stakeholders, staff / volunteers and core operations such as facilities, technology, assets, management practices and procedures
- Establish the club's risk management metrics in terms of consequence and likelihood
- Establish the club's risk management tolerance (appetite) by considering the available financial and non-financial resources and the goals of the club.

### IDENTIFY RISKS

- Develop a comprehensive list of the sources of risk (threats and hazards) by relevant categories which may affect the club. Opportunities associated with the sources of risk should be identified
- Brainstorm risk categories as a group in order to define relevant risks
- The description of the risk should include an event, an outcome or impact, the context or environment in which it may occur and a detection method.

### ANALYSE RISKS

- Identify the adequacy and effectiveness of existing controls which mitigate the risk
- Determine the financial and non-financial consequences should the risk event occur
- Determine the likelihood of the risk event occurring
- Determine the level of managed risk.

#### **EVALUATE RISKS**

- Compare the level of managed risk found during the analyse process with the club's risk tolerance established when the context was considered
- Decide if risks require treatment and priorities for treatment.

#### **TREAT RISKS**

- Determine a risk treatment strategy from the options listed below.
  - **Share the risk** (with another party e.g. RQL or Local Council)
  - **Transfer the risk** (to another party e.g. Insurance company)
  - **Avoid the risk** (do not undertake the activity)
  - **Ignore the risk** (accept the risk)
  - **Reduce the risk** (reduce likelihood, consequence or both)
- Determine if the risk treatment strategy is acceptable to key stakeholders
- Develop a timetable for implementation of the risk treatment strategy
- Document how risk treatment strategies will be monitored.

#### **MONITOR AND REVIEW**

- The risk management process should be monitored at each stage and in an iterative manner
- Periodic reviews of the risk profile should be conducted when there is a significant change to the club's operating environment or internal operations.



## APPENDIX C: RISK MANAGEMENT PROCESS IN DETAIL (TAB AND STRATEGIC NON-TAB CLUBS)

### OVERVIEW

Figure 1 outlines the risk management steps adapted from AS/NZS 31000:2009. These steps form the basis of RQL's preferred risk management process.

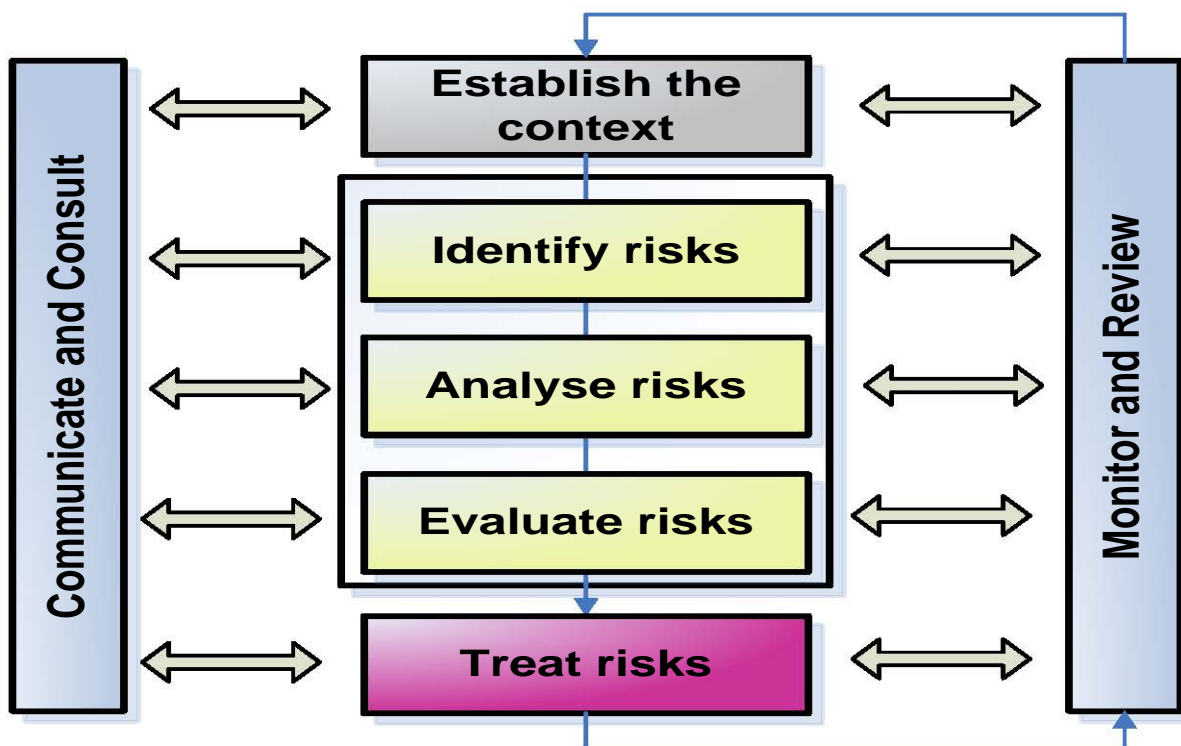


FIGURE 1: RISK MANAGEMENT PROCESS (SOURCE: AS/NZS 31000:2009)

### COMMUNICATE AND CONSULT

Racing clubs should engage their important stakeholders in two-way communication early on in the risk management process. This is important because different stakeholders will hold different views about risk issues. In addition, there are likely to be variances in the consequences of threat events for different stakeholders. Communicating and consulting with stakeholders will help build and maintain trusting relationships.

### ESTABLISH THE CONTEXT

It is important to start the risk management process with a clear understanding of your organisation's operating environment. To establish the context it is essential to:

- *Establish the external and internal context.* Initially identify and scope all influences (external and internal) which may reasonably impact on your business. This will help to define the criteria by which it is decided whether a risk is acceptable or not and will form the basis of options for treatment. For example a racing club may have the goal of safety and integrity at race meetings and the objectives would be to ensure that premises are safe and structurally sound and maximum insurance cover is obtained against accidental damage or injury.
- *Establish the risk management context.* The goals, objectives, strategies, scope and parameters of the activity to which the risk management process is being applied should be established. The process should be undertaken with full consideration of the need to balance costs, benefits and opportunities. The resources required and the records kept should also be specified.

- *Develop risk evaluation criteria.* This involves deciding on the criteria against which risk is to be evaluated. At this point, consideration should be given to the level of risks an organisation is prepared to accept. Decisions on risk acceptability and treatment may be based on operational, technical, financial, legal or other criteria.
- *Define the structure for the rest of the risk management process.* This involves separating the activity or project into a set of elements. These elements provide a logical framework for identification and analysis, which helps ensure significant risks are not overlooked.

### **Summary of important factors to consider in establishing the context**

1. What are the goals and objectives that need to be accomplished?
2. What are the performance measures that will indicate achievement of these objectives?
3. Have the legislative, political, cultural and socio-economic environments and internal businesses' strengths, weaknesses, opportunities and threats been considered?
4. Have all the stakeholders been identified and their interests considered?

### **IDENTIFY RISKS**

Risks should be identified based on the objectives of the organisation (in this instance racing club's corporate, division/business and project specific objectives).

This step involves identifying the risks which arise from all aspects of your organisation's operating environment identified in the previous step. A well-structured systematic process is central to the risk identification process. A convenient start point in risk identification is to identify risk categories. Noting that all risk categories may not be applicable to all clubs, a list of examples of risk categories is outlined below:

- **People** – patrons, staff, contractors, alcohol consumption, etc.
- **Information Technology** – IT security, systems, capacity, performance
- **Finance** – Control, investment, financial performance, compliance
- **Operations** – Crowd behavior, traffic, event management, maintenance
- **Strategy and Corporate Governance** – Corporate direction, Board responsibility, Management control, Policies
- **Environment** – Water, dangerous goods, economic environment, maintenance, strategic improvements, market movements
- **Stakeholder Management** – Partnerships, members, industry participants, residents, suppliers, staff, sponsors, patrons
- **Reputation and Image** – Media coverage, branding, charity, event conduct, venue standards, customer service standards
- **Regulatory and Legal** – Current legislation, policy requirements, Club constitution, Workplace Health & Safety.

### **Summary of important factors to consider when identifying risks**

1. When, where, why and how are the risks likely to occur, and who might be involved?
2. What is the source of each risk?
3. What are the accountability mechanisms – internal and external?
4. What is the need for research into specific risks?
5. What is the scope of this research?
6. What resources are needed to carry out the research?
7. What is the reliability of the information?
8. What are the stakeholders' expectations of the organisation's performance?

### **ANALYSE RISKS**

Risk analysis is a systematic process to understand the nature of and to determine the level of risk. Risk analysis provides an input to decisions on whether risks need to be treated and the most appropriate and cost-effective risk treatment strategies.

Risk analysis can be both qualitative and quantitative. The key steps in risk analysis:

1. Identify the adequacy and effectiveness of existing controls which may have impact on the risk
2. Determine the consequences should the risk event occur
3. Determine the likelihood of the risk event occurring
4. Determine the level of managed risk.

**Identify the adequacy and effectiveness of the risk controls in place**

The risk management process requires consideration of the controls already in existence and the adequacy and effectiveness of these controls. Once the adequacy and effectiveness of those controls have been identified, further consideration can be given as to whether the controls require modification, or whether other systems and controls are needed.

As part of any risk analysis, there may be a variety of controls that need to be identified. For example, controls are involved with:

- Corporate or strategic business activities
- Operational or commercial activities
- Project or contract activities
- Service delivery
- Financial processes
- Legal or compliance requirements
- Personnel safety or security
- Assets or property management
- Systems management
- Stakeholder involvement
- Other specific or unique activities.

The adequacy and effectiveness of controls can be identified by a number of methods including:

- A structured audit approach
- Analysing the history or probability of failure of the systems/controls
- Analysing the effectiveness of the systems/controls in prevention or reduction of risks
- Analysing the flexibility of systems/controls in dealing with slightly modified circumstances.

Table 1 provides your club with a system on the adequacy of existing controls.

**TABLE 1: CONTROL RATING**

<b>Description</b>	
Very Effective	The system (practices/controls) is effective in mitigating the risk. Systems and processes exist to manage the risk and management accountability is assigned. The systems are well documented and regular monitoring and review indicates high compliance with the process
Effective	Systems and processes exist which manage that risk. Some improvement opportunities have been identified but not yet actioned
Partly Effective	Systems and processes exist which partially reduce the risk
Marginal	The systems and processes for managing the risk have been subject to major change or are in the process of being implemented and its effectiveness cannot be determined
Ineffective	No system or processes exists to manage the risk

## Determine the consequences should a risk event occur

Consequence is the outcome or impact of an event (e.g. a loss, injury, disadvantage or gain). Consequence must consider the adequacy and effectiveness of existing controls at the moment. In determining the consequences of a particular risk, racing clubs should consider:

- Impact on achievement of stated objectives
- Level of disruption to a business activity or service being delivered
- Potential financial loss, potential mitigation costs and/or legal exposure
- Extent and level of impact on people, property or the environment
- Public outrage, long term adverse media scrutiny, significant embarrassment for your organisation resulting in significant loss of stakeholder confidence.

A sample consequence scale is provided in Table 2 below. Similar to the likelihood scale, racing clubs should adapt this scale to fit the nature of their organisation.

**TABLE 2: RISK CONSEQUENCE**

Rating		Area of Impact				
		Financial	Business Continuity	Regulatory	Reputation	Workplace, Health & Safety
Extreme	5	Above XXXXXX				
Major	4	Up to XXXXX				
Moderate	3	Up to XXXX				
Minor	2	Up to XXX				
Low	1	Less than XXX				

## Determine the likelihood of a risk event occurring

Likelihood is used as a description of probability, chance or frequency of the consequence event that was previously described. The adequacy and effectiveness of existing controls will affect the likelihood of a risk event occurring. Likelihood must consider the adequacy and effectiveness of existing controls at the moment.

Other factors that may need to be considered in determining the level of likelihood include the relevance and applicability of:

- Historical trends and data (claims or records)
- Susceptibility in terms of how vulnerable the business is to a particular risk
- Complexity in terms of process, tasks and technology
- Current intelligence
- New research or expert knowledge on risk exposure.

Likelihood of a risk event occurring can be considered using a cascading scale. Importantly, racing clubs should adapt this scale according to the nature of their own business. An example of risk likelihood is contained in Table 3.

**TABLE 3: RISK LIKELIHOOD**

Rating		Likelihood of Occurrence
Almost Certain	5	The event is almost certain to occur within the planning period
Likely	4	The event is likely to occur within the planning period
Possible	3	The event may occur within the planning period
Unlikely	2	The event is not likely to occur in the planning period
Rare	1	The event will only occur in exceptional circumstances during the assessment period or as a result of a combination of unusual events

## Determine the level of managed risk

Having considered the likelihood and consequences of an individual risk, the level of risk can be determined. The combined ratings for likelihood and consequence for each risk are combined in the matrix below (Figure 2) to determine the level of managed risk.

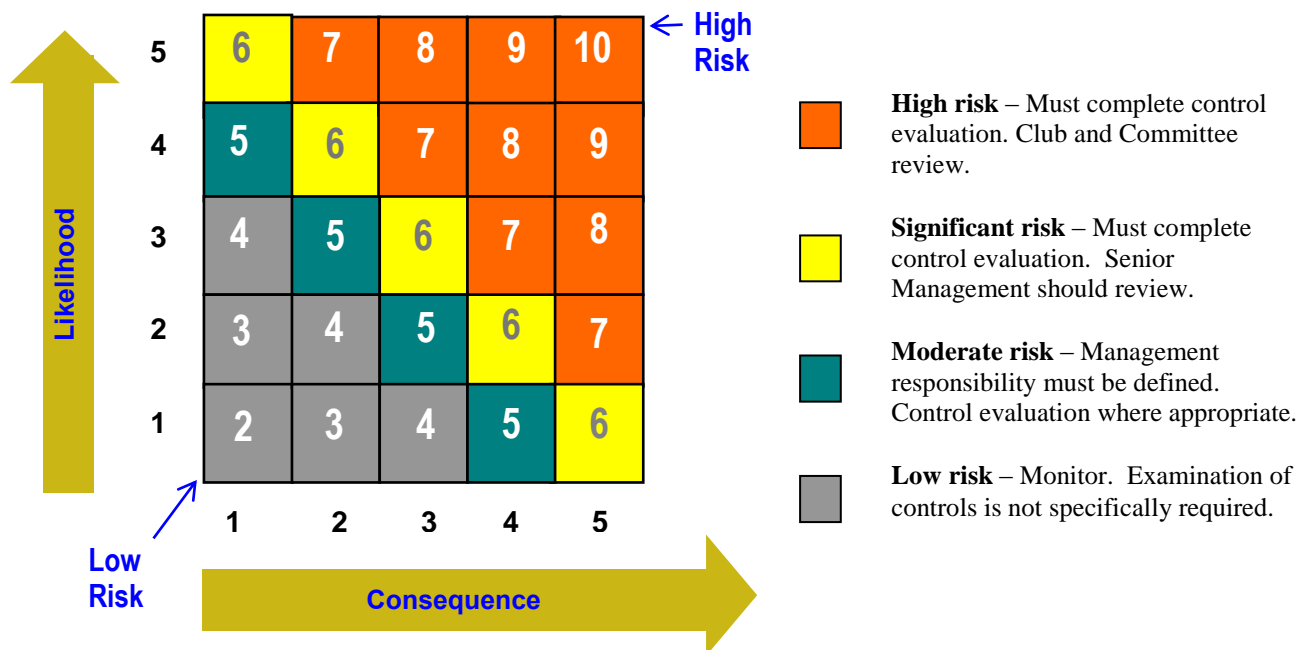


FIGURE 2: RISK RATING

**Summary of important factors to consider when analysing risk**

1. What are the current controls that may prevent, detect or lower the consequences of potential or undesirable events?
2. What factors might increase or decrease the level of risk?
3. What are the potential consequences of the risks if they do occur?
4. What is the potential likelihood of the threat occurring?
5. Are there any opportunities?
6. How confident are you in your judgement?

## EVALUATE RISKS

### Risk evaluation

The purpose of risk evaluation is to make decisions, based on the outcomes of risk analysis, about which risks need treatment and treatment priorities. Risk evaluation involves comparing the level of managed risk found during the analysis process with the risk criteria (club's risk tolerance) established when the context was considered. In addition, the balance between potential benefits and adverse outcomes also needs to be considered.

A basic approach is to consider which risks require treatment and which risks do not. If it is decided that a particular risk does not require treatment, it does not imply that the risk is insignificant. That risk needs to be monitored by management over time for changes.

*Managed risk acceptable = do not treat*  
*Managed risk unacceptable = treatment required*

Some of the reasons why a risk might not require treatment include:

- The level of the risk is so low that specific treatment is not appropriate within available resources (e.g. treatment is not cost beneficial)
- The risk is such that there is no treatment available. For example, the risk that a project might be terminated following a change of government is not within the control of an organisation
- The cost treatment, including insurance costs, is so manifestly excessive compared to the benefit that acceptance of the risk is the only option (this may apply particularly to lower ranked risks)
- The opportunities presented outweigh the threats to such a degree that the risk is justified.

### Summary of important factors to consider when evaluating risk

1. Is the level of managed risk acceptable to the risk criteria established when the context was considered?
2. The key output from this stage is the decision to treat risk or not
3. In some circumstances, the risk evaluation may lead to a decision to undertake further analysis.

## TREAT RISKS

In line with RQL's Risk Management Policy, managers at all level of your club should be accountable for mitigating risks to an acceptable level at reasonable costs to minimise any adverse impact on your club's operations. Accordingly, the objective of this phase is to identify and implement measures to modify the level of risk where necessary. Risk treatments can be captured through five broad strategies:

- **Share the risk** (with another party e.g. RQL or Local Council)
- **Transfer the risk** (to another party (e.g. Insurance company)
- **Avoid the risk** (do not undertake the activity)
- **Ignore the risk** (accept the risk)
- **Reduce the risk** (reduce likelihood, consequence or both).

Risk treatments should be prioritised according to a cost benefit analysis to determine the most appropriate treatments. Treatments should address the cause of the risk not just the symptoms. The selected risk treatment option should take into consideration your important stakeholders. Some examples of risk treatment options include:

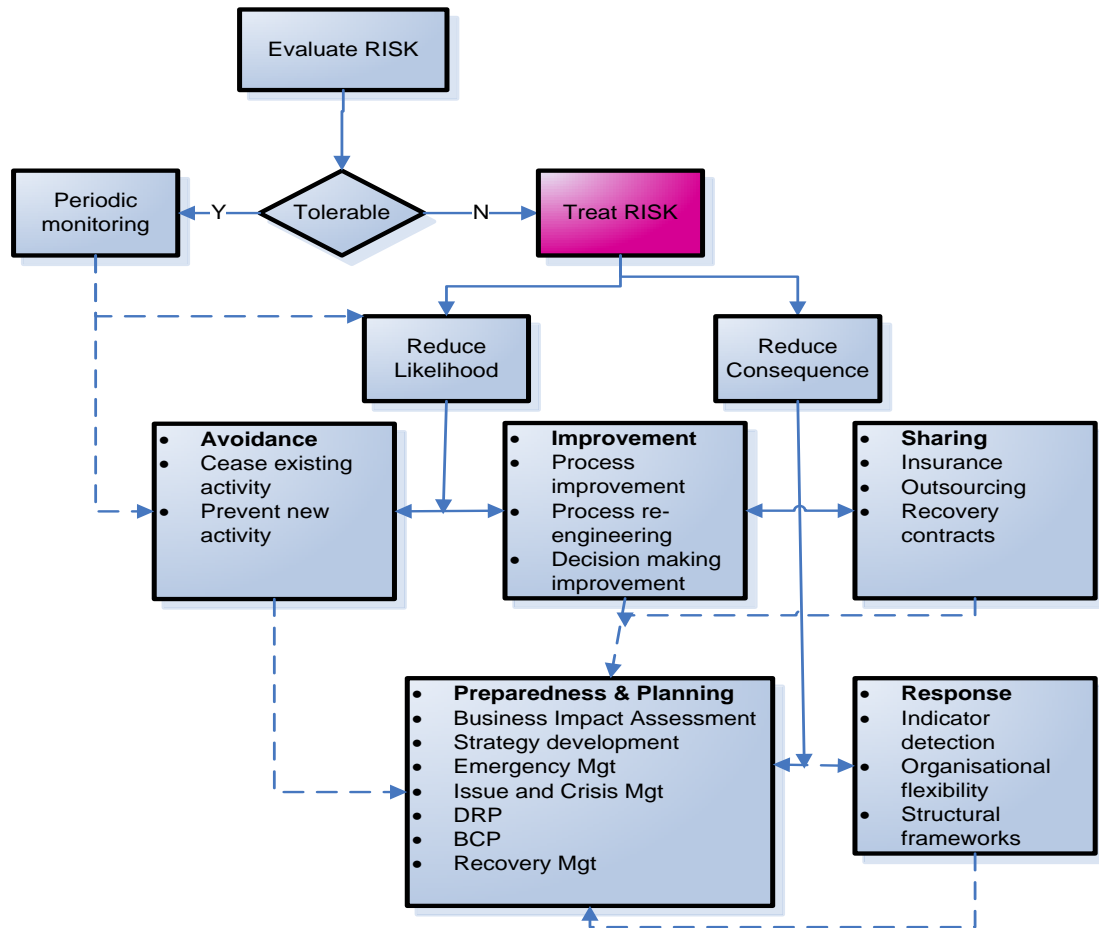
#### *Reduce the likelihood*

- Avoiding the risk (e.g. cease activity, prevent new activity)
- Improvement (e.g. process improvement, process re-design, decision making improvement)

*Reduce the consequence*

- Sharing the risk (e.g. via contract with a partner, outsourcing, subcontracting)
- Transferring the risk (e.g. insurance, contracting out of services)
- Business continuity plan (documented continuity arrangements including contingencies, resources, key contacts and alternate arrangements)

Figure 3 illustrates the process flow of determining an appropriate risk treatment.



**FIGURE 3: RISK TREATMENT OPTIONS (SOURCE HB 292: 2006)**

**MONITOR AND REVIEW**

Monitoring and review is an essential part of effectively managing risk. It is necessary to actively monitor the adequacy of your risk controls and sign of emergent threats that can impact the racing industry and your club. Internal and environmental changes can significantly alter your risk management profile including the risk levels and effectiveness of risk treatments.

Monitoring and review frequency of the risk management program is within Table 4 below:

**TABLE 4: MONITORING AND REVIEW FREQUENCY TABLE**

Frequency	Description
Day to day	Regular checking and continuous monitoring
Periodically	Line management review (control self assessment, driven by the risk profile and management span of control)
Annually (depending on organisation size)	Third party audit (internal and external auditing aimed at policy and standard compliance)

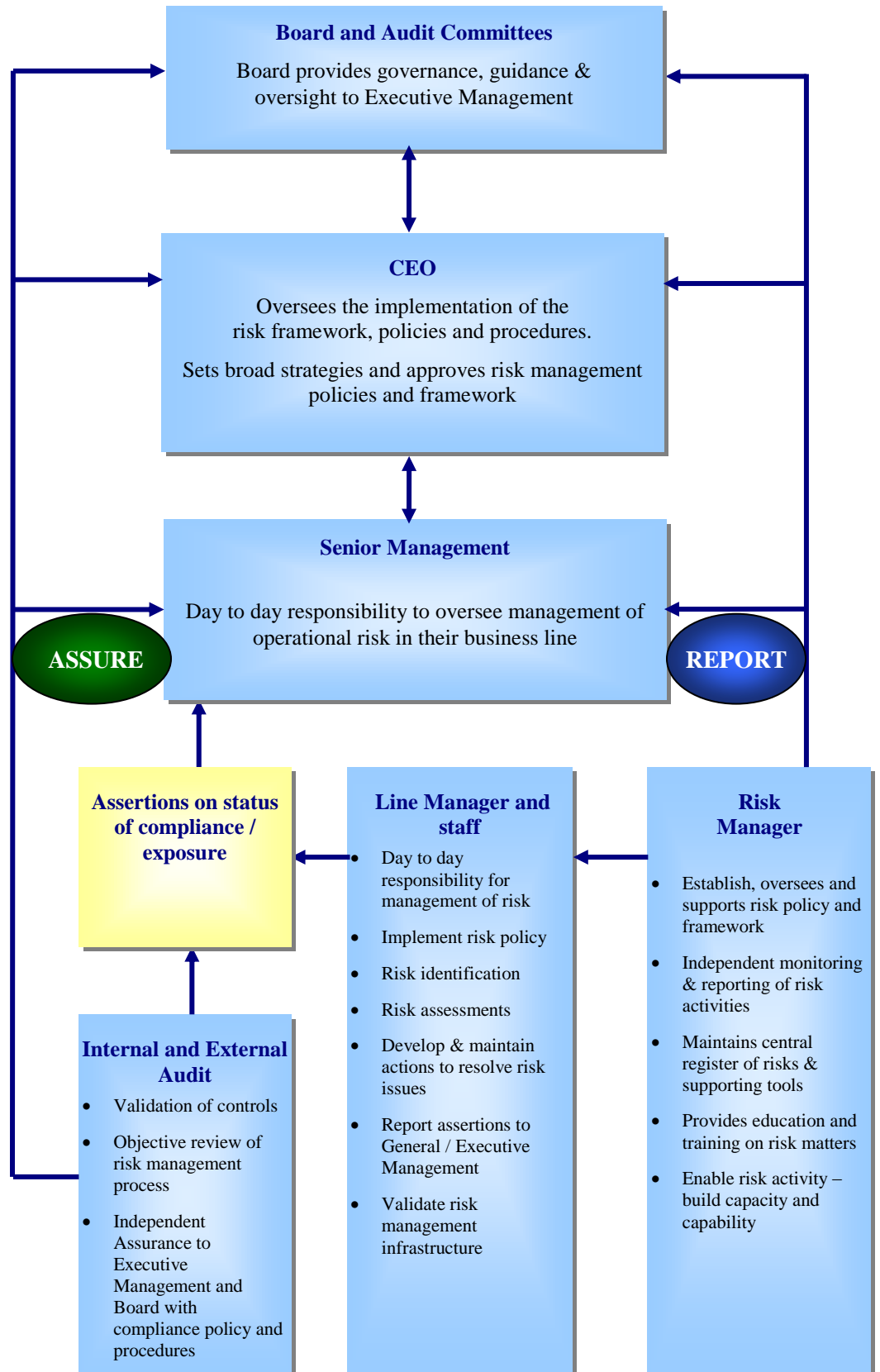
**APPENDIX D: RISK REGISTER WORKSHEET (ALL CLUBS)**

<b>Function/Activity</b>		<b>Compiled by:</b>		<b>Date:</b>	
<b>Date of risk review</b>		<b>Reviewed by:</b>		<b>Date:</b>	

<b>Risk Category</b>	<b>Risk Owner</b>	<b>Description</b>	<b>Existing controls</b>	<b>Consequences</b>	<b>Likelihood</b>	<b>Managed Risk Level</b>	<b>Acceptable Yes or No</b>	<b>Risk Treatment (additional controls)</b>	<b>Risk Treatment Responsibility &amp; Timeline</b>
<b>PEOPLE</b>	XX	<i>Failure to recruit and retain key specialised personnel</i>	<i>Marginal</i>	<i>Moderate (3)</i>	<i>Likely (4)</i>	<i>High (7)</i>	<i>No</i>	<i>Reduce likelihood through new staff initiatives</i>	<i>XX Within 6 months</i>
<b>IT</b>	XX	<i>Failure of the Tote system on race day</i>	<i>Partly effective</i>	<i>Major (4)</i>	<i>Likely (4)</i>	<i>High (8)</i>	<i>Yes</i>	<i>Continue to monitor the risk</i>	<i>NA</i>
<b>FINANCES</b>	YY	<i>Inability to achieve and maintain RQL FM requirements</i>	<i>Effective</i>	<i>Major (4)</i>	<i>Possible (3)</i>	<i>High (7)</i>	<i>Yes</i>	<i>Continue to monitor the risk</i>	<i>NA</i>
<b>OPERATIONS</b>	ZZ	<i>Lack of adequate security on race day</i>	<i>Ineffective</i>	<i>Moderate (3)</i>	<i>Likely (4)</i>	<i>High (7)</i>	<i>No</i>	<i>Improved alcohol Mgt Reduce attendees</i>	<i>DD Within 3 months</i>
<b>ENVIRONMENTAL</b>	DD	<i>Adverse weather conditions affecting race day conduct</i>	<i>Ineffective</i>	<i>Moderate (3)</i>	<i>Possible (3)</i>	<i>High (6)</i>	<i>No</i>	<i>Investigate cost effectiveness of increasing drainage</i>	<i>DD Within 2 months</i>
<b>Guidance</b>			<b>Share Transfer Avoid Ignore (accept) Reduce</b>	<b>Extreme (5) Major (4) Moderate (3) Minor (2) Low (1)</b>	<b>Almost certain (5) Likely (4) Possible (3) Unlikely (2) Rare (1)</b>	<b>High (7-10) Significant (6) Moderate (5) Low (2-4)</b>	<b>Very Eff Effective Partly Eff Marginal Ineffective</b>	<b>Share Transfer Avoid Ignore (accept) Reduce</b>	



**APPENDIX E: RISK MANAGEMENT ROLES AND RESPONSIBILITIES  
ORGANISATIONAL STRUCTURE (TAB AND STRATEGIC NON-TAB CLUBS)**



## APPENDIX F: RISK MANAGEMENT PLAN OUTLINE (TAB AND STRATEGIC NON-TAB CLUBS)

- INTRODUCTION
  - *This section provides relevant background information, how the document was prepared and what information was used as references*
- SCOPE
  - *This section outlines the scope of the plan as it applies to the racing club in terms of:*
    - *duration and*
    - *breath of operation*
- POLICY STATEMENT
  - *The policy statement outlines the broad process for management of risk*
  - *Key risk concepts are defined including the club's risk tolerance is defined*
  - *Roles and responsibilities are defined*
- RISK REVIEW
  - Documentation
    - *Outlines what documents and registers will be used to manage risk*
    - *As a minimum a simple risk management plan must be used and documented*
  - Timeframes
    - *Outlines the duration and currency of the plan*
    - *Defines review and monitor timeframes plus other key timings*
- METHODOLOGY
  - Key definitions
    - *Outlines key definitions as they apply to the racing club*
    - *Definitions can be used from this policy document*
  - Risk Categories
    - *Define the risk categories relevant to the racing club and its operating environment*
    - *The start point should be the risk categories as identified in this policy*
  - Risk Likelihood Rating
    - *Contains the 1-5 likelihood table populated with club specific metrics*
  - Risk Consequence Rating
    - *Contains the 1-5 consequence table populated with club specific metrics*
  - Control Rating and Assessment Table
    - *Contains the 1-10 global control effectiveness table (use table from this policy)*
    - *Contains the 1-10 risk level rating system (use table from this policy)*
- RISK ASSESSMENT
  - *This is where racing clubs document the risk assessment of individual risks by category*

- *Appendix C, the Risk Register Worksheet, should be used as a convenient and easy means to capture the data*
- **RISK TREATMENT<sup>1</sup>**
  - *This is where racing clubs document the managed risks which are unacceptable in priority order. Risk treatment options are then defined per risk with information also recorded on timing, responsibilities, costs vs benefits and monitoring requirements.*

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<sup>1</sup> Where appropriate risk assessment and risk treatments may be combined into a single table.

**APPENDIX G: CLUB RISK REPORTING FORM (TAB AND STRATEGIC NON-TAB CLUBS)**

<b>Organisation:</b>		<b>Responsible Person(s):</b>		<b>Contact Details:</b>	
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Have there been any major changes to your operations that affect your risk profile? (e.g. new events, new construction, merger, acquisition etc)					
<b>Yes</b>		<b>No</b>			
<b>Details</b>					

Have there been any major risk events or other notable incidents in the last 12 months? (e.g. extreme weather event, death, disease outbreak etc)					
<b>Yes</b>		<b>No</b>			
<b>Details</b>					

Have your risk registers been regularly updated and maintained? (to reflect changes in your operations or the environment)					
<b>Yes</b>		<b>No</b>			
<b>Details</b>					

Are there any risk management related issues concerning your organisation that you would like to bring to the attention of RQL? (e.g. inability to adequately mitigate a particular risk)					
<b>Yes</b>		<b>No</b>			
<b>Details</b>					

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## End of Risk Management Policy



**Minutes of  
Industry Infrastructure Plan Control Group**

**1 December 2011**

**RQL Board Room, Head Office, Deagon**

**Meeting Commenced at 9:00am  
Meeting Concluded at 11:00am**

**In attendance:** Malcolm Tuttle – chairman  
Paul Brennan  
Shara Reid  
Mark Snowdon  
Deanna Dart (guest)  
Ron Mathofer (guest)  
Blair Odgers (guest)

**Apologies:** Adam Carter

**Minutes:** Kearra Christensen

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The chairman opened the meeting at 9:00am.

**1. Apologies**

Mr Adam Carter is on leave and unable to attend the Industry Infrastructure Control Group (IIPCG) meeting.

**2. Confirmation of minutes**

The minutes from the meeting of November 23, 2011, were amended, then confirmed and signed by the chairman (attached).

**3. Review action sheet**

The action sheet following the meeting of November 23, 2011, was reviewed and updates provided.

It was agreed that completed items would be removed from the running action sheet and recorded in an historical document.

**4. Update on discussions with the Cairns Jockey Club**

Mr Paul Brennan advised that a positive meeting was held with the Cairns Jockey Club on Monday, November 28, 2011, where they indicated that they

were ready to proceed and receiving considerable interest from local contractors and suppliers.

Mr Brennan also advised that despite the positive news coming from the Cairns Jockey Club, there was a perceived lack of commitment from Racing Queensland Limited in relation to the development of the Cairns Jockey Club.

Mr Brennan stated that the approval processes need to be confirmed and that the business case for the Cairns Jockey Club must be approved by the Government by January 2012. The IIPCG agreed it was frustrating that Government seemed reluctant to confirm in writing that it would release preliminary funding but noted that Mr Bob Bentley had a meeting with Stuart Booker to resolve this issue.

## 5. Other business

### **Quarterly report**

Ms Deanna Dart provided a copy of the reporting schedule to the IIPCG for noting. Ms Dart also provided the IIPCG with a draft copy of the first quarterly report.

Ms Dart explained that the first quarterly report has not yet been submitted, despite being due by October 31, 2011, because the Office of Racing was to provide us with a template, but didn't. As such our first quarterly report date was missed and the Office of Racing approved an extension for the submission of this report.

Mr Brennan stated that this extension should be noted in the first quarterly report to the Office of Racing.

It was agreed that the quarterly reports will be managed by Mr Mark Snowdon and that board approval is not required prior to submitting it to the Government. Further, a copy should be provided to the IIPCG for noting.

### **Local Buy**

Mr Ron Mathofer advised that initial discussions were taking place with a company called Local Buy that complete all the necessary documentation for the prequalification of companies, which would assist Racing Queensland Limited in the procurement of contractors for the Industry Infrastructure Plan. Companies that are already prequalified by Local Buy include Contour, KHA and Duke Environmental.

Mr Mathofer advised that this company may be the answer to our procurement and prequalification issues, however, costs are yet to be discussed. Mr Mathofer also advised that a meeting will be scheduled with Local Buy and that Mr Brennan, Mr Snowdon and Mr Warren Williams will be invited to attend.

Mr Malcolm Tuttle requested that Mr Mathofer ensure that the board are informed of this development.

**Mr Stuart Booker, Assistant Under Treasurer**

It was noted by the IIPCG that Mr Bentley will be meeting with Mr Booker one out on Friday, December 2, 2011. The IIPCG noted the below issues that must be addressed as a matter of urgency:

- A response is required in relation to the correspondence sent to Mr Booked dated November 25, 2011.
- Approval of the three requests from the above correspondence.
- If not, why not and what do we do? Because we cannot afford to spend any more on the preliminary works.
- Confirmation on how applications for funding and business cases can be fast-tracked through the Office of Racing and Queensland Treasury.

Ms Dart will prepare the above issues into an agenda for Mr Bentley to take to the meeting with Mr Booker on December 2.

**Correspondence from Mr Shane Gaddes**

Correspondence from Mr Gaddes, Director of EPBC Act Compliance Section (QLD), of the Department of Sustainability, Environment, Water, Population and Communities dated November 21, 2011, was provided to Mr Snowdon to acknowledge and action, as required.

**Invoice from Contour Consulting Engineers**

Mr Tuttle provided a copy of an invoice from Contour dated November 10, 2011, to the IIPCG to raise his concerns in relation to the extensive costs.

Mr Snowdon advised that the costs included in this invoice are all costs to date, including \$231,511.22 worth of work that was undertaken for the original Beaudesert Race Club development. Mr Snowdon further advised that the all costs are within budget and that the invoice is not to be paid at this stage until the funds have been claimed back from Government, as per an agreement made with Contour at a meeting on November 23, 2011.

Mr Snowdon also advised that the last two invoices of \$212k and \$70k were for work undertaken by Contour without approval and that is why the invoices have not been paid at this stage. Notwithstanding, Mr Snowdon advised that the invoice was signed to put the invoice into our system so it could be included in costs to date for reimbursement to Government. Mr Snowdon advised that at the meeting with Contour, RQL undertook to pay these costs as the work undertaken would be used at a later stage.

Mr Tuttle requested Mr Snowdon to ensure that we are getting value for money and that the board understand this cost.

The original invoice was provided to Mr Mathofer unsigned.

**Beaudesert Race Club**

It was advised that the Beaudesert Race Club development would proceed under the traditional method and not turnkey. Mr Snowdon undertook to discuss this with Mr Tony Hanmer and the rest of the board so they understand the costs, not going to tender, etc.



**Communication protocol with Government**

The IIPCG noted an email from Mr Bentley dated November 26, 2011, in relation to a protocol needing to be implemented regarding communication of the Industry Infrastructure Plan with Government.

The IIPCG noted that all correspondence to the Government regarding the Industry Infrastructure Plan must be approved by Mr Bentley prior to being sent to the Office of Racing to forward to the Government.

Ms Shara Reid undertook to confirm the communication protocol with Mr Bentley and to advise the IIPCG once approved.

**Deagon community consultations**

Ms Dart updated the IIPCG in relation to the Deagon community consultation sessions that were undertaken during November 24-26, 2011.

Ms Dart advised that eight sessions were held and 108 people attended the sessions. It was noted that the main concerns of those in attendance were related to light, noise, traffic, the environment and the thoroughbred training facilities. Ms Dart advised that they will follow-up on issues that were raised at the sessions, including undertaking noise testing on the hill, as noise testing was done on Board Street, but not within the hill area. Ms Dart advised that this information is to be provided to the Government.

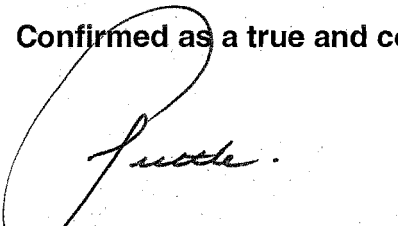
It was noted that the first session was a bit fiery, with the majority of the attendees being racing participants.

Mr Brennan undertook to report to the board in relation to the Deagon development and the advice to be provided to local trainers in Deagon.

**6. Next meeting**

The next meeting is scheduled for December 8, 2011, at 9:00am.

**Confirmed as a true and correct record.**



**MALCOLM TUTTLE**

**Chairman**

**Dated** 8 / 12 / 11



# **EMPLOYEE HANDBOOK**

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## WELCOME TO QUEENSLAND RACING LIMITED

It is with pleasure that we welcome you to the Queensland Racing Limited (QRL) team.

Racing occupies a vital place in Queensland's cultural and sporting life. It also makes an important contribution to the state's economy; generating jobs, fostering tourism and creating wealth throughout Queensland. As a QRL employee, you will be part of the ongoing development of a more professional racing industry.

Queensland Racing Limited aims to offer its employees interesting, fulfilling and rewarding work in an exciting and dynamic industry. In return, QRL expects the highest standards of professionalism, diligence and integrity.

This handbook has been designed to help you better understand the organisation and to provide a summary of the principles for which QRL stands, information about our values, how we behave and how we work with other people; the benefits to which you are entitled; the policies and procedures affecting your employment; and the undertakings and commitments of Queensland Racing Limited and its employees.

This handbook should be read in conjunction with the human resource policies and procedure manual and your employment agreement or letter of offer.

Because no handbook can anticipate every circumstance or question about policies or conditions, QRL may need to change and add to the handbook. Should this be required; any changes will be communicated to you as they happen.

You should read, understand, and comply with all provisions of the employee handbook. If you do not understand any information contained in the handbook, or if you have any questions concerning the policies or benefits outlined in the handbook, it is important that you speak with your manager.

I look forward to a long and happy association with you as a member of the QRL team.

Yours sincerely

Malcolm Tuttle  
Chief Operations Manager

## INTRODUCTION TO QRL

### Who We Are...

Queensland Racing Limited is the control body for thoroughbred racing in Queensland. We coordinate, manage and regulate the industry by:

- ✦ Administering the rules of racing.
- ✦ Implementing sound policies.
- ✦ Enforcing standards of safety and integrity.
- ✦ Licensing industry participants.
- ✦ Licensing race clubs and monitoring their activities and performance.
- ✦ Monitoring the condition of racecourses and working with race clubs to ensure courses are developed to a suitable standard.
- ✦ Commissioning and undertaking research and promotional activities.
- ✦ Administering industry funding and commercial agreements.
- ✦ Representing the Queensland racing industry on the peak national body, the Australian Racing board, and its sub-committees.

### What We Stand For...

#### Our Mission

**To further enhance the quality and integrity of thoroughbred racing in Queensland.**

#### Our Values

QRL recognises that our people make the difference and that we need to attract, develop and retain good people. Five values underpin our work:

- ✦ **Professional and Ethical** – at all times we are professional and ethical in our dealings with stakeholders and colleagues.
- ✦ **Results-Orientated** – we ensure that our day-to-day activities are consistent with and contribute to achieving our goals.
- ✦ **Teamwork** – we work as a team to deliver the best solutions for our stakeholders, recognising and rewarding both team and individual contributions.
- ✦ **Customer Service Excellence** – we strive to serve our customers with excellence.
- ✦ **Balance Between Professional and Personal Life** – we recognise that people are our main asset so achieving a balance between professional and personal time is in the best interest of individuals and the organisation.

### Where We Come From; The History of Racing...

Racing has a rich and colourful history in Australia that can be traced back to the earliest days of colonisation by Europeans. Seven horses arrived with the first fleet in 1788, when horses played a vital role in everyday life as a mode of transport, beasts of burden and as a form of recreation.

With horses so important in the colony, it did not take long for the competitive spirit to test the speed of horses and the skill of riders and Australia's first organised horse race is recorded as taking place at Batmans Hill in New South Wales in 1838. Four years later, Australia's first race club, the Australian Jockey Club, was established.

The following year, 1843, saw Queensland's first organised racing meeting held at Coorparoo. However, it was not until 1863 that the Queensland Turf Club was formed and 1865 until the club

hosted Queensland's first official race meeting. The next year Forrester won the first Brisbane Cup and Queensland's love affair with horses and racing had begun.

With the growth of the sport, and the federation of the colonies into the Australian nation, came the need to introduce standardised rules for conducting racing. By 1912 the principal clubs that controlled racing in each state had agreed on the Australian Rules of Racing.

Racing is all about champions and Queensland has produced some truly great horses and the Queensland racing public has witnessed history being made at the track. In 1946, Bernborough, arguably Queensland's greatest horse, won 15 successive events, including the Doomben Double. In 1961, a record crowd farewelled the great Tulloch at the Brisbane Cup; and in 1973, Gunsynd, the Goondiwindi Grey immortalised by Slim Dusty, was farewelled at Doomben.

Racing in Queensland has a record of innovation, often placing it at the cutting edge of the development of the sport and industry of racing. In 1878, the world's first totalisator was unveiled at Ipswich, west of Brisbane. In 1901, the year of federation, "electric light racing" commenced at the Gabba in Brisbane's east. In 1962 following Victoria's lead off-course betting was legalised through the Queensland TAB. Apart from providing a legal form of off-course betting, the TAB provided a source of income for race clubs and revenue for government.

TAB Queensland has grown from humble beginnings to become a billion-dollar operation. Today computers are such a part of mainstream life that it seems incredible that it was not until 1977 that the TAB took its first automated telephone bet and 1980 that it introduced computerised betting. In 1999, the Queensland Government approved privatisation of the TAB. Today the organisation is at the forefront of information technology.

The formation of the TAB began a process of liberating racing from the confines of racecourses and taking it to the public wherever they were. In 1986, Sky Channel began broadcasting races live to Queensland hotels and clubs. By 1991, racing had its own radio station, 4TAB, to serve the Queensland public with live race coverage and racing information. Three years later, telephone betting with bookmakers was legalised.

For much of its history, women were marginalised or excluded from the racing industry but by the late 1970s this had begun to change. Pam O'Neill successfully lobbied the Queensland Turf Club to license women as strappers and jockeys and in 1979 she won her licence, making her the first woman jockey in Australia. On her first day riding, Pam created a world record for any jockey, male or female, when she rode a treble at Southport. Today women are successful jockeys, stable hands, trainers and veterinarians and occupy key positions in racing industry administration and marketing.

Along with its proud record of leading industry development and producing champions, Queensland also shares the dubious distinction of being the venue for one of racing's most notorious incidents. On 18 August 1984, an open-class sprinter, Bold Personality, was substituted for an ordinary country horse. The Fine Cotton ring-in was uncovered by stewards at the Queensland Turf Club and became another chapter in racing's rich and colourful history.

With the growth of the sport and industry of racing came the need for more professionalism and the highest standards of industry integrity assurance.

The Racing Science Centre was created in 1989 in response to the "caffeine crisis", when errors in drug testing caused a spate of false positive tests to be reported. The Racing Science Centre

oversees testing of racing animals for illicit drugs, as well as working with racing administrators and trainers on animal welfare issues.

The Racing Development Fund (RDF), established in 1981, heralded an era of industry expansion. Money for the RDF came from a percentage of TAB turnover, fractions and unclaimed dividends and was used to upgrade racing facilities, fund race series and help the industry develop professionally.

By 1990, the Queensland Government believed the State's five principal clubs were no longer able to provide the leadership and management the racing industry needed for it to meet the challenges of an increasingly complex and competitive environment. The Government released its "Green Paper" for restructuring racing administration and, after lengthy industry consultation, the Queensland Principal Club, the forerunner to Queensland Thoroughbred Racing Board, was created in 1992 to unify racing administration in the State.

The industry of racing had grown to become a major part of the Queensland and Australian economy but its actual contribution remained a mystery and a major study of racing's economic impact was commissioned. The landmark 1992 ACIL report found Australian racing generated \$2.4 billion in GDP and the contribution to Queensland's Gross State Product exceeded \$400 million.

The Queensland Principal Club initiated the industry's first strategic plan, Form Guide to the Future, in 1998. Studies conducted by KPMG found Queensland racing (including the thoroughbred, harness and greyhound codes) contributed \$700 million to the State economy and generated full-time, part-time and casual jobs for almost 24,000 Queenslanders. The State Government received almost \$100 million in revenue from the industry.

With privatisation of the TAB, now known as UNiTAB, in 1999, the racing industry became master of its destiny. The new arrangements meant the industry's revenue was directly tied to its ability to generate betting turnover. The industry would succeed or fail on its merits.

To address the new commercial realities, a skills-based board was appointed to head Queensland Racing in 2002. The board focussed on rationalising Queensland's racing calendar to maximise betting turnover on Queensland races.

In 2003, Queensland Racing relocated to a modern, purpose-built facility at its Deagon training centre. The industry also began reaping the benefits of reform, with increased revenue and lower costs translating into big prize money increases. 2004 saw the first full year of reform, with the financial gains consolidated, record betting turnover and record attendance at Queensland's feature race carnivals.

Racing is being marketed to a new generation of people through flagship events like the Queensland Winter Racing Carnival. Regional racing series like the Matilda Highway series and the Reef 'n' Rainforest series are stimulating interest in racing throughout the state and linking racing with tourism, one of Queensland's largest, fastest growing and most important industries.

Racing is building on its rich history to meet the challenges of the new millennium. Its dynamism means it will continue to be an integral part of Queensland social life and a significant contributor to the Queensland economy.

On the 21 April 2006 the Queensland Parliament passed the Racing Amendment Act whereby on the 1 July 2006 the existing thoroughbred control body, Queensland Thoroughbred Racing Board, ceased to be a statutory body and was established as Queensland Racing Limited. Queensland

Racing Limited is a company limited by guarantee and its constitution, will ensure the income and property of the company must be applied solely towards the promotion of the objects of the company. No portion of Queensland Racing Limited income or property can be paid, or transferred, directly or indirectly to members of the company.

## ROLE OF QRL and INDUSTRY STRUCTURE

### Overview

QRL and the Queensland thoroughbred racing industry operate within a complex industry structure that poses its own challenges and requirements. The key elements of the structure are as follows:

QRL is the licensed control body for the Queensland industry, responsible for establishing and maintaining the policies, funding and licensing arrangements, the product and program and safety and integrity of the industry. QRL is licensed under the *Racing Act 2002* and is a company limited by guarantee.

- ✦ QRL interacts with the other Principal Racing Authorities (PRA's) through the Australian Racing Board which sets the rules of racing and seeks to coordinate the national racing program.
- ✦ Racing Information Services Australia (RISA) which provides a wide range of services to the racing industry and also commercialises the racing product, is owned jointly by the PRA's.
- ✦ Funding for the industry comes principally through a product and program agreement entered into by the three racing codes with UNiTAB. The three codes operate together as members of Queensland Race Product Co Limited. Under race information legislation that has or will be implemented by all States and Territories, each PRA now charges wagering operators for the use of their information for the purpose of race wagering and this charge in most cases gets passed back to relevant PRA's. For example, QRL obtains revenue from UNiTAB under the product and program agreement for UNiTAB's use of racing materials in Australia for wagering purposes, charges each wagering operator for use of the Queensland product (with an exemption for UNiTAB given its product and program agreement) and gets charged by each PRA for UNiTAB use of the product of the other PRA's.

The constitution of QRL is based on best corporate governance principles and has been tailored to suit the Queensland thoroughbred racing industry. The constitution complies with the requirements of the *Racing Act 2002* and the *Corporations Act 2001*.

The constitution provides for 2 classes of Members, these being Class A members and Class B members.

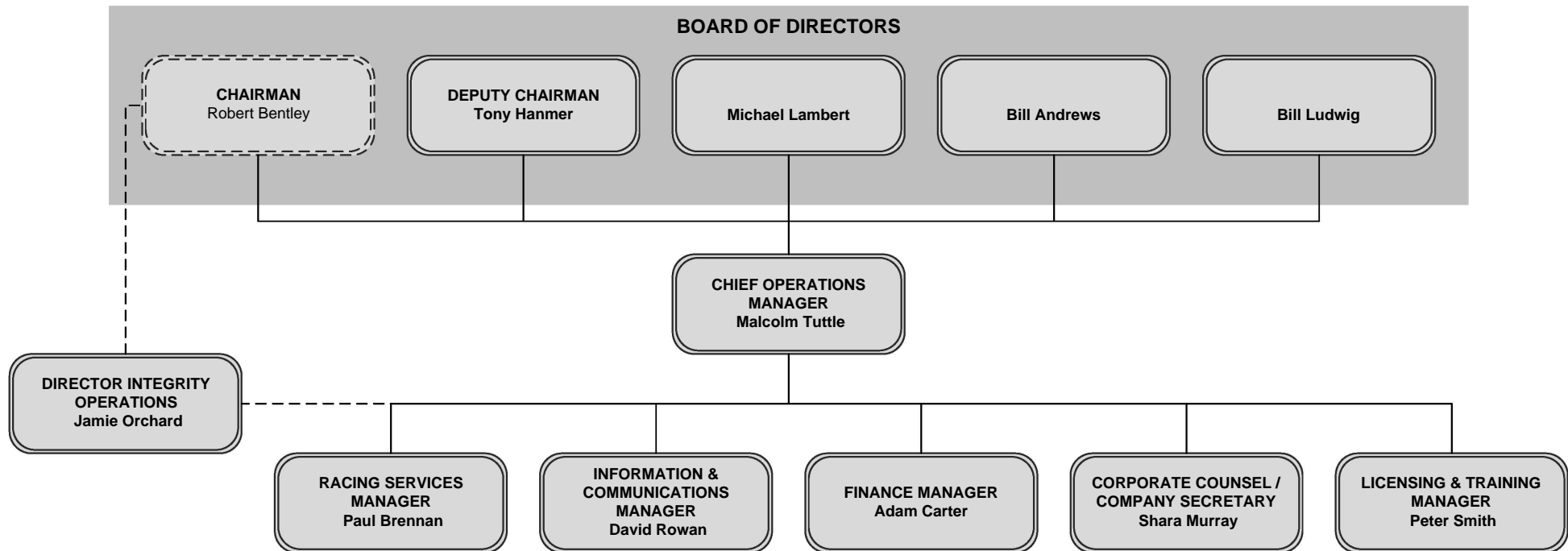
Class A members consist of:

- ✦ Metropolitan TAB Clubs
- ✦ Other TAB Clubs
- ✦ The Queensland Country Racing Committee
- ✦ The Australian Trainers Association (Queensland Branch)
- ✦ The Thoroughbred Breeders Association of Queensland
- ✦ The Thoroughbred Racehorse Owners' Association of Queensland
- ✦ The Queensland Jockeys Association Inc
- ✦ The Queensland Bookmakers Association

Class B members consist of the board of QRL being 5 directors.



## Our Organisational Structure



## Our People

### Chief Operations Manager – Malcolm Tuttle



The chief operations manager is responsible for the operations of Queensland Racing within established policy and in accordance with the delegated authority of the Board of Directors. In addition to leading the Executive team, the chief operations manager is required to provide strategic advice to the Queensland Racing Board in relation to the business of thoroughbred horse racing.

### Director Integrity Operations – Jamie Orchard



The Integrity section ensures the effective delivery of integrity services and operational stewarding throughout the state and is responsible for policy, strategy and performance under these areas, management of the complaints system and investigations as required, and maintaining the interaction with various levels of government. Other responsibilities include the effective delivery of betting analysis and monitoring of all TAB Queensland races.

### Racing Services Manager – Paul Brennan



The Racing section works with Clubs, the other codes of racing and UNITAB to develop the most effective allocation of race dates, as well as scheduling prizemoney and developing state-wide racing programs and black type races.

Other responsibilities include; management of the Queensland Thoroughbred Investment Scheme (QTIS), the provision of secretariat support to the owners' and breeders' associations, the management of Queensland's Black Type allocation, the interface with the Trainer's Service Centre, the provision of handicapping services to the State, the management of the Deagon complex, and provides support to the Industry on Workplace Health and Safety issues.

### Finance Manager – Adam Carter



The Finance section provides financial services to the Queensland racing industry and financial, business development and other corporate services to Queensland Racing. It administers the centralised prizemoney system and provides accounting and business analyst services to Queensland Racing.

### **Information and Communications Manager – David Rowan**



The Information section provides information technology and telecommunications services internally to Queensland Racing. While the Communications section provides information to stakeholders in the racing industry and the general public through the monthly Queensland Racing Magazine, Queensland Racing's website and media releases. The Communications Department also organises events such as the annual Queensland Racing Industry Awards and works to promote the industry at all levels.

### **Corporate Counsel / Company Secretary – Shara Murray**



The Corporate Counsel of Queensland Racing Limited complies with Acts of Parliament and government regulations, and that decisions of the board of directors are implemented. Racing appeals are also managed by this section as well as providing legal services to Queensland Racing.

### **Licensing and Training Manager – Peter Smith**



The Training and Development section provides training services to licensees and other Queensland racing industry participants, as well as training, development and other human resource services to Queensland Racing. This section administers all license renewal and policy for Queensland and manages the licensing committee.

### **Chief Steward of Queensland – Wade Birch**



Operational Stewarding provides effective delivery of stewarding throughout the state, including management of the regional offices at Toowoomba, Rockhampton and Townsville. It monitors and ensures compliance with relevant Queensland Racing policies and procedures as well as ensuring compliance with the Rules of Racing. This section is the driving force behind strategy development and implementation as well as formulating relevant policies and procedures. Other responsibilities include representing Queensland Racing at the National Chairman of Stewards Conference, Emergency Disease Management and other Stakeholder forums.

## WORKPLACE CONDITIONS AND BENEFITS

### Training and Development

QRL is committed to providing employees with training and development opportunities to ensure that you keep learning and developing within your job and our business. We employ a variety of strategies to create an organisational climate that attracts and retains employees of the highest calibre and optimises their opportunities to contribute to the achievement of our mission and objectives. It is essential to continually maintain and develop our skills to ensure that we provide our stakeholders with the highest standard of service and products, and to ensure that you develop to your full potential.

QRL encourages career development through continuing professional development, formal training, and opportunities for on-the-job experience. An additional component of our employee development strategy is our Study Assistance Scheme which provides assistance to employees participating in authorised education. Everyone is encouraged to, wherever possible, gain well-rounded experience and development within the company.

### Career Opportunities

We value our employees and your career development and believe in promotion from within QRL; before we search outside the company, except where special circumstances exist, we will always look for talented people already working for us. All company vacancies will be advertised internally if the skills required for the position exist within QRL and preference will be given to internal applicants when other aspects are equal.

### Performance Reviews

QRL is committed to creating an environment that encourages high levels of performance. The performance management system is an ongoing communication system between employees and their manager; providing an opportunity to plan, manage, review, recognise and improve performance. It involves establishing clear expectations and understanding about:

- The essential function the employee is expected to perform and the desired workplace behaviours.
- How job performance will be measured and assessed.
- How the employee and manager will work together to sustain, improve or build on existing performance
- How the employees' skills and knowledge will be developed to enable the employee to be more effective and efficient
- How the successful completion of the function will contribute to the goals of QRL.

Your first performance review will be during your qualifying period. Thereafter, QRL conducts performance reviews on an annual basis with progress reviews conducted every six (6) months to assess performance to date and address any issues that may prevent you from achieving your objectives.

### Remuneration Reviews

QRL's remuneration standards are based on a "pay for performance" philosophy, according to your experience and your position. We will review remuneration levels on an annual basis.

If you have been with us for less than three (3) months you may not be eligible for a salary review due to your short length of time with us.

## Communication

At QRL, effective communication is vital to foster a people focussed work environment defined by recognition, opportunity, respect, courtesy, cooperation, consideration and ongoing feedback. To ensure effective communication we need to consider the best method of communication for each situation. We have established some communication guidelines, which if followed will assist us in being effective communicators both internally and externally.

- ☒ All communication should comply with our values.
- ☒ Seek first to understand and then to be understood.
- ☒ Always respect confidentiality.
- ☒ As a minimum reply to communication in the method that it was received. To improve communication, go up the communication hierarchy (see below).
- ☒ Communicate with the receiver in mind, in a method and at a level appropriate to them.

### The Hierarchy of Communication

<b>Face to Face Communication</b>	<p><b>When to Use</b></p> <ul style="list-style-type: none"> <li>☒ In conflict or potential conflict situations</li> <li>☒ In sensitive situations or when involving sensitive information</li> <li>☒ If delivering bad news</li> <li>☒ If there is a significant issue or occasion</li> <li>☒ To conduct performance reviews</li> </ul>	<p><b>How to Use</b></p> <ul style="list-style-type: none"> <li>☒ Be in an appropriate environment</li> <li>☒ Be in the moment; no interruptions</li> <li>☒ Be prepared; have all the facts</li> <li>☒ Use active listening</li> <li>☒ Use body language; eye contact, shake hands, mirror the other person</li> </ul>
<b>Phone Communication</b>	<p><b>When to Use</b></p> <ul style="list-style-type: none"> <li>☒ If you cannot meet face to face</li> <li>☒ If it isn't necessary to meet face to face</li> <li>☒ To book external appointments</li> <li>☒ When making a call would improve customer service and relationships</li> </ul>	<p><b>How to Use</b></p> <ul style="list-style-type: none"> <li>☒ Reception, extensions and mobiles should be answered professionally</li> <li>☒ Urgent calls should be returned immediately</li> <li>☒ Return all calls by close of business the following day</li> </ul>
<b>Written Communication</b>	<p><b>When to Use</b></p> <ul style="list-style-type: none"> <li>☒ If it is important to document the facts or when a permanent record is required</li> <li>☒ If it is beneficial to the recipient for it to be in writing</li> <li>☒ To confirm conversations in conflict or potential conflict situations</li> </ul>	<p><b>How to Use</b></p> <ul style="list-style-type: none"> <li>☒ Personalise every letter</li> <li>☒ Sign every letter personally</li> <li>☒ Respond within seven days of receiving correspondence</li> </ul>
<b>Email Communication</b>	<p><b>When to Use</b></p> <ul style="list-style-type: none"> <li>☒ To ask simple, non-confrontational questions</li> <li>☒ To transfer information</li> <li>☒ To set internal or external appointments</li> <li>☒ If there is no chance for an error in interpretation</li> <li>☒ If there is no conflict between the parties</li> </ul>	<p><b>How to Use</b></p> <ul style="list-style-type: none"> <li>☒ Be clear, make emails easy to understand</li> <li>☒ All external emails should have a signature block</li> <li>☒ If an email received is marked urgent it should be answered immediately</li> <li>☒ Return all emails received by close of business the following day</li> </ul>
<b>Text Communication</b>	<p><b>When to Use</b></p> <ul style="list-style-type: none"> <li>☒ If the communication is with someone internally</li> <li>☒ When it is the only means of contact</li> </ul>	<p><b>How to Use</b></p> <ul style="list-style-type: none"> <li>☒ Check the recipient before sending</li> <li>☒ Be clear; avoid 'text talk'</li> </ul>

The door is always open at QRL; do not be afraid to approach your manager with your ideas, concerns and feedback. Team meetings are held regularly to discuss any concerns and provide you with the opportunity to suggest improvements. Your feedback is crucial to our success.

## Company Mobile Phones

QRL may provide you with a mobile phone for the purpose of improving business efficiency. If we provide you with a mobile phone please remember its primary purpose is business, not personal, use. Personal calls within reason will be accepted, and form part of your remuneration package. All calls are itemised on monthly statements and any abuse of this entitlement may result in disciplinary action.

Please look after your mobile phone, QRL reserves the right to seek reimbursement from you for any damage, loss, theft, or other expenses incurred that are caused by an employee's wilful or negligent act or omission.

## Company Motor Vehicles

QRL employees may elect to have an eligible motor vehicle included in their salary package, subject to approval. If you elect to do so please note the following conditions:

- ✘ The vehicle shall be made available for the authorised use of other employees during working hours and returned to QRL, at our discretion, if you are absent from work for an extended period.
- ✘ Unless in the event of an emergency, no person other than an appropriately trained employee shall operate the vehicle.
- ✘ We shall not accept responsibility for any penalty or fine that may be imposed in relation to the use of the vehicle unless required by law, in which case you shall reimburse us for the penalty or fine.
- ✘ You will ensure that the vehicle is properly maintained and we have the right to inspect the vehicle upon demand.
- ✘ We reserve the right to seek payment from you for any maintenance, repairs or replacement of the vehicle caused through the wilful or negligent misuse of the vehicle by you.
- ✘ Any maintenance and/or repairs to the vehicle shall be carried out by a service provider approved by QRL and, subject to the provisions above, at the expense of QRL.
- ✘ Should the vehicle be involved in an accident or otherwise damaged you must notify us immediately.

During the course of employment, employees may also use a company pool car. In addition to the conditions outlined above, use of pool cars is subject to the employee completing the log book to a satisfactory standard.

## Company Equipment and Property

All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of QRL, whether prepared by you or not, are the property of QRL.

All equipment and company property should be safeguarded and remain on QRL's premises unless permission has been granted for the item to be removed.

## Social Activities

QRL encourages social activities to reward employees for their efforts. Occasionally we may hold social functions or request you to attend stakeholder or social functions, where alcohol is available.

QRL promotes the responsible consumption of alcohol and we expect employees to drink responsibly. Work related social activities are not compulsory. All work related social activities are not compulsory and that in the event you choose to consume alcohol at any work related function you should do so in moderation and respect those who do not wish to partake.

## Employee Records

It is important that up-to-date records are accurately and rigorously maintained regarding your personal details and career history. Please ensure that you update any changes to your personal details such as your address, telephone number or emergency contacts, as well as any additional experience or qualifications gained through the employee service portal of ConnX.

## Reimbursement of Expenses

If you use your own money for work related expenses we will reimburse you, as long as the expense is necessary to your job and:

- Your manager gives you the ok beforehand.
- You have documentary evidence of the expense satisfactory to your manager.
- You make a claim for reimbursement within a reasonable time of incurring the expense.

On occasion, you may be required to entertain stakeholders and business associates. This entertainment is dependent upon the existence of a business relationship and that the relationship would benefit QRL. When more than one employee is present at a business meal or entertainment event, the most senior employee must pay and claim the expense. All expense claims need to be approved by the appropriate manager prior to reimbursement.

Provided that we are satisfied the expenses incurred are legitimate business expenses, reimbursement will be made within fourteen days.

All expenditures must be reported accurately and in a timely way and an accurate and auditable record of all financial transactions relating to QRL must be maintained in accordance with generally accepted accounting principles. No entry should be made in the company records that distorts or disguises the true nature of any transaction.

Please note that submission of a fraudulent expense report will be regarded as serious misconduct and disciplinary action up to and including summary dismissal may apply.

## POLICIES AND PROCEDURES

The following information is important extracts from our Human Resource Policies and Procedure Manual. As part of your induction you are expected to familiarise yourself with our policies and your responsibilities and obligations. The Human Resource Policies and Procedure Manual can be found on the QRL intranet.

### Code of Conduct

QRL is committed to delivering the highest standards of corporate practice and business conduct. We aim to be a model corporate citizen; conducting business in an ethical and responsible manner, complying with all applicable legal requirements, promoting a positive and ethical work environment for employees, and making a positive contribution to the community.

### Corporate Governance

- ✘ QRL is responsible for the control, supervision and regulation of the thoroughbred code of racing in Queensland.
- ✘ The Board is responsible for determining the strategic direction of QRL and ensuring compliance with the statutory obligations.
- ✘ The Chair of the Board plays an important leadership role in ensuring QRL works effectively.
- ✘ The Deputy Chair of the Board acts as the Chair of the Board during all periods when the Chair is absent from duty or, for another reason, cannot perform the functions of the office.
- ✘ The Chief Operations Manager and Director Integrity Operations are responsible for ensuring all QRL officials within their organisational area comply with the Code.

### Principles of the Public Sector Ethics Act

- ✘ All officials must support the implementation of government policy effectively and impartially, and carry out official duties lawfully, observing statutory obligations.
- ✘ All officials must treat all stakeholders and employees with courtesy, honesty and fairness and with proper regard for their rights and obligations.
- ✘ All officials must perform their duties with the highest standards of personal integrity and honesty.
- ✘ All officials must comply with all reasonable and lawful instructions, comply with and implement QRL policies faithfully and impartially, and exercise all reasonable care, skill and diligence in giving information or advice.
- ✘ All officials must ensure QRL resources are safeguarded and not wasted abused or used improperly or extravagantly.

### Code Breaches

- ✘ If you are aware of, or have genuine suspicions of, any breaches to our code of conduct, policies and procedures manual or any legal violation you must report these issues to your manager.
- ✘ If you, in good faith, make a complaint or disclosure about an alleged breach of the code you will not be disadvantaged or prejudiced for making a complaint or disclosure.



## Workplace Health and Safety

The health, safety and welfare of our employees, customers and community is very important to QRL. We recognise our responsibility to provide a safe and healthy workplace for all employees, stakeholders, visitors and contractors. To ensure the wellbeing of others, we are committed to:

- ✘ Identifying and controlling factors within the workplace that may cause injury or health issues.
- ✘ Providing safe equipment and systems of work.
- ✘ Ensuring compliance with legislative requirements and industry standards.
- ✘ Providing information, training and supervision to ensure safety.

To assist QRL in providing a healthy and safe workplace you must report any incidents, injuries, or identified hazards to your manager immediately. Workplace health and safety is not a “one-way street”, everyone is responsible for ensuring the highest possible care in all work related activities.

## Workplace Rehabilitation

QRL recognises that there are substantial benefits to be gained from rehabilitation principles and practices and is committed to implementing them in the workplace. QRL is committed to:

- ✘ Fostering a culture of acceptance for workplace rehabilitation.
- ✘ Providing a process to support an early safe return to work and maximise independent functioning.
- ✘ Ensuring that the position of rehabilitation coordinator is adequately resourced.
- ✘ Ensuring that adequate storage is provided to maintain the confidentiality of rehabilitation files.

## Emergency and Evacuation Procedures

In the interests of both employee and stakeholder safety, you must make sure you are familiar with the procedures for evacuating the workplace and your responsibilities in emergency situations. It is important to know where the first aid kits, hose reels, fire extinguishers and emergency exits are located.

*Please ensure that you are familiar with all workplace health and safety policies and procedures applicable to your role and as detailed in our Workplace Health and Safety and Workplace Rehabilitation Policy.*

## Smoking, Drugs and Alcohol

QRL is committed to providing a smoke free work environment that is also free from the risks of hazards and injury associated with the abuse of alcohol or other drugs.

In accordance with the legislation, smoking is not permitted in any work area including company vehicles. Those employees who do smoke cigarettes should be conscious of the company’s corporate image and be discreet when selecting a smoking location outside of the work area.

Alcohol and drug use can affect your work performance, posing health and safety risks to employees, stakeholders, and members of the public. As a general rule, for safety and social reasons, you should never arrive at work or be at work while intoxicated or under the influence of illicit drugs or other drugs that impair your ability to perform your duties. Consumption of alcohol at QRL and stakeholder functions may be acceptable provided that alcohol is not consumed in excess.

If we suspect you are intoxicated or under the influence of illegal or non-prescription drugs you may be required to undergo alcohol or drug tests. If the tests indicate intoxication above the legal or acceptable limit and/or you refuse to take a test, you may be subject to disciplinary action.

Repeated poor work performance caused by alcohol or drug use, or significant impairment that makes you unable to perform the duties of your role, create a serious safety risk and is regarded as serious misconduct. In addition, we prohibit the possession, transfer, or use of illegal

substances on our premises, if you are found in possession of or under the influence of illegal drugs during working hours you may be subject to disciplinary action, up to and including summary dismissal.

*See the Workplace Smoking, Drugs and Alcohol Policy for a detailed explanation of QRL's approach to these issues.*

## Personal Presentation

The image that QRL projects to the community and its stakeholders is paramount to how we are perceived. QRL employees are required to dress in a manner appropriate to their position, work location and duties while at work or any time they are representing the company, to ensure that QRL is represented positively and that our image is maintained.

QRL has a corporate uniform and available to all employees, excluding grounds staff. Each full-time employee will receive an initial issue of uniform clothing to the value of \$500, at QRL's expense and additional items of clothing may be purchased at the employee's expense. The uniform is not compulsory, except for the full time QRL receptionist, however employees are required to comply with the minimum dress standards as stipulated in the QRL code of conduct.

*More detail on personal presentation is available in the Personal Presentation Policy.*

## Working Hours

Your working hours are set out in your Employment Agreement. Given the nature of our business you need to be flexible and available to work additional hours as required to complete your duties and meet our business and stakeholder needs.

## Leave Entitlements

### Annual Leave

#### Who is entitled to annual leave?

All full-time and part-time employees are entitled to paid annual leave.

#### What is my annual leave entitlement?

Full-time employees, other than stewards, are entitled to twenty (20) days of annual leave for each completed year of employment, pro-rata for part-time employees.

Full-time employees, engaged as stewards, are entitled to twenty-five (25) days of annual leave for each completed year of employment, pro-rata for part-time employees.

Unused annual leave carries forward from year to year, and is paid out at the end of your employment with QRL.

#### When can I take annual leave?

We encourage employees to take annual leave on a regular basis to ensure that employees have the opportunity to balance their work, social and family life. Annual leave may be taken at a time which is agreed upon with QRL, subject to the operational requirements of the company. Requests for annual leave should be made through the leave application of ConnX. We will not unreasonably refuse the taking of annual leave, however there are certain times during the year when annual leave will not usually be granted and these times differ in various parts of the business.

To ensure you maintain a healthy work and life balance, we encourage you to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave.

## Sick/Carer's Leave

Sick/Carer's leave includes leave taken because you are ill or injured (sick leave); and leave taken to provide care to a member of your immediate family or household, who needs support because of an illness, injury or an unexpected emergency (carer's leave).

### Who is entitled to paid sick/carers' leave?

All full-time and part-time employees are entitled to paid sick/carers' leave.

### What is my paid sick/carers' leave entitlement?

Full-time employees are entitled to ten (10) days of paid sick/carers' leave for each year of employment, pro rata for part-time employees.

Unused sick/carers' leave carries forward from year to year, but any unused personal leave is not paid out at the end of your employment with QRL.

### Are there any conditions before I am entitled to personal leave?

Yes, there are conditions relating to notifying QRL of your absence and providing documentary evidence to the company regarding your absence if requested to do so.

If you are unable to attend work you must advise your manager by telephoning them as soon as possible on the day of your absence, stating the reason for your absence and as far as is practicable the estimated duration of your absence. If your manager is not available, speak to the next most appropriate manager or employee to ensure that your manager is aware of your absence.

Requests for sick/carers' leave should be made through the leave application of ConnX.

We may ask you to provide reasonable proof of the reason for your absence if you take sick or carer's leave. This will usually be in the form of a medical certificate or statutory declaration, evidencing the illness, injury or unexpected emergency, as soon as reasonably practicable.

### Are there any restrictions on taking paid personal leave?

Yes, unless QRL agrees otherwise in writing, you cannot take more than thirteen (13) weeks of sick leave per year (pro-rata for part-time employees). These restrictions apply even if you have accumulated more than the necessary leave required to be taken.

You are also not entitled to paid sick/carers' leave for any period during which you are entitled to workers compensation payments.

## Unpaid Carer's Leave

### Who is entitled to unpaid carer's leave?

All employees are entitled to unpaid carer's leave.

### What is my unpaid carer's leave entitlement?

You are entitled to a maximum of two (2) days of unpaid carer's leave for each occasion that you are required to care for a member of your immediate family or household because they are ill, injured or there is an unexpected emergency affecting that family or household member.

### Are there any restrictions on taking unpaid carer's leave?

Yes, you are only entitled to take unpaid carer's leave if you have exhausted your paid sick/carers' leave entitlements.

Requests for unpaid carer's leave should be made through the leave application of ConnX.

We may ask you to provide reasonable proof of the reason for your absence if you take unpaid carer's leave. This will usually be in the form of a medical certificate or statutory declaration, evidencing the illness, injury or unexpected emergency as soon as reasonably practicable.

## Compassionate Leave

### **Who is entitled to compassionate leave?**

All full-time and part-time employees are entitled to compassionate leave.

### **What is my compassionate leave entitlement?**

You are entitled to two (2) days of paid compassionate leave on each occasion that a member of your immediate family or household dies or suffers an illness or injury that poses a serious threat to their life.

Additional leave may be granted at QRL's discretion should extended travel be required to attend the funeral or visit the family member.

For the purpose of this entitlement, a member of your immediate family includes: a spouse or de facto partner; or a child, parent, grandparent, grandchild, or sibling of either yourself or your spouse or de facto partner.

### **Are there any conditions before I am entitled to compassionate leave?**

Yes, we may ask you to provide documentary evidence of the illness, injury or death as soon as practicable.

Requests for compassionate leave should be made through the leave application of ConnX.

## **Long Service Leave**

### **Who is entitled to long service leave?**

Long service leave is available to full-time and part-time employees who have completed ten years of continuous employment with QRL, and to casual employees in certain circumstances.

### **What is my long service leave entitlement?**

You will be entitled to paid long service leave in accordance with the relevant legislation.

### **Are there any conditions before I am entitled to long service leave?**

Eligibility for taking long service leave and all conditions will be in accordance with the relevant legislation.

Long service leave may be taken at a time which is agreed upon with QRL, subject to the operational requirements of the company. A minimum of four weeks' notice should be provided to allow for any arrangements necessary to provide adequate cover during your absence. We will not unreasonably refuse the taking of long service leave.

Requests for long service leave should be made through the leave application of ConnX.

## **Community Service Leave**

Community service leave includes leave taken to attend to community based requirements such as jury service or the defence forces.

### **Who is entitled to community service leave?**

Community service leave is available to full-time and part-time employees who are called to attend jury service or attend ADF Reserve service, on a day that they would normally work.

### **What is my community service leave entitlement?**

Jury service is a paid service and QRL will make up any difference should the payment be less than an employee's usual salary.

You will be entitled to unpaid defence force leave in accordance with the relevant legislation.

### **Are there any conditions before I am entitled to community service leave?**

Yes, we may ask you to provide your jury service orders and all documentation associated with your payment for jury service; or we may ask you to provide reasonable evidence of the necessity for you to attend ADF Reserve service.

Requests for community leave should be made through the leave application of ConnX.

*More detail on leave entitlements is available in the Leave Policy.*

## Parental Leave

### Who is entitled to parental leave?

Parental leave is available to full-time and part-time employees with at least twelve (12) months continuous employment with QRL, and to casual employees who have been engaged with the company on a regular and systematic basis for at least twelve months.

### What is my parental leave entitlement?

You are entitled to fifty-two (52) weeks of unpaid parental leave upon the birth or adoption of your child.

You may also request an additional period of parental leave of up to fifty-two (52) weeks. QRL will only refuse requests on reasonable business grounds.

### Where can you find more information on parental leave?

We will grant parental leave in accordance with the legislation or industrial instrument applicable to your employment. There are various rules about the time for taking leave and notifying QRL of your intention to take leave.

*For more detailed information on parental leave please refer to the Parental Leave Policy.*

## Extended Unpaid Leave

There is no standard entitlement to extended unpaid leave however; QRL may at its discretion approve extended unpaid leave considering the prevailing work requirements. Generally extended unpaid leave will not be granted if you intend to undertake other employment. You must disclose in writing to QRL any other work you plan to do while on extended unpaid leave.

Requests for unpaid leave should be made through the leave application of ConnX.

Unpaid leave of longer than three (3) months, whilst not breaking your period of continuous service, will not count as service for the purpose of calculating leave entitlements.

*For more detailed information on parental leave please refer to the Leave Policy.*

## Payroll

You will be paid on a monthly basis to the bank account of your choice. The deposit to your bank will usually be made on the first working day after the 14th day of each month. The pay-run covers the previous two weeks, the week of the pay and a week in advance.

Your pay will be calculated in accordance with your Employment Agreement and/or applicable industrial instrument. After each pay day you will receive a payslip providing details of your pay for that period. Payroll deductions will be made for a range of purposes, including income tax, all deductions will be clearly shown on your payslip.

Payroll should be advised of any changes to your bank account or personal details via a Personal Details Form.

## Overpayments

In the event of an overpayment of monies the company may recover the amount of overpayment provided that you are given notification of:

- The intention to recover the monies.
- The amount to be recovered.
- A full explanation of the reasons for the overpayment.

If on separation of employment you have not paid any amount due to QRL, we may deduct these amounts from your final pay, at QRL's discretion.

*More detail on our payroll practices is available in the Payroll Policy.*

## Privacy

QRL will only collect personal information ethically and lawfully. We seek to collect information in a fair manner, and in a way which is not unreasonably intrusive.

### Collecting Personal Information

If you are collecting personal information on the company's behalf, you must inform the person of the purpose for which the information is collected and that, subject to some limitations, they will be able to gain access to the information collected. You must collect information from the individual concerned whenever reasonable or practical to do so. If you collect information about an individual from someone else then you must take reasonable steps to ensure the individual is, or has been, made aware of all of the items listed above.

### Data Security, Access and Accuracy

QRL will take reasonable steps to protect personal information; to ensure that data is appropriately accurate, complete and current; and stored no longer than necessary.

You must ensure that the confidentiality of personal information contained in our records is strictly maintained. Personal information relating to individuals, including individual employees, should not be provided to other employees unless it is required to perform their jobs.

Information relating to employment records, salaries and addresses cannot be released to external organisations unless required by law, or upon informed consent from the relevant employee.

*See the Privacy Policy for a detailed explanation of our privacy practices.*

## Information Technology

QRL's information systems and the data on them are important components of our business. While employed by QRL you may be provided with an email address, access to our networks and the internet. You are requested to use these facilities in an appropriate, ethical and lawful manner. User names and passwords must be kept secret at all times and are not to be disclosed to any person at any time.

QRL's computer equipment, software and the information on our systems, as well as any company information you may have on personal information systems, are QRL property and may only be used for authorised purposes. You may use our systems for limited personal use however; such use must not constitute unacceptable work practices and should be conducted at times so as not to impact on your work commitments.

### Things You Need to Know about your Email Use

- ✘ Email is not private; it belongs to QRL and may be read at any time by our management team.
- ✘ Email uses our name and therefore suggests that you are communicating with the authority of QRL.
- ✘ Email may be inspected by parties outside of QRL, such as in the event of litigation.

### Guidelines to Ensure the Proper Use of Email

All users are to adopt the following guidelines in ensuring the proper use of electronic resources:

- ✘ Don't put anything in email that you would not want repeated to someone else.
- ✘ Don't put anything in email that you would not put in a hard copy memo.
- ✘ Tell your manager if inappropriate mail is forwarded to your address; you are responsible for the content of emails received and forwarded from your email address.

### What Internet and Email Activities are Unacceptable Work Practices?

- ✘ Violating the intellectual property rights of others such as, breaching copyright by copying their graphics or text material, or using other license software without proper authorisation.
- ✘ Introducing malicious programs, (such as viruses, worms, trojan horses) to QRL systems.
- ✘ Revealing account passwords to others or allowing use of accounts by others.

- ✘ Using QRL's internet resources for unauthorised commercial or personal advertisements, solicitations, promotions, political material or any other similar use.
- ✘ Circumventing user authentication or security of any host, network or account or accessing the internet other than through the QRL's security system.
- ✘ Affecting security breaches or disruptions of network communication, such as accessing data of which the employee is not an intended recipient or logging into a server or account that the employee is not expressly authorised to access.
- ✘ Without proper authorisation, invading the privacy of individuals or entities that are creators, authors, users, or subjects of information resources; this includes publishing any information, which violates or infringes upon the rights of any person.
- ✘ Downloading or installing any executable files, this includes movie files, sound files and games.
- ✘ Sending, receiving, accessing, displaying, printing or otherwise disseminating material that is fraudulent, illegal, discriminatory, embarrassing, sexually explicit, obscene, intimidating, defamatory, or would amount to harassment.
- ✘ Subscribing to mailing lists, sending unsolicited emails or participating in chain letters.
- ✘ Accessing any chat sessions (other than for work purposes) or 'blog' sites such as Face Book or My Space.
- ✘ Sending e-mail using somebody else's email address.
- ✘ Misrepresenting QRL or transmitting material that might bring QRL into disrepute.
- ✘ Wasting finite resources or obstructing other employees' work by consuming large amounts of system resources, especially the sending of broadcast messages or any other types of use which would cause congestion of the networks or otherwise interfere with the work of others.
- ✘ Without proper authorisation, transmitting or making available via the internet QRL information.
- ✘ Using an account to send anonymous messages, or attempting to obscure the origin of any message or download material under an assumed internet address or otherwise disguise their user identity.

QRL may monitor electronic transmissions at any time, to ensure that they are used appropriately. Inappropriate use of the internet or email may result in disciplinary action, as well as any action taken by an external party. Breaches of the law will be referred to the relevant law enforcement authority and suspected official misconduct will be reported to the Crime and Misconduct Commission.

*See the Information Technology Policy for a detailed explanation of our information technology practices.*

## Discrimination and Workplace Harassment

QRL is an equality opportunity employer. We value the diversity of our workforce and respect the differences between employees, recognising that each employee has individual skills and attributes to bring to their job. QRL is committed to treating all employees fairly based on ability, skills and culture fit and creating an atmosphere that encourages good working relationships and respect between employees.

### What is Discrimination?

Discrimination means treating someone less favourably than another in the workplace because of one of the following characteristics. Discrimination can be direct or indirect, intended or unintended.

- ✘ Gender.
- ✘ Relationships Status.
- ✘ Parental Status.
- ✘ Political Beliefs or Activities.
- ✘ Trade Union Activity.
- ✘ Pregnancy or Potential Pregnancy.

- ⌘ Breastfeeding.
- ⌘ Age.
- ⌘ Race.
- ⌘ Impairment or Disability.
- ⌘ Lawful Sexual Activity.
- ⌘ Carer Status.
- ⌘ Gender Identification.
- ⌘ Sexual Orientation.
- ⌘ Family Responsibilities or Status.
- ⌘ Religious Beliefs or Activities.
- ⌘ Irrelevant Criminal Background.
- ⌘ Association with anyone identified on the basis of these attributes.

### What is Sexual Harassment?

Sexual harassment is unwelcome behaviour of a sexual nature, which is offensive, humiliating or intimidating; it can be a single incident depending on the circumstances. Humour, friendships and relationships based on mutual consent are not sexual harassment.

### What is Workplace Harassment?

Workplace harassment is non-sexual behaviour that is unwelcome, offensive, intimidating, humiliating or threatening; it may be verbal, non-verbal or physical in nature. Workplace harassment does not include management action taken in a reasonable way by QRL in connection with your employment.

### What is Victimisation?

Victimisation is conduct that threatens or harms people who have made a complaint about discrimination or harassment; agreement to be a witness in a complaint process about discrimination or harassment; or have had a complaint or discrimination or harassment made against them.

### What is Vilification?

Vilification is behaviour that happens in a public place and incites other to hate, to have serious contempt for, or to severely ridicule individuals or groups because of their race, religion, sexuality or gender identity.

### Your Rights and Obligations

You have a right to work in an environment free of discrimination and workplace harassment and, if it does occur, you have a right to complain, to be taken seriously and not be disadvantaged from lodging or bearing witness to a complaint. You also have a responsibility to understand discrimination and workplace harassment and to ensure that you do not participate in or condone such activities.

If you have concerns regarding discriminated or workplace harassment please refer to our *Discrimination and Workplace Harassment Policy* and *Grievance Handling Policy* for details on how to manage the situation or lodge a complaint.

Discrimination and workplace harassment will not be tolerated and disciplinary action will be taken against anyone who engages in discriminatory or harassing behaviour, or who victimises or retaliates against a person who reports discrimination.

*See the Discrimination and Workplace Harassment Policy for more detail on our approach to discrimination and workplace harassment.*

## Grievance Procedure

QRL aims to create a healthy, safe and enjoyable work environment for employees. If you have a work related problem, a grievance, you should raise it with your manager or an appropriate person to ensure the grievance is resolved as quickly as possible.

Grievances in the workplace are important and may have serious consequences for everyone involved. Anyone involved in a grievance should display good faith at all times and genuinely participate and cooperate in attempts to resolve the matter. If you are involved in a grievance you must maintain complete confidentiality to protect everyone concerned.



QRL will treat any grievance raised seriously and investigate it confidentially and objectively.

*More detail on our grievance practices is available in the Grievance Handling Policy.*

## Confidentiality and Intellectual Property

### Confidential Information

Confidential information is an asset to QRL. We have some fairly strict policies relating to confidentiality and you are expected to comply with the obligations below.

#### What Kind of Information is Confidential?

Confidential information means information regarding QRL's business such as that relating to finance, pricing, stakeholders, suppliers and service, marketing, strategies, employees, technology or software, intellectual property, designs, company systems and procedures, general business, and any other information that should be treated as confidential.

Information that the public is able to access, other than because of your disclosure, is not confidential.

#### What if I am Uncertain about Whether Information is Confidential?

If you are not sure if information is confidential you should treat it as if it is confidential unless QRL agrees in writing that it is not confidential.

#### Your Confidentiality Obligations

Any information that is not generally available to the public concerning QRL's activities, results or plans must only be used for authorised purposes. During your employment and after your employment ends, you agree that you will keep confidential all confidential information, and not discuss, communicate or transmit confidential information to unauthorised persons or make any copies of confidential information. Serious disciplinary action, which may include termination of employment, may result if you are found to have breached our confidentiality requirements. Your obligations relating to confidential information continue after your employment ends.

Confidentiality provisions don't apply if you are required to disclose the information by law, you obtain your manager's approval, or you are disclosing the information for a proper purpose relating to QRL.

### Intellectual Property

Intellectual property belongs to QRL and is an asset to the company. You must protect and treat intellectual property information as confidential.

#### What is Intellectual Property?

Intellectual property means ownership of, and rights relating to, confidential information; inventions; trademarks; patents; designs; company databases; business ideas, processes, proposals or strategies; discoveries and copyright material.

#### Your Intellectual Property Obligations

Any intellectual property that you create or develop relating to QRL, including any work you do for our stakeholders, belongs to QRL. If required, you must do everything necessary to transfer the intellectual property rights to QRL. Your obligations relating to intellectual property continue after your employment ends.

*See our Confidentiality and Intellectual Property Policy for more detail on confidentiality and intellectual property at QRL.*

## Performance Counselling

QRL is committed to creating a high performance culture and endeavours to provide an effective, prompt, equitable and consistent approach to managing unacceptable performance or behaviour.

### What is the Performance Counselling Process?

Performance counselling may involve, but is not limited to, action such as counselling discussions, training and education, written warnings, demotion or dismissal. All disciplinary processes should be confidential, prompt and procedurally fair.

*More information on QRL's performance counselling practices is available in our Performance Counselling Policy.*

## Termination of Employment

Your employment with QRL can be terminated by either you or QRL by providing notice as specified in your employment agreement or the industrial instrument under which you are employed.

### What if my Employment with QRL is Terminated by the Company?

If you find yourself in a situation where your employment is terminated by QRL you will be entitled to notice, or payment in lieu of notice, as per your employment agreement or applicable industrial instrument.

### Can my Employment be Terminated without Notice?

Yes, despite our performance counselling processes, there are a number of actions that are regarded as so serious that immediate termination without notice may result. Such acts of misconduct may include (depending on the severity), but are not limited to:

- ✘ Fraud.
- ✘ Theft from QRL, another employee, contractor or stakeholder.
- ✘ Violence or fighting.
- ✘ Workplace harassment.
- ✘ Sexual harassment.
- ✘ Wilful disobedience.
- ✘ Wilful destruction or property belonging to QRL, another employee, contractor or stakeholder.
- ✘ Insubordination.
- ✘ Drunkenness or under the influence of illegal drugs.
- ✘ Use, sale or possession of illegal non-prescription drugs whilst on QRL premises.
- ✘ Sleeping on the job.
- ✘ Insulting words/ abusive language/ obscenity.
- ✘ Failure to observe safety rules.
- ✘ Insolence.
- ✘ Concealment of a material fact on engagement.
- ✘ Dishonesty in the course of the employment.
- ✘ Conviction or an offence which makes you completely unfit for work.
- ✘ Harassing or discriminating against a employee, contractor or stakeholder.

## Return of QRL Property

On or before your employment ends, you must return to QRL all records of confidential information and intellectual property and any other company property that is in your possession or control.

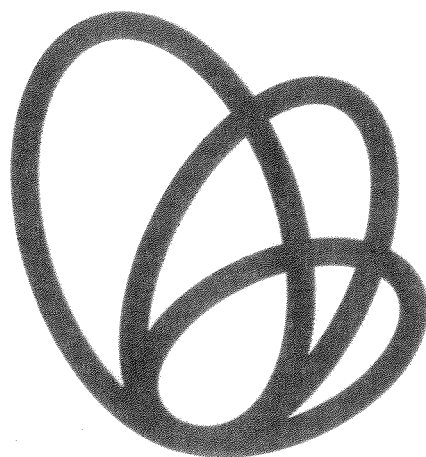
*See the Termination of Employment Policy for a detailed explanation of QRL's termination of employment practices.*

## EMPLOYEE DECLARATION

1. I have read and understand the provisions of Queensland Racing Limited's Employee Handbook.
2. I agree to observe and comply with the policies and procedures included in this Employee Handbook. I acknowledge that they do not form terms and conditions of my employment contract with QRL unless expressly referred to in my Employment Agreement. If there is any inconsistency between the terms of this Employment Agreement and this Employee Handbook, I acknowledge that the terms of this Employment Agreement will prevail.
3. I shall return this original declaration to Queensland Racing Limited and retain the Employee Handbook for my future reference and use.

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Employee Name: \_\_\_\_\_



# RACING QUEENSLAND

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## **EMPLOYEE HANDBOOK**

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## WELCOME TO RACING QUEENSLAND LIMITED

It is with pleasure that we welcome you to the Racing Queensland Limited (RQL) team.

Racing occupies a vital place in Queensland's cultural and sporting life. It also makes an important contribution to the state's economy; generating jobs, fostering tourism and creating wealth throughout Queensland. As a RQL employee, you will be part of the ongoing development of an increasingly professional racing industry.

RQL aims to offer its employees interesting, fulfilling and rewarding work in an exciting and dynamic industry. In return, RQL expects the highest standards of professionalism, diligence and integrity.

This handbook has been designed to help you better understand the organisation and to provide a summary of the principles for which RQL stands, information about our values, how we behave and how we work with other people; the benefits to which you are entitled; the policies and procedures affecting your employment; and the undertakings and commitments of RQL and its employees.

This handbook should be read in conjunction with our policies, including human resource policies and procedure manual and your employment agreement or letter of offer.

You should read, understand, and comply with all provisions of the employee handbook. If you do not understand any information contained in the handbook, or if you have any questions concerning the policies or benefits outlined in the handbook, it is important that you speak with your manager.

I look forward to a long and happy association with you as a member of the RQL team.

Yours sincerely

Malcolm Tuttle  
Chief Executive Officer

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## INTRODUCTION TO RQL

### Who We Are...

RQL is the control body for racing in Queensland. We coordinate, manage and regulate the industry by:

- Administering the Rules of Racing.
- Implementing sound policies.
- Enforcing standards of safety and integrity.
- Licensing industry participants.
- Licensing race clubs and monitoring their activities and performance.
- Monitoring the condition of racecourses and working with race clubs to ensure courses are developed to a suitable standard.
- Commissioning and undertaking research and promotional activities.
- Administering industry funding and commercial agreements.
- Representing the Queensland racing industry on national bodies.

### What We Stand For...

#### Our Mission

To further enhance the quality and integrity of racing in Queensland.

#### Our Values

RQL recognises that our people make the difference and that we need to attract, develop and retain good people. Five values underpin our work:

- **Professional and Ethical** – at all times we are professional and ethical in our dealings with stakeholders and colleagues.
- **Results-Orientated** – we ensure that our day-to-day activities are consistent with and contribute to achieving our goals.
- **Teamwork** – we work as a team to deliver the best solutions for our stakeholders, recognising and rewarding both team and individual contributions.
- **Customer Service Excellence** – we strive to serve our customers with excellence.
- **Balance Between Professional and Personal Life** – we recognise that people are our main asset so achieving a balance between professional and personal time is in the best interest of individuals and the organisation.

### Where We Come From; The History of Racing...

Thoroughbred racing has a rich and colourful history in Australia that can be traced back to the earliest days of colonisation by Europeans. Seven horses arrived with the first fleet in 1788, when horses played a vital role in everyday life as a mode of transport, beasts of burden and as a form of recreation.

With horses so important in the colony, it did not take long for the competitive spirit to test the speed of horses and the skill of riders and Australia's first organised horse race is recorded as taking place at Batmans Hill in New South Wales in 1838. Four years later, Australia's first race club, the Australian Jockey Club, was established.

The following year, 1843, saw Queensland's first organised racing meeting held at Coorparoo. However, it was not until 1863 that the Queensland Turf Club was formed and 1865 until the club hosted Queensland's first official race meeting.

Before this, the first trotting race was held in Australia with a sports meeting conducted at Parramatta on 30 April, 1810. Reports suggest that Miss Kitty prevailed on the day in good style. At the time, good carriage horses were able to cover the 15 mile journey from Parramatta to Sydney in less than 60 minutes.

In 1891 the Australian greyhound industry was on the move with the National Coursing Association of NSW established. Two years later the first greyhound meeting was held in Queensland at Allora on the Darling Downs.

With the growth of racing, and the federation of the colonies into the Australian nation, came the need to introduce standardised rules for conducting thoroughbred racing. By 1912 the principal clubs that controlled racing in each state had agreed on the Australian Rules of Racing.

Racing is all about champions and Queensland has produced some truly great horses and the Queensland racing public has witnessed history being made at the track. In 1946, Bernborough, arguably Queensland's greatest horse, won 15 successive events, including the Doomben Double. In 1961, a record crowd farewelled the great Tulloch at the Brisbane Cup; and in 1973, Gunsynd, the Goondiwindi Grey immortalised by Slim Dusty, was farewelled at Doomben.

From a harness racing standpoint, it is doubtful there has been one better than Queensland's Blakes A Fake the winner of a record four (4) Inter Dominion Pacing Championships and \$4.2 million in stakes.

Racing in Queensland has a record of innovation, often placing it at the cutting edge of the development of the sport and industry of racing. In 1878, the world's first totalisator was unveiled at Ipswich, west of Brisbane. In 1901, the year of federation, "electric light racing" commenced at the Gabba in Brisbane's east. In 1962 following Victoria's lead, off-course betting was legalised through the Queensland TAB. Apart from providing a legal form of off-course betting, the TAB provided a source of income for race clubs and revenue for government.

TAB Queensland has grown from humble beginnings to become a billion-dollar operation. Today computers are such a part of mainstream life that it seems incredible that it was not until 1977 that the TAB took its first automated telephone bet and 1980 that it introduced computerised betting. In 1999, the Queensland Government approved privatisation of the TAB. Today the organisation is at the forefront of information technology.

In October 1983, the redeveloped Albion Park was opened with a 'state of the art' 5/8<sup>th</sup> of a mile left handed circuit and a purpose built grandstand that housed the renown 'Silks Restaurant' most famous for its seafood smorgasbord.

The formation of the TAB began a process of liberating racing from the confines of racecourses and taking it to the public wherever they were. In 1986, Sky Channel began broadcasting races live to Queensland hotels and clubs. By 1991, racing had its own radio station, 4TAB, to serve the Queensland public with live race coverage and racing information. Three years later, telephone betting with bookmakers was legalised.



After racing at the Gabba since 1972, the Brisbane Greyhound Club opened its doors at Albion Park in 1993.

For much of its history, women were marginalised or excluded from the racing industry but by the late 1970s this had begun to change. Pam O'Neill successfully lobbied the Queensland Turf Club to license women as strappers and jockeys and in 1979 she won her licence, making her the first woman jockey in Australia. On her first day riding, Pam created a world record for any jockey, male or female, when she rode a treble at Southport. Today women are successful jockeys, stable hands, trainers and veterinarians and occupy key positions in racing industry administration and marketing.

Along with its proud record of leading industry development and producing champions, Queensland also shares the dubious distinction of being the venue for one of racing's most notorious incidents. On 18 August 1984, an open-class sprinter, Bold Personality, was substituted for an ordinary country horse. The Fine Cotton ring-in was uncovered by stewards at the Queensland Turf Club and became another chapter in racing's rich and colourful history.

With the growth of the sport and industry of racing came the need for more professionalism and the highest standards of industry integrity assurance.

The Racing Science Centre was created in 1989 in response to the "caffeine crisis", when errors in drug testing caused a spate of false positive tests to be reported. The Racing Science Centre oversees testing of racing animals for illicit drugs, as well as working with racing administrators and trainers on animal welfare issues.

The Racing Development Fund (RDF), established in 1981, heralded an era of industry expansion. Money for the RDF came from a percentage of TAB turnover, fractions and unclaimed dividends and was used to upgrade racing facilities, fund race series and help the industry develop professionally across all three (3) codes.

By 1990, the Queensland Government believed the State's five thoroughbred principal clubs were no longer able to provide the leadership and management the racing industry needed for it to meet the challenges of an increasingly complex and competitive environment. The Government released its "Green Paper" for restructuring racing administration and, after lengthy industry consultation, the Queensland Principal Club, the forerunner to Queensland Thoroughbred Racing Board, was created in 1992 to unify racing administration in the State.

The industry of racing had grown to become a major part of the Queensland and Australian economy but its actual contribution remained a mystery and a major study of racing's economic impact was commissioned. The landmark 1992 ACIL report found Australian racing generated \$2.4 billion in GDP and the contribution to Queensland's Gross State Product exceeded \$400 million.

The Queensland Principal Club initiated the industry's first strategic plan, Form Guide to the Future, in 1998. Studies conducted by KPMG found Queensland racing (including the thoroughbred, harness and greyhound codes) contributed \$700 million to the State economy and generated full-time, part-time and casual jobs for almost 24,000 Queenslanders. The State Government received almost \$100 million in revenue from the industry.

These contributions were further reviewed by IER in 2009 and it was found that the three (3) racing codes in Queensland were responsible for the employment of 30,000 Queenslanders and contributed \$1.4 billion to the Queensland economy.

With privatisation of the TAB, now known as UNiTAB, in 1999, the racing industry became master of its destiny. The new arrangements meant the industry's revenue was directly tied to its ability to generate betting turnover. The industry would succeed or fail on its merits.

To address the new commercial realities, a skills-based thoroughbred board was appointed to head Queensland Racing in 2002. The board focussed on rationalising Queensland's racing calendar to maximise betting turnover on Queensland races.

In 2003, Queensland Racing relocated to a modern, purpose-built facility at its Deagon training centre. The industry also began reaping the benefits of reform, with increased revenue and lower costs translating into big prize money increases. 2004 saw the first full year of reform, with the financial gains consolidated, record betting turnover and record attendance at Queensland's feature race carnivals.

On 1 July 2010, RQL will commence as the new control body for thoroughbred, harness and greyhound racing:

1. QRL will cease as the control body for thoroughbred racing
2. Queensland Harness Racing Limited will cease as the control body for harness racing, and
3. Greyhounds Queensland Limited will cease as the control body for greyhound racing.

The establishment of one control body for the thoroughbred, harness and greyhound codes of racing is expected to provide a unified commercial focus that will facilitate effective decision making and the development of the Queensland racing industry as a whole.

It is an exciting time for racing in Queensland and we will continue to build on the strong history that precedes us in each of the racing codes.

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## ROLE OF RQL AND INDUSTRY STRUCTURE

### Overview

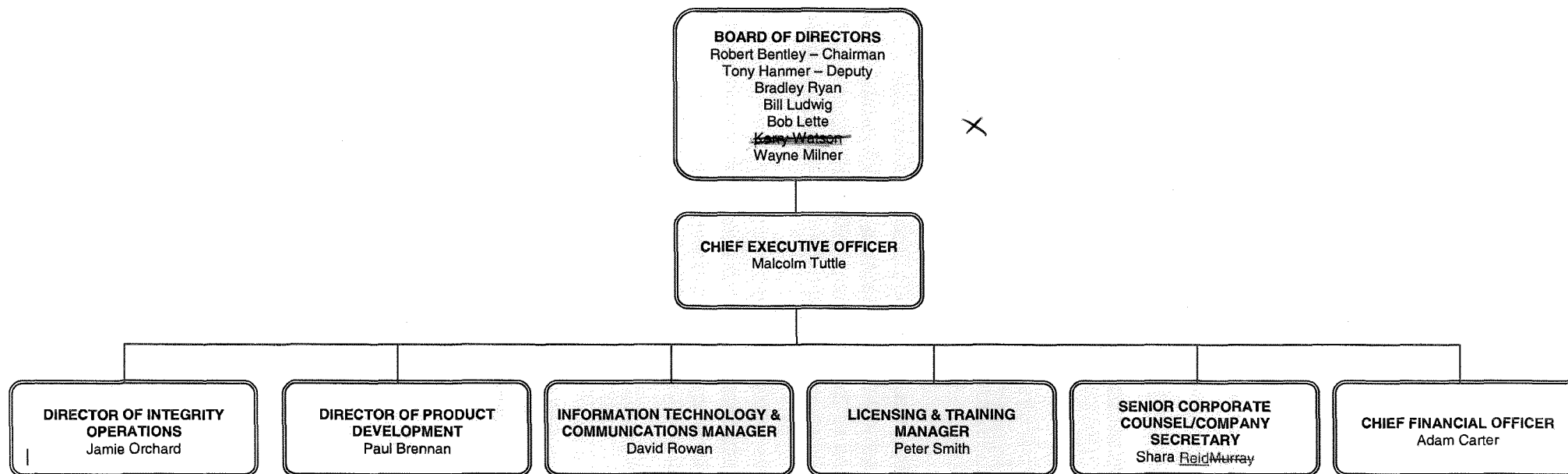
RQL and the Queensland racing industry operate within a complex industry structure that poses its own challenges and requirements. The key elements of the structure are as follows:

RQL is the licensed control body for the Queensland industry, responsible for establishing and maintaining the policies, funding and licensing arrangements, the product and program and safety and integrity of the industry. RQL is established under the *Racing Act 2002* and is a company limited by guarantee.

- Ⓐ RQL interacts with the other Principal Racing Authorities (PRA's) through the National bodies that set the rules of racing and seek to coordinate national initiatives.
- Ⓑ Racing Information Services Australia (RISA) which provides a wide range of services to the racing industry and also commercialises the racing product, is owned jointly by the PRA's.
- Ⓒ Funding for the industry comes principally through a product and program agreement entered into by the three racing codes with UNiTAB. In addition, revenues are also generated for the Queensland racing industry through charges that are levied against wagering operators for the use of racing information for the purpose of race wagering.

The constitution of RQL is based on best corporate governance principles and has been tailored to suit the Queensland racing industry. The constitution complies with the requirements of the *Racing Act 2002* and *Corporations Act 2001*.

**Our Organisational Structure**



## **Our Departments**

### **Chief Executive Officer**

The Chief Executive Officer (CEO) is responsible for the operations of RQL within established policy and in accordance with the delegated authority of the Board of Directors. In addition to leading the Executive team, the CEO is required to provide strategic advice to the RQL Board in relation to the business of racing.

### **Integrity Operations**

The Integrity section ensures the effective delivery of integrity services and operational stewarding throughout the state and is responsible for policy, strategy and performance under these areas, management of the complaints system and investigations as required, and maintaining the interaction with various levels of government. Other responsibilities include the effective delivery of betting analysis and monitoring of all TAB Queensland races. Operational stewarding provides effective delivery of stewarding throughout the state, including management of the regional offices at Toowoomba, Rockhampton and Townsville. It monitors and ensures compliance with the Local and Australian Rules of Racing. This section deals with race day issues requiring resolution as well as issues arising as a result of a proactive investigations section.

### **Product Development**

The Product Development section works with Clubs, the other codes of racing and UNITAB to develop the most effective allocation of race dates, as well as scheduling prizemoney and developing state-wide racing programs and black type races.

Other responsibilities include; asset development planning, the management of breeding schemes, the management of Queensland's Black Type allocation, the interface with the Trainer's Service Centre, the provision of handicapping services to the State, the management of the Deagon complex, and provides support to the Industry on Workplace Health and Safety issues.

### **Finance**

The Finance section provides financial services to the Queensland racing industry and financial, business development and other corporate services to RQL. It administers the centralised prizemoney system and provides accounting and business analyst services to RQL.

### **Information Technology & Communications**

The Information section provides information technology and telecommunications services internally to RQL. While the Communications section provides information to stakeholders in the racing industry and the general public through the monthly magazines, RQL's website and media releases. The Communications section also organises events such as the annual Racing Queensland Industry Awards and works to promote the industry at all levels.

### **Corporate Counsel / Company Secretary**

The Corporate Counsel of RQL ensures compliance with Acts of Parliament and government regulations, and provides company secretary services to the Board. Racing appeals are also managed by this section, as well as providing legal services to the company.

### **Licensing and Training Manager**

The Licensing and Training section provides licensing and training services to licensees and other Queensland racing industry participants, as well as training and development support to RQL. This section administers all license renewals and manages the licensing committee.

## WORKPLACE CONDITIONS AND BENEFITS

### Training and Development

RQL is committed to providing employees with training and development opportunities to ensure that you keep continue to learn and develop within your job and our business. We employ a variety of strategies to create an organisational climate that attracts and retains employees of the highest calibre and optimises their opportunities to contribute to the achievement of our mission and objectives. It is essential to continually maintain and develop our skills to ensure that we provide our stakeholders with the highest standard of service and products, and to ensure that you develop to your full potential.

RQL encourages career development through continuing professional development, formal training, and opportunities for on-the-job experience. An additional component of our employee development strategy is our Study Assistance Scheme which provides assistance to employees participating in authorised education. Everyone is encouraged to, wherever possible, gain well-rounded experience and development within the company.

### Career Opportunities

We value our employees and your career development and believe in promotion from within RQL; before we search outside the company, except where special circumstances exist, we will always look for talented people already working for us. All company vacancies will be advertised internally if the skills required for the position exist within RQL and preference will be given to internal applicants when other aspects are equal.

### Performance Reviews

RQL is committed to creating an environment that encourages high levels of performance. The performance management system is an ongoing communication system between employees and their manager; providing an opportunity to plan, manage, review, recognise and improve performance. It involves establishing clear expectations and understanding about:

- ⌘ The essential function the employee is expected to perform and the desired workplace behaviours.
- ⌘ How job performance will be measured and assessed.
- ⌘ How the employee and manager will work together to sustain, improve or build on existing performance
- ⌘ How the employees' skills and knowledge will be developed to enable the employee to be more effective and efficient
- ⌘ How the successful completion of the function will contribute to the goals of RQL.

Your first performance review will be during your qualifying period. Thereafter, RQL conducts performance reviews on an annual basis with progress reviews conducted every six (6) months to assess performance to date and address any issues that may prevent you from achieving your objectives.

RQL is fully committed to the process including the provision of adequate support and training to equip employees with the skills and experience to grow and develop in the business.

### Remuneration Reviews

RQL's remuneration standards are based on a "pay for performance" philosophy, according to your experience and your position. We will review remuneration levels on an annual basis during July.

RQL will remunerate employee's on the basis of competitive market rates, ensuring equity at all times. Salary packaging is also available for motor vehicles, superannuation, business related equipment and private health insurance.

If you have been with us for less than six (6) months at remuneration review time, you may not be eligible for a salary review due to your short length of time with us.

## Communication

At RQL, effective communication is vital to foster a people focussed work environment defined by recognition, opportunity, respect, courtesy, cooperation, consideration and ongoing feedback. To ensure effective communication we need to consider the best method of communication for each situation. We have established some communication guidelines, which if followed will assist us in being effective communicators both internally and externally.

- ☒ All communication should comply with our values.
- ☒ Seek first to understand and then to be understood.
- ☒ Always respect confidentiality.
- ☒ As a minimum reply to communication in the method that it was received. To improve communication, go up the communication hierarchy (see below).
- ☒ Communicate with the receiver in mind, in a method and at a level appropriate to them.

## The Hierarchy of Communication

<b>Face to Face Communication</b>	<p><b>When to Use</b></p> <ul style="list-style-type: none"> <li>☒ In conflict or potential conflict situations</li> <li>☒ In sensitive situations or when involving sensitive information</li> <li>☒ If delivering bad news</li> <li>☒ If there is a significant issue or occasion</li> <li>☒ To conduct performance reviews</li> </ul>	<p><b>How to Use</b></p> <ul style="list-style-type: none"> <li>☒ Be in an appropriate environment</li> <li>☒ Be in the moment; no interruptions</li> <li>☒ Be prepared; have all the facts</li> <li>☒ Use active listening</li> <li>☒ Use body language; eye contact, shake hands, mirror the other person</li> </ul>
<b>Phone Communication</b>	<p><b>When to Use</b></p> <ul style="list-style-type: none"> <li>☒ If you cannot meet face to face</li> <li>☒ If it isn't necessary to meet face to face</li> <li>☒ To book external appointments</li> <li>☒ When making a call would improve customer service and relationships</li> </ul>	<p><b>How to Use</b></p> <ul style="list-style-type: none"> <li>☒ Reception, extensions and mobiles should be answered professionally</li> <li>☒ Urgent calls should be returned immediately</li> <li>☒ Return all calls by close of business the following day</li> </ul>
<b>Written Communication</b>	<p><b>When to Use</b></p> <ul style="list-style-type: none"> <li>☒ If it is important to document the facts or when a permanent record is required</li> <li>☒ If it is beneficial to the recipient for it to be in writing</li> <li>☒ To confirm conversations in conflict or potential conflict situations</li> </ul>	<p><b>How to Use</b></p> <ul style="list-style-type: none"> <li>☒ Personalise every letter</li> <li>☒ Sign every letter personally</li> <li>☒ Respond within seven days of receiving correspondence</li> </ul>
<b>Email Communication</b>	<p><b>When to Use</b></p> <ul style="list-style-type: none"> <li>☒ To ask simple, non-confrontational questions</li> <li>☒ To transfer information</li> <li>☒ To set internal or external appointments</li> <li>☒ If there is no chance for an error in interpretation</li> <li>☒ If there is no conflict between the parties</li> </ul>	<p><b>How to Use</b></p> <ul style="list-style-type: none"> <li>☒ Be clear, make emails easy to understand</li> <li>☒ All external emails should have a signature block</li> <li>☒ If an email received is marked urgent it should be answered immediately</li> <li>☒ Return all emails received by close of business the following day</li> </ul>

<b>Text Communication</b>	<b>When to Use</b>	<b>How to Use</b>
	<ul style="list-style-type: none"> <li>⌘ If the communication is with someone internally</li> <li>⌘ When it is the only means of contact</li> </ul>	<ul style="list-style-type: none"> <li>⌘ Check the recipient before sending</li> <li>⌘ Be clear; avoid 'text talk'</li> </ul>

The door is always open at RQL; do not be afraid to approach your manager with your ideas, concerns and feedback. Team meetings are held regularly to discuss any concerns and provide you with the opportunity to suggest improvements. Your feedback is crucial to our success.

### Company Mobile Phones

RQL may provide you with a mobile phone for the purpose of improving business efficiency. If we provide you with a mobile phone please remember its primary purpose is business, not personal, use. Personal calls within reason will be accepted, and form part of your remuneration package. All calls are itemised on monthly statements and any abuse of this entitlement may result in disciplinary action, including the return of your mobile phone.

Please look after your mobile phone, RQL reserves the right to seek reimbursement from you for any damage, loss, theft, or other expenses incurred that are caused by an employee's wilful or negligent act or omission.

### Company Motor Vehicles

RQL employees may elect to have an eligible motor vehicle included in their salary package, subject to approval, by way of Tool of Trade or Novated Lease (see motor vehicle policy for details on Novation).

If you elect to do so please note the following conditions:

- ⌘ Tool of Trade/Company vehicles shall be made available for the authorised use of other employees during working hours and returned to RQL, at our discretion, or if you are absent from work for an extended period.
- ⌘ Excluding the event of an emergency, no person other than an appropriately trained/licensed employee shall operate Tool of Trade/Company vehicles.
- ⌘ RQL shall not accept responsibility for any penalty or fine that may be imposed in relation to the use of the vehicle unless required by law, in which case you shall reimburse RQL for the penalty or fine.
- ⌘ You must ensure that Tool of Trade/Company vehicles are properly maintained and RQL reserves the right to inspect the vehicle upon demand.
- ⌘ RQL reserves the right to seek payment from you for any maintenance, repairs or replacement of the vehicle caused through the wilful or negligent misuse of the vehicle by you.
- ⌘ Any maintenance and/or repairs to the vehicle shall be carried out by a service provider approved by RQL and, subject to the provisions above, at the expense of RQL.
- ⌘ Should the vehicle be involved in an accident or otherwise damaged you must notify your department manager immediately.

During the course of employment, licensed employees may also use a company pool car. In addition to the conditions outlined above, use of pool cars is subject to the employee completing the log book to a satisfactory standard (see motor vehicle policy for details on use of pool cars).



## Company Equipment and Property

All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are the property of RQL.

All equipment and company property should be safeguarded and remain on RQL's premises unless permission has been granted for the item to be removed.

## Social Activities

RQL encourages social activities to reward employees for their efforts. Occasionally we may hold social functions or request you to attend stakeholder or social functions, where alcohol is available.

RQL promotes the responsible consumption of alcohol and we expect employees to drink responsibly. All work related social activities are not compulsory and that in the event you choose to consume alcohol at any work related function you should do so in moderation and respect those who do not wish to partake. Please be aware that RQL social functions and events are part of work and the requirements of the RQL Code of Conduct and other policies will apply to your behaviour.

## WorkLife NAB

RQL currently provides all full time permanent employees' membership to WorkLife NAB. This membership is a comprehensive employee benefits program which provides access to significant savings incorporating both lifestyle and financial benefits. Details of the lifestyle and banking benefits are provided on the RQL intranet.

If you are eligible to receive a membership card you can access further detailed information on what is available on the website <http://worklife.nab.com.au/site/index.asp> and we urge you to subscribe to the monthly e-newsletter so you are aware of the latest deals and benefits.

## Gym Facilities

Fitness and conditioning centres for jockeys, apprentices and trainees are situated at RQL's Deagon, Caloundra and Rockhampton locations. As an added benefit for RQL employees, the use of these facilities is made available to staff outside allocated training times.

Cardiac, conditioning and strengthening equipment is available which is of the latest design and is durable and easy to use for all fitness levels.

For access and use of the gym and equipment all users must complete a user agreement, questionnaire and obtain a key. Forms are available from the Training Department. Gym facilities are co-ordinated by RQL's Licensing & Training Manager.

## Employee Records

It is important that up-to-date records are accurately and rigorously maintained regarding your personal details and career history. Please ensure that you update any changes to your personal details such as your address, telephone number or emergency contacts, as well as any additional experience or qualifications gained through the employee service portal of ConnX.

## Reimbursement of Expenses

If you use your own money for work related expenses we will reimburse you, as long as the expense is necessary to your job and:

- ⓧ Your manager gives you the approval beforehand.
- ⓧ You have documentary evidence of the expense satisfactory to your manager.

- You make a claim for reimbursement within a reasonable time of incurring the expense.

On occasions, you may be required to entertain stakeholders and business associates. This entertainment is dependent upon the existence of a business relationship and that the relationship would benefit RQL. When more than one employee is present at a business meal or entertainment event, the most senior employee must pay and claim the expense. All expense claims need to be approved by the appropriate manager prior to reimbursement.

Provided that we are satisfied the expenses incurred are legitimate business expenses, reimbursement will be made within fourteen days.

All expenditures must be reported accurately and in a timely way and an accurate and auditable record of all financial transactions relating to RQL must be maintained in accordance with generally accepted accounting principles. No entry should be made in the company records that distorts or disguises the true nature of any transaction.

Please note that submission of a fraudulent expense report will be regarded as serious misconduct and disciplinary action up to and including summary dismissal may apply.

## POLICIES AND PROCEDURES

The following information is important extracts from our Human Resource Policies and Procedure Manual. As part of your induction you are expected to familiarise yourself with our policies and your responsibilities and obligations. The Human Resource Policies and Procedure Manual can be found on the RQL intranet.

### Code of Conduct

RQL is committed to delivering the highest standards of corporate practice and business conduct. We aim to be a model corporate citizen; conducting business in an ethical and responsible manner, complying with all applicable legal requirements, promoting a positive and ethical work environment for employees, and making a positive contribution to the community. The Code applies to all RQL employees.

### Corporate Governance

- ⌘ RQL is responsible for the control, supervision and regulation of racing in Queensland.
- ⌘ The Board is responsible for determining the strategic direction of RQL and ensuring compliance with the statutory obligations.
- ⌘ The Chair of the Board plays an important leadership role in ensuring RQL works effectively.
- ⌘ The Deputy Chair of the Board acts as the Chair of the Board during all periods when the Chair is absent from duty or, for another reason, cannot perform the functions of the office.
- ⌘ Management is responsible for ensuring all RQL officials within their organisational area comply with the Code.

### Principles of the Public Sector Ethics Act 1994

- ⌘ All officials must support the implementation of government policy effectively and impartially, and carry out official duties lawfully, observing statutory obligations.
- ⌘ All officials must treat all stakeholders and employees with courtesy, honesty and fairness and with proper regard for their rights and obligations.
- ⌘ All officials must perform their duties with the highest standards of personal integrity and honesty.
- ⌘ All officials must comply with all reasonable and lawful instructions, comply with and implement RQL policies faithfully and impartially, and exercise all reasonable care, skill and diligence in giving information or advice.
- ⌘ All officials must ensure RQL resources are safeguarded and not wasted abused or used improperly or extravagantly.

### Code Breaches

- ⌘ If you are aware of, or have genuine suspicions of, any breaches to our code of conduct, policies and procedures manual or any legal violation you must report these issues to your manager.
- ⌘ If you, in good faith, make a complaint or disclosure about an alleged breach of the code you will not be disadvantaged or prejudiced for making a complaint or disclosure.

## Workplace Health and Safety

The health, safety and welfare of our employees, customers and community is very important to RQL. We recognise our responsibility to provide a safe and healthy workplace for all employees, stakeholders, visitors and contractors. To ensure the wellbeing of others, we are committed to:

- Ⓧ Identifying and controlling factors within the workplace that may cause injury or health issues.
- Ⓧ Providing safe equipment and systems of work.
- Ⓧ Ensuring compliance with legislative requirements and industry standards.
- Ⓧ Providing information, training and supervision to ensure safety.
- Ⓧ Providing a trained Workplace Health and Safety Officer

To assist RQL in providing a healthy and safe workplace you must report any incidents, injuries, or identified hazards to your manager immediately. Workplace health and safety is not a “one-way street”, everyone is responsible for ensuring the highest possible care in all work related activities.

## Workplace Rehabilitation

RQL recognises that there are substantial benefits to be gained from rehabilitation principles and practices and is committed to implementing them in the workplace. RQL is committed to:

- Ⓧ Fostering a culture of acceptance for workplace rehabilitation.
- Ⓧ Providing a process to support an early safe return to work and maximise independent functioning.
- Ⓧ Ensuring that the position of rehabilitation coordinator is adequately resourced.
- Ⓧ Ensuring that adequate storage is provided to maintain the confidentiality of rehabilitation files.

## Emergency and Evacuation Procedures

In the interests of both employee and stakeholder safety, you must make sure you are familiar with the procedures for evacuating the workplace and your responsibilities in emergency situations. It is important to know where the first aid kits, hose reels, fire extinguishers and emergency exits are located. Each new employee will be given information on these procedures.

*Please ensure that you are familiar with all workplace health and safety policies and procedures applicable to your role and as detailed in our Workplace Health and Safety and Workplace Rehabilitation Policy.*

## Smoking, Drugs and Alcohol

RQL is committed to providing a smoke free work environment that is also free from the risks of hazards and injury associated with the abuse of alcohol or other drugs.

In accordance with the legislation, smoking is not permitted in any work area including company vehicles. Those employees who do smoke cigarettes should be conscious of the company's corporate image and be discreet when selecting a smoking location outside of the work area. Smoking is allowed only in prescribed rest or meal breaks.

Alcohol and drug use can affect your work performance, posing health and safety risks to employees, stakeholders, and members of the public. As a general rule, for safety and social reasons, you should never arrive at work or be at work while intoxicated or under the influence of illicit drugs or other drugs that impair your ability to perform your duties. Consumption of alcohol at RQL and stakeholder functions may be acceptable provided that alcohol is not consumed in excess.

If we suspect you are intoxicated or under the influence of illegal or non-prescription drugs you may be required to undergo alcohol or drug tests. If the tests indicate intoxication above the legal or acceptable limit and/or you refuse to take a test, you may be subject to disciplinary action.

Repeated poor work performance caused by alcohol or drug use, or significant impairment that makes you unable to perform the duties of your role, create a serious safety risk and is regarded as serious misconduct. In addition, we prohibit the possession, transfer, or use of illegal substances on our premises, if you are found in possession of or under the influence of illegal drugs during working hours you may be subject to disciplinary action, up to and including summary dismissal.

*See the Workplace Smoking, Drugs and Alcohol Policy for a detailed explanation of RQL's approach to these issues.*

## **Personal Presentation**

The image that RQL projects to the community and its stakeholders is paramount to how we are perceived. RQL employees are required to dress in a manner appropriate to their position, work location and duties while at work or any time they are representing the company, to ensure that RQL is represented positively and that our image is maintained. A high level of personal hygiene and appearance should be maintained at all times.

RQL has a corporate uniform and available to all employees. Each full-time employee will receive an initial issue of uniform clothing to the value of \$500, at RQL's expense and additional items of clothing may be purchased at the employee's expense. The uniform is not compulsory, except for the full time RQL receptionist; however employees are required to comply with the minimum dress standards as stipulated in the RQL code of conduct.

*More detail on personal presentation is available in the Personal Presentation Policy.*

## **Working Hours**

Your working hours are set out in your Employment Agreement. Given the nature of our business you need to be flexible and available to work additional hours as required to complete your duties and meet our business and stakeholder needs.

## **Flexible Working Arrangements**

The *Fair Work Act 2009* has introduced a flexible working arrangement for permanent employees who are responsible for the care of a child under school age to request a change to their working arrangements in order to care for the child. RQL will consider all requests. Eligibility rules apply.

## **Leave Entitlements**

### **Annual Leave**

#### **Who is entitled to annual leave?**

All full-time and part-time employees are entitled to paid annual leave.

#### **What is my annual leave entitlement?**

Full-time employees, other than stewards, are entitled to 20 days of annual leave for each completed year of employment, pro-rata for part-time employees.

Full-time employees, engaged as stewards, are entitled to 25 days of annual leave for each completed year of employment, pro-rata for part-time employees.

Unused annual leave carries forward from year to year, and is paid out at the end of your employment with RQL.

#### **When can I take annual leave?**

We encourage employees to take annual leave on a regular basis to ensure that employees have the opportunity to balance their work, social and family life. Annual leave may be taken at a time which is agreed upon with RQL, subject to the operational requirements of the company. Requests for annual leave should be made through the leave application of ConnX. We will not unreasonably

refuse the taking of annual leave, however there are certain times during the year when annual leave will not usually be granted and these times differ in various parts of the business.

To ensure you maintain a healthy work and life balance, we encourage you to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave.

### **Personal/Carer's Leave**

Personal/Carer's leave includes leave taken because you are ill or injured (personal leave); and leave taken to provide care to a member of your immediate family or household, who needs support because of an illness, injury or an unexpected emergency (carer's leave).

#### **Who is entitled to paid personal/carers leave?**

All full-time and part-time employees are entitled to paid personal/carers leave.

#### **What is my paid sick/carers leave entitlement?**

Full-time employees are entitled to 10 days of paid personal/carers leave for each year of employment, pro rata for part-time employees.

Unused personal/carers leave carries forward from year to year, but any unused personal leave is not paid out at the end of your employment with RQL.

#### **Are there any conditions before I am entitled to personal leave?**

Yes, there are conditions relating to notifying RQL of your absence and providing documentary evidence to the company regarding your absence if requested to do so.

If you are unable to attend work you must advise your manager by telephoning them as soon as possible on the day of your absence, stating the reason for your absence and as far as is practicable the estimated duration of your absence. If your manager is not available, speak to the next most appropriate manager or employee to ensure that your manager is aware of your absence.

Requests for personal/carers leave should be made through the leave application of ConnX.

We may ask you to provide reasonable proof of the reason for your absence if you take personal or carers leave. This will usually be in the form of a medical certificate or statutory declaration, evidencing the illness, injury or unexpected emergency, as soon as reasonably practicable.

#### **Are there any restrictions on taking paid personal leave?**

Yes, unless RQL agrees otherwise in writing, you cannot take more than 13 weeks of personal leave per year (pro-rata for part-time employees). These restrictions apply even if you have accumulated more than the necessary leave required to be taken.

You are also not entitled to paid personal/carers leave for any period during which you are entitled to workers compensation payments.

### **Unpaid Carer's Leave**

#### **Who is entitled to unpaid carer's leave?**

All employees are entitled to unpaid carer's leave.

#### **What is my unpaid carer's leave entitlement?**

You are entitled to a maximum of two (2) days of unpaid carer's leave for each occasion that you are required to care for a member of your immediate family or household because they are ill, injured or there is an unexpected emergency affecting that family or household member.

#### **Are there any restrictions on taking unpaid carer's leave?**

Yes, you are only entitled to take unpaid carer's leave if you have exhausted your paid sick/carers leave entitlements.

Requests for unpaid carer's leave should be made through the leave application of ConnX.

We may ask you to provide reasonable proof of the reason for your absence if you take unpaid carer's leave. This will usually be in the form of a medical certificate or statutory declaration, evidencing the illness, injury or unexpected emergency as soon as reasonably practicable.

### **Compassionate Leave**

#### **Who is entitled to compassionate leave?**

All full-time and part-time employees are entitled to compassionate leave.

#### **What is my compassionate leave entitlement?**

You are entitled to two (2) days of paid compassionate leave on each occasion that a member of your immediate family or household dies or suffers an illness or injury that poses a serious threat to their life.

Additional leave may be granted at RQL's discretion should extended travel be required to attend the funeral or visit the family member.

For the purpose of this entitlement, a member of your immediate family includes: a spouse or de facto partner; or a child, parent, grandparent, grandchild, or sibling of either yourself or your spouse or de facto partner.

#### **Are there any conditions before I am entitled to compassionate leave?**

Yes, we may ask you to provide documentary evidence of the illness, injury or death as soon as practicable.

Requests for compassionate leave should be made through the leave application of ConnX.

### **Long Service Leave**

#### **Who is entitled to long service leave?**

Long service leave is available to full-time and part-time employees who have completed 10 years of continuous employment with RQL, and to casual employees in certain circumstances.

#### **What is my long service leave entitlement?**

You will be entitled to paid long service leave in accordance with the relevant legislation.

#### **Are there any conditions before I am entitled to long service leave?**

Eligibility for taking long service leave and all conditions will be in accordance with the relevant legislation.

Long service leave may be taken at a time which is agreed upon with RQL, subject to the operational requirements of the company. A minimum of four weeks' notice should be provided to allow for any arrangements necessary to provide adequate cover during your absence. We will not unreasonably refuse the taking of long service leave.

Requests for long service leave should be made through the leave application of ConnX.

### **Community Service Leave**

Community service leave includes leave taken to attend to community based requirements such as jury service or the defence forces.

#### **Who is entitled to community service leave?**

Community service leave is available to full-time and part-time employees who are called to attend jury service or attend ADF Reserve service, on a day that they would normally work.

#### **What is my community service leave entitlement?**

Jury service is a paid service and RQL will make up any difference should the payment be less than an employee's usual salary.

You will be entitled to unpaid defence force leave in accordance with the relevant legislation.

### **Are there any conditions before I am entitled to community service leave?**

Yes, we may ask you to provide your jury service orders and all documentation associated with your payment for jury service; or we may ask you to provide reasonable evidence of the necessity for you to attend ADF Reserve service.

Requests for community leave should be made through the leave application of ConnX.

*More detail on leave entitlements is available in the Leave Policy.*

## **Parental Leave**

### **Who is entitled to parental leave?**

Parental leave is available to full-time and part-time employees with at least 12 months continuous employment with RQL, and to casual employees who have been engaged with the company on a regular and systematic basis for at least twelve months.

### **What is my parental leave entitlement?**

You are entitled to 52 weeks of unpaid parental leave upon the birth or adoption of your child.

You may also request an additional period of parental leave of up to 52 weeks. RQL will only refuse requests on reasonable business grounds.

### **Where can you find more information on parental leave?**

We will grant parental leave in accordance with the legislation or industrial instrument applicable to your employment. There are various rules about the time for taking leave and notifying RQL of your intention to take leave.

*For more detailed information on parental leave please refer to the Parental Leave Policy.*

## **Extended Unpaid Leave**

There is no standard entitlement to extended unpaid leave however; RQL may at its discretion approve extended unpaid leave considering the prevailing work requirements. Generally extended unpaid leave will not be granted if you intend to undertake other employment. You must disclose in writing to RQL any other work you plan to do while on extended unpaid leave.

Requests for unpaid leave should be made through the leave application of ConnX.

Unpaid leave of longer than three (3) months, whilst not breaking your period of continuous service, will not count as service for the purpose of calculating leave entitlements.

*For more detailed information on parental leave please refer to the Leave Policy.*

## **Payroll**

You will be paid on a monthly basis (unless otherwise agreed with the payroll department) to the bank account of your choice.

Your pay will be calculated in accordance with your Employment Agreement and/or applicable industrial instrument. After each pay day you will receive a payslip providing details of your pay for that period. Payroll deductions will be made for a range of purposes, including income tax, all deductions will be clearly shown on your payslip.

Payroll should be advised of any changes to your bank account or personal details via a Personal Details Form.

## **Overpayments**

In the event of an overpayment of monies the company may recover the amount of overpayment provided that you are given notification of:

- The intention to recover the monies.



- ⓐ The amount to be recovered.
- ⓑ A full explanation of the reasons for the overpayment.

If on separation of employment you have not paid any amount due to RQL, we may deduct these amounts from your final pay, at RQL's discretion.

*More detail on our payroll practices is available in the Payroll Policy.*

## Privacy

RQL will only collect personal information ethically and lawfully. We seek to collect information in a fair manner, and in a way which is not unreasonably intrusive.

### Collecting Personal Information

If you are collecting personal information on the company's behalf, you must inform the person of the purpose for which the information is collected and that, subject to some limitations, they will be able to gain access to the information collected. You must collect information from the individual concerned whenever reasonable or practical to do so. If you collect information about an individual from someone else then you must take reasonable steps to ensure the individual is, or has been, made aware of all of the items listed above.

### Data Security, Access and Accuracy

RQL will take reasonable steps to protect personal information; to ensure that data is appropriately accurate, complete and current; and stored no longer than necessary.

You must ensure that the confidentiality of personal information contained in our records is strictly maintained. Personal information relating to individuals, including individual employees, should not be provided to other employees unless it is required to perform their jobs.

Information relating to employment records, salaries and addresses cannot be released to external organisations unless required by law, or upon informed consent from the relevant employee.

*See the Privacy Policy for a detailed explanation of our privacy practices.*

## Information Technology

RQL's information systems and the data on them are important components of our business. While employed by RQL you may be provided with an email address, access to our networks and the internet. You are requested to use these facilities in an appropriate, ethical and lawful manner. User names and passwords must be kept secret at all times and are not to be disclosed to any person at any time.

RQL's computer equipment, software and the information on our systems, as well as any company information you may have on personal information systems, are RQL property and may only be used for authorised purposes. You may use our systems for limited personal use however; such use must not constitute unacceptable work practices and should be conducted at times so as not to impact on your work commitments.

### Things You Need to Know about your Email Use

- ⓐ Email is not private; it belongs to RQL and may be read at any time by our management team.
- ⓑ Email uses our name and therefore suggests that you are communicating with the authority of RQL.
- ⓒ Email may be inspected by parties outside of RQL, such as in the event of litigation.

### Guidelines to Ensure the Proper Use of Email

All users are to adopt the following guidelines in ensuring the proper use of electronic resources:

- ⓐ Don't put anything in email that you would not want repeated to someone else.

- ⓧ Don't put anything in email that you would not put in a hard copy memo.
- ⓧ Tell your manager if inappropriate mail is forwarded to your address; you are responsible for the content of emails received and forwarded from your email address.

#### **What Internet and Email Activities are Unacceptable Work Practices?**

- ⓧ Violating the intellectual property rights of others such as, breaching copyright by copying their graphics or text material, or using other license software without proper authorisation.
- ⓧ Introducing malicious programs, (such as viruses, worms, trojan horses) to RQL systems.
- ⓧ Revealing account passwords to others or allowing use of accounts by others.
- ⓧ Using RQL's internet resources for unauthorised commercial or personal advertisements, solicitations, promotions, political material or any other similar use.
- ⓧ Circumventing user authentication or security of any host, network or account or accessing the internet other than through the RQL's security system.
- ⓧ Affecting security breaches or disruptions of network communication, such as accessing data of which the employee is not an intended recipient or logging into a server or account that the employee is not expressly authorised to access.
- ⓧ Without proper authorisation, invading the privacy of individuals or entities that are creators, authors, users, or subjects of information resources; this includes publishing any information, which violates or infringes upon the rights of any person.
- ⓧ Downloading or installing any executable files, this includes movie files, sound files and games.
- ⓧ Sending, receiving, accessing, displaying, printing or otherwise disseminating material that is fraudulent, illegal, discriminatory, embarrassing, sexually explicit, obscene, intimidating, defamatory, or would amount to harassment.
- ⓧ Subscribing to mailing lists, sending unsolicited emails or participating in chain letters.
- ⓧ Accessing any chat sessions (other than for work purposes) or 'blog' sites such as Face Book or My Space.
- ⓧ Sending e-mail using somebody else's email address.
- ⓧ Misrepresenting RQL or transmitting material that might bring RQL into disrepute.
- ⓧ Wasting finite resources or obstructing other employees' work by consuming large amounts of system resources, especially the sending of broadcast messages or any other types of use which would cause congestion of the networks or otherwise interfere with the work of others.
- ⓧ Without proper authorisation, transmitting or making available via the internet RQL information.
- ⓧ Using an account to send anonymous messages, or attempting to obscure the origin of any message or download material under an assumed internet address or otherwise disguise their user identity.

RQL may monitor electronic transmissions at any time, to ensure that they are used appropriately. Inappropriate use of the internet or email may result in disciplinary action, as well as any action taken by an external party. Breaches of the law will be referred to the relevant law enforcement authority and suspected official misconduct will be reported to the Crime and Misconduct Commission.

*See the Information Technology Policy for a detailed explanation of our information technology practices.*

## **Discrimination and Workplace Harassment**

RQL is an equality opportunity employer. We value the diversity of our workforce and respect the differences between employees, recognising that each employee has individual skills and attributes to bring to their job. RQL is committed to treating all employees fairly based on ability,

skills and culture fit and creating an atmosphere that encourages good working relationships and respect between employees.

### **What is Discrimination?**

Discrimination means treating someone less favourably than another in the workplace because of one of the following characteristics. Discrimination can be direct or indirect, intended or unintended.

- ⌘ Gender.
- ⌘ Relationships Status.
- ⌘ Parental Status.
- ⌘ Breastfeeding.
- ⌘ Age.
- ⌘ Race.
- ⌘ Impairment or Disability.
- ⌘ Lawful Sexual Activity.
- ⌘ Carer Status.
- ⌘ Political Beliefs or Activities.
- ⌘ Trade Union Activity.
- ⌘ Pregnancy or Potential Pregnancy.
- ⌘ Gender Identification.
- ⌘ Sexual Orientation.
- ⌘ Family Responsibilities or Status.
- ⌘ Religious Beliefs or Activities.
- ⌘ Irrelevant Criminal Background.
- ⌘ Association with anyone identified on the basis of these attributes.

### **What is Sexual Harassment?**

Sexual harassment is unwelcome behaviour of a sexual nature, which is offensive, humiliating or intimidating; it can be a single incident depending on the circumstances. Humour, friendships and relationships based on mutual consent are not sexual harassment.

### **What is Workplace Harassment?**

Workplace harassment is non-sexual behaviour that is unwelcome, offensive, intimidating, humiliating or threatening; it may be verbal, non-verbal or physical in nature. Workplace harassment does not include management action taken in a reasonable way by RQL in connection with your employment.

### **What is Victimisation?**

Victimisation is conduct that threatens or harms people who have made a complaint about discrimination or harassment; agreement to be a witness in a complaint process about discrimination or harassment; or have had a complaint or discrimination or harassment made against them.

### **What is Vilification?**

Vilification is behaviour that happens in a public place and incites other to hate, to have serious contempt for, or to severely ridicule individuals or groups because of their race, religion, sexuality or gender identity.

### **Your Rights and Obligations**

You have a right to work in an environment free of discrimination and workplace harassment and, if it does occur, you have a right to complain, to be taken seriously and not be disadvantaged from lodging or bearing witness to a complaint. You also have a responsibility to understand discrimination and workplace harassment and to ensure that you do not participate in or condone such activities.

If you have concerns regarding discriminated or workplace harassment please refer to our *Discrimination and Workplace Harassment Policy* and *Grievance Handling Policy* for details on how to manage the situation or lodge a complaint.

Discrimination and workplace harassment will not be tolerated and disciplinary action will be taken against anyone who engages in discriminatory or harassing behaviour, or who victimises or retaliates against a person who reports discrimination.

*See the Discrimination and Workplace Harassment Policy for more detail on our approach to discrimination and workplace harassment.*

## **Grievance Procedure**

RQL aims to create a healthy, safe and enjoyable work environment for employees. If you have a work related problem, a grievance, you should raise it with your manager or an appropriate person to ensure the grievance is resolved as quickly as possible.

Grievances in the workplace are important and may have serious consequences for everyone involved. Anyone involved in a grievance should display good faith at all times and genuinely participate and cooperate in attempts to resolve the matter. If you are involved in a grievance you must maintain complete confidentiality to protect everyone concerned.

RQL will treat any grievance raised seriously and investigate it confidentially and objectively.

*More detail on our grievance practices is available in the Grievance Handling Policy.*

## **Confidentiality and Intellectual Property**

### **Confidential Information**

Confidential information is an asset to RQL. We have some fairly strict policies relating to confidentiality and you are expected to comply with the obligations below.

#### **What Kind of Information is Confidential?**

Confidential information means information regarding RQL's business such as that relating to finance, pricing, stakeholders, suppliers and service, marketing, strategies, employees, technology or software, intellectual property, designs, company systems and procedures, general business, and any other information that should be treated as confidential.

Information that the public is able to access, other than because of your disclosure, is not confidential.

#### **What if I am Uncertain about Whether Information is Confidential?**

If you are not sure if information is confidential you should treat it as if it is confidential unless RQL agrees in writing that it is not confidential.

#### **Your Confidentiality Obligations**

Any information that is not generally available to the public concerning RQL's activities, results or plans must only be used for authorised purposes. During your employment and after your employment ends, you agree that you will keep confidential all confidential information, and not discuss, communicate or transmit confidential information to unauthorised persons or make any copies of confidential information. Serious disciplinary action, which may include termination of employment, may result if you are found to have breached our confidentiality requirements. Your obligations relating to confidential information continue after your employment ends.

Confidentiality provisions don't apply if you are required to disclose the information by law, you obtain your manager's approval, or you are disclosing the information for a proper purpose relating to RQL.

### **Intellectual Property**

Intellectual property belongs to RQL and is an asset to the company. You must protect and treat intellectual property information as confidential.

#### **What is Intellectual Property?**

Intellectual property means ownership of, and rights relating to, confidential information; inventions; trademarks; patents; designs; company databases; business ideas, processes, proposals or strategies; discoveries and copyright material.

## Your Intellectual Property Obligations

Any intellectual property that you create or develop relating to RQL, including any work you do for our stakeholders, belongs to RQL. If required, you must do everything necessary to transfer the intellectual property rights to RQL. Your obligations relating to intellectual property continue after your employment ends.

*See our Confidentiality and Intellectual Property Policy for more detail on confidentiality and intellectual property at RQL.*

## Performance Counselling

RQL is committed to creating a high performance culture and endeavours to provide an effective, prompt, equitable and consistent approach to managing unacceptable performance or behaviour.

### What is the Performance Counselling Process?

Performance counselling may involve, but is not limited to, action such as counselling discussions, training and education, written warnings, demotion or dismissal. All disciplinary processes should be confidential, prompt and procedurally fair.

*More information on RQL's performance counselling practices is available in our Performance Counselling Policy.*

## Termination of Employment

Your employment with RQL can be terminated by either you or RQL by providing notice as specified in your employment agreement or the industrial instrument under which you are employed.

### What if my Employment with RQL is Terminated by the Company?

If you find yourself in a situation where your employment is terminated by RQL you will be entitled to notice, or payment in lieu of notice, as per your employment agreement or applicable industrial instrument.

### Can my Employment be Terminated without Notice?

Yes, despite our performance counselling processes, there are a number of actions that are regarded as so serious that immediate termination without notice may result. Such acts of misconduct may include (depending on the severity), but are not limited to:

- ⊗ Fraud.
- ⊗ Theft from RQL, another employee, contractor or stakeholder.
- ⊗ Violence or fighting.
- ⊗ Workplace harassment.
- ⊗ Sexual harassment.
- ⊗ Wilful disobedience.
- ⊗ Wilful destruction or property belonging to RQL, another employee, contractor or stakeholder.
- ⊗ Insubordination.
- ⊗ Drunkenness or under the influence of illegal drugs.
- ⊗ Use, sale or possession of illegal non-prescription drugs whilst on RQL premises.
- ⊗ Sleeping on the job.
- ⊗ Insulting words/ abusive language/ obscenity.
- ⊗ Failure to observe safety rules.
- ⊗ Insolence.
- ⊗ Concealment of a material fact on engagement.
- ⊗ Dishonesty in the course of the employment.
- ⊗ Conviction or an offence which makes you completely unfit for work.
- ⊗ Harassing or discriminating against an employee, contractor or stakeholder.

### **Return of RQL Property**

On or before your employment ends, you must return to RQL all records of confidential information and intellectual property and any other company property that is in your possession or control.

*See the Termination of Employment Policy for a detailed explanation of RQL's termination of employment practices.*

*I trust that having read the Employee handbook you have a better understanding about the organisation and what it stands for. Enjoy your time with RQL and give the organisation what you expect in return.*

## EMPLOYEE DECLARATION

1. I have read and understand the provisions of RQL's Employee Handbook.
2. I agree to observe and comply with the policies and procedures included in this Employee Handbook. I acknowledge that they do not form terms and conditions of my employment contract with RQL unless expressly referred to in my Employment Agreement. If there is any inconsistency between the terms of this Employment Agreement and this Employee Handbook, I acknowledge that the terms of this Employment Agreement will prevail.
3. I shall return this original declaration to RQL and retain the Employee Handbook for my future reference and use.

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Employee Name: \_\_\_\_\_

**Minutes of Audit Committee Meeting  
Friday 7 March 2008**

**Queensland Racing  
Board Room  
Racecourse Road, Deagon**

**Meeting commenced at 8.30am  
Meeting concluded at 9.35am**

**Committee Members Present:** Michael Lambert (Chairman)  
Tony Hanmer

**Also in Attendance:** Adam Carter – *Finance Manager*  
Ron Mathofer – *Business Analyst*

**Apologies:** Malcolm Tuttle- *Chief Operations Manager*

**Minutes:** Laura Hains – *Board Secretary*

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*The meeting commenced at 8.30am.*

**1. Confirmation of Minutes of 7 December 2007:-**

The Committee **NOTED** the Audit Minutes from the last meeting on 7 March 2008.

The Committee made the following amendment to the minutes:-

• **Item 11.1 Commercial Horse Assistance Payment Scheme (CHAPS) (Page 5)**

In the first paragraph, on the last line, the words “*compare value for service to*” to be removed. This sentence to now read:-

*“Mr Carter has approached Pricewaterhouse Coopers and Deloitte to assess the value of auditing CHAPS.”*

**Carried**

**2. Action Sheet:-**

The **Committee** reviewed the action sheet and made the following comments:-

• **TAB Workshop**



- **Interim Audit Issues**

Mr Carter advised that nothing had been finalised as yet. Shara Murray is still the responsible officer for finalising the location of the Certificate of Title for the Barcaldine office.

- **Tattersall's Racing Clubs Loan**

Mr Hanmer exhibited the Tattersall's Annual Report

Mr Carter to formally write to Michael Paramour, CEO of Tattersall's Club to find out the position in relation to the loan from Tattersall's Racing Club to Tattersall's Club, to date we have not received a reply. Mr Lambert requested Mr Carter to write to Mr Paramor again.

- ▶ Mr Carter to write again to Michael Paramour, CEO of Tattersall's Club to find out the position in relation to the loan from Tattersall's Racing Club to Tattersall's Club an

- **Cairns Jockey Club Internal Audit Deloitte**

QRL provided the Cairns Jockey Club (CJC) with a \$250K loan, CJC have only paid back \$100K and are 2 instalments behind. This will be raised again at the board meeting.

**ACTION** – “Non-TAB financial reporting issues” is to be placed on the Agenda of the Queensland Country Racing Committee.

The Committee **NOTED** the action sheet.

**Item 3. Non TAB Corporate Governance and Financial Assessment of Kilcoy, Dalby, Longreach and Lockyer Race Clubs.**

In late 2007 Deloitte conducted assessments of Kilcoy, Dalby, Longreach and Lockyer Race Clubs in regards to their Corporate Governance and Financial Operations. Mr Carter provided an overview of the Deloitte assessments. Any issues of significance that were highlighted in the audits have been formally addressed in writing to the clubs and responses have been difficult to get with the exception of Kilcoy.

Any deficiencies highlighted by Deloitte in the QRL Club Financial Management Procedures Manual will be improved.

In response to the Equine Influenza outbreak a risk and crisis management workshop for the major non tab clubs will be held in March 2008 where the clubs president and the Treasurer and/or secretary will attend.

Mr Lambert commented that maybe we have set the benchmark too high for the assessment of non-TAB clubs. Mr Carter advised that the audits were scaled back to take into account they are non-TAB clubs comprised of volunteers and a lot smaller than TAB Clubs. Mr Carter also advised that they were only chosen because they hold more than 8 race meetings a year. Any club that holds less will be considered in the financial year 2008/2009.

Mr Carter suggested that QRL should provide more support in terms of training and developing the Race Club Financial Management Procures Manual and compliance with QRL policies on the QRL website to non-TAB racing clubs in particular clubs that hold a large amount of races.

Mr Carter suggested adopting Racing Victoria's Club Financial Management Model in regards to Non-Tab clubs; this would involve QRL taking on their central financial functions.

Mr Lambert recommended that at least every two years clubs are to be contacted and informally/formally reviewed. Mr Carter is to make contact with Townville and Mackay.

***Follow-Up:-***

- ▶ Mr Carter to review all TAB Clubs that have not been reviewed in past two years and perform a follow up assessment.

**4. Key Performance Indicators – Clubs - External**

Mr Carter presented the Committee with an update on a performance measurement system for financial and non financial KPI's for the 9 TAB clubs.

Mr Carter advised that some of the data was unavailable from the clubs, Targets may have been set too high and are unattainable and also that consultation with the clubs has not been made in regards to these targets. Different targets should be set for metro and provincial clubs.

Following on from a detailed discussion on the KPI reporting document, Mr Lambert advised that the document needs to be filtered and simplified. Mr Carter is to seek input from the Racing Services Manager & the Director of Integrity Operations before reviewing & simplifying the document.

***Follow –up:-***

- ▶ Mr Carter to map clubs evaluation criteria.
- ▶ Mr Carter / Mr Mathofer to provide the definition of each of the financial and non financial performance measures.
- ▶ KPI document to be filtered to only include data of significance and then simplified for the reader.

- ▶ Mr Carter to provide presentation on the revised KPI document at the Audit Committee meeting on 5 September 2008.

The Committee **NOTED** the KPI's and that they would be finalised for the TAB workshop.

#### **5. Commercial Horse Assistant Payment Scheme (CHAPS) - Audit paper**

Mr Carter presented the committee with an audit paper from Deloitte on the Commercial Horse Assistant Payment Scheme (CHAPS) to enable further discussion.

Mr Lambert feels that the report lacks balance and is somewhat alarmist. Instead of being written as an internal audit report it needs to be written as an independent review of the system with greater explanation of the background, the limited time in which the system was required to be put in place and the subsequent modifications that have been made to address problems as they have been identified.

Mr Carter advised that CHAPS handled more than half of QRL's annual turnover with a vast number of transactions processed for the period.

The Committee **NOTED** the draft report and have **AGREED** for Finance to engage Deloitte to review CHAPS III and have the background expanded and integrated into the conclusion and summary for CHAPS I, II and III

#### ***Follow -up:-***

- ▶ Mr Carter to approach Deloitte and have the background of this document expanded and integrated into the conclusion and summary

#### **6. Update Review of Non-TAB Club Financials FY 06/07 (verbal)**

Mr Carter updated that there is 25 Combined TAB & Non TAB clubs that have not submitted their financial reviews. It was decided at the December 07 meeting that any Clubs who had not sent in their financials by 31 December 07 and had not requested an extension would be fined \$200 for late submission. This has not occurred.

Mr Mathofer advised that he has taken a specific interest in sorting through the clubs that have not submitted their financial reviews; he has noted a trend in that it is the same clubs each year that are late on submitting. Mr Lambert asked that Mr Mathofer contact each club individually and chase these up.

Mr Lambert mentioned that there needs to be a commitment and consistency from QRL that they will take action against clubs not complying with the financial practices in regards to End of Year financial review submissions.

Mr Carter said that he was trying to project the message out to these clubs the importance of these financials and suggested that this item be placed on the next Country Racing Committee in February 2008.

***Follow-Up:-***

- ▶ Mr Carter to look at seeking to obtain a common system for the accounting and audit process and try to implement in the 08/09 financial year.
- ▶ Outstanding Non-TAB Club financials to be placed on the Country Racing Committee agenda in February 2008.
- ▶ Mr Mathofer to contact all clubs who have not submitted their Financial reviews.

**7. Risk and Crisis Management Club Workshops**

Mr Carter advised that due to Equine Influenza QRL has identified a lack of awareness of risk and crisis management in the industry and is therefore seeking assistance to provide:

- Education around managing risk
- Education and planning for crisis
- Preparation of an industry wide risk management policy that can be applied to all key participants in the Queensland Racing Industry
- Development of a Race Day Risk Management process
- Development of an EI lessons learn summary paper.

QRL are going to conduct Risk and Crisis Management Workshops, some of the key objectives of this engagement are:

- Develop training and awareness material around risk and crisis management, tailor to the racing industry
- Deliver risk and crisis management training and awareness sessions to key stakeholders in the racing industry
- Develop an industry wide risk management policy
- Develop race day risk management policy
- Develop an EI lessons learn summary paper.

Mr Carter advised that the financial impact will be around \$100K to conduct the workshops for all TAB and Non TAB Clubs. There will be 5 workshops overall breaking the race clubs into the following categories.

- TAB
- Non-TAB South East
- Non-TAB Rockhampton
- Non TAB Townsville
- Non-TAB Cairns

The scheduling of these workshops is a commitment in the QRL business plan.

The committee **NOTED** the update.

**8. Other Business**

**8.1 AGM**

The Committee mentioned the possibility of moving the AGM forward if we can get the Annual Financial Statements signed off on the 5 September Board meeting.

**8.2 BDO Kendalls**

Interim Audit starts week beginning – 21 April 2008

Final Audit starts week beginning – 18 August 2008.

This date has not been confirmed by BDO Kendalls. The plan is to finalise the Annual Financial Statements by the 5 September Audit Committee and Board Meeting.

*The meeting closed at 9.35am.*

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Date

Minutes of Audit Committee Meeting  
Friday 6 June 2008

Queensland Racing  
Board Room  
Racecourse Road, Deagon

Meeting commenced at 8.30am  
Meeting concluded at 9.20am

Committee Members Present: Michael Lambert (Chairman)  
Tony Hanmer

Also in Attendance: Adam Carter – *Finance Manager*  
Ron Mathofer – *Business Analyst*

Apologies: Malcolm Tuttle- *Chief Operations Manager*

Minutes: Laura Hains – *Board Secretary*

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*The meeting commenced at 8.30am.*

1. Confirmation of Minutes of 7 March 2008:-

The Committee NOTED the Audit Minutes from the last meeting on 7 March 2008.

The Committee made the following amendment to the minutes:-

Item 7: Risk and Crisis Management Club Workshops

The word '*lesions learn*' on the last dot point of the key objectives section be changed to '*lessons learn*'

The committee RESOLVED that the QRL Audit Meeting Minutes of 7 March 2008 with the above amendment be received and confirmed.

MOVED by Mr Tony Hanmer., SECONDED by Mr Adam Carter

2. Action Sheet:-

The Committee reviewed the action sheet and made the following comments:-

<b>KEY PERFORMANCE INDICATORS (KPI'S) (CLUBS- EXTERNAL)</b>
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Mr Carter and Mr Mathofer have been liaising with TAB Clubs in regards to personalising Key Performance Indexes (KPI) for the new database EIS-One performance measurement.

**EI WORKSHOP**

Mr Carter advised that the EI Workshops are still underway. The Finance area is putting together an EI Lessons learnt paper.

**RISK MANAGEMENT PLAN**

Mr Carter advised that the Risk Management Plan should be updated at the same time as the Business Plan and presented at the September meeting.

**FINANCIAL MANAGEMENT PRACTICE MANUAL (FMPM)**

Mr Carter advised that from the Risk and Crisis management workshops held the feedback on the FMPM is to make it more user friendly, Mr Carter suggested some key improvements being more checklists and flow charts or process maps to assist the clubs. This will assist with staff continuity when there is a handover between Treasurers and Club Secretaries given the volunteers at Non TAB clubs.

Mr Lambert made comment on the continuity of Treasurers at Race Clubs. Mr Lambert will raise this issue at the Board meeting which is to follow.

**TATTERSALL'S RACING CLUB LOAN**

Mr Hanmer advised that he has spoken with Mr Paramor. Adam Carter advised that he will follow up with Tattersall's Race Club on the status of the loan and will aim to have it resolved by the next audit meeting in September.

**NON TAB CLUBS**

Once Financials have been received the major strategic Non TAB clubs will be incorporated in the EIS One performance measurement system for the year ended 30 June 2008.

The Committee **NOTED** the action sheet.

**Item 3. INTERNAL AUDIT UPDATE – REVENUE COLLECTION**

Mr Carter provided the committee with an overview of the Internal Audit conducted by Deloitte on QRL's Revenue Collection.

Mr Carter advised that Deloitte's engagement was to assess whether:

- Existing policies and procedures in respect of revenue collection are in practice and that they are communicated effectively to the respective QRL personnel.
- Adequate controls are implemented to mitigate associated risk for the processes involved in the processing and receipting of revenue sources.

The only issue of significance was recipient created tax invoices and Mr Carter advised that this will be addressed in the new Financial Year.

Mr Carter advised that the ATO are currently doing a review of all PRA's.

***Follow-Up:-***

- ◆ Mr Lambert requested that Mr Carter arrange a schedule of all internal audit issues raised and provide a follow up on them. Mr Lambert also asked that Mr Carter keep the Committee updated on the Revenue Collection Audit.

**Item 4. INTERNAL AUDIT UPDATE – SPONSORSHIP, FUNDING AND MARKETING ACTIVITIES**

Mr Carter advised the committee of the Internal Audit review of QRL's Sponsorship, Funding and Marketing Activities and issues raised by Deloitte's.

Mr Carter advised that as part of the Internal Audit plan for FY 07/08, Deloitte were asked to conduct a review of the Sponsorship, Funding and Marketing Activities.

Mr Carter advised that Deloitte's engagement was to assess whether:

- there are adequate controls around the processes for determining sponsorship and funding arrangements
- Cost benefit analysis is undertaken for a particular marketing activity in order to determine its risk and rewards
- The return on investment for sponsorship and funding arrangements are measurable and quantifiable.

The objectives for the sponsorship, funding and marketing arrangements meet QRL's strategic objectives.

There were several control weaknesses of concern identified in the following areas:

- Sponsorship policy
- Three year rolling plan
- Consistent Marketing and Sponsorship strategy
- Cost and benefit maximisation.

Mr Carter advised the committee that there was no policy for the industry. Mr Hanmer recommended that the QR policy be revised and that a second policy be developed for the industry.

Mr Hanmer requested that once the QRL policy was created he would like to review it. Mr Lambert advised he will raise this issue at the QRL Board meeting to be held at the conclusion of this audit meeting.

***Follow -up:***

- ◆ Tony Hanmer to review the Draft QRL policy once created.
- ◆ An industry sponsorship policy to be developed for the industry.
- ◆ Mr Lambert to raise the issue at the June QRL Board meeting.



The Committee NOTED the update.

**Item 5. COMMERCIAL HORSE ASSISTANCE PAYMENT SCHEME (CHAPS) AND EI HARDSHIP GRANT ASSESSMENT REVIEW.**

Mr Carter provided the committee with the Assessment review of the Commercial Horse Assistance Payment Scheme (CHAPS I, II and III) and the EI Hardship Grant by Deloitte's.

Any prior issues raised by the auditors of CHAPS I and II have been addressed. No major issues were highlighted and a number of trainers have not complied with the funding guidelines provided by DAFF and have been invoiced. QRL is following up on the debt recovery process.

QRL was waiting on the Government audit report

The final report had been submitted on May 15, 2008 for CHAPS I, II & III. Total paid for the 3 periods was approximately \$55M to 924 trainers for 7,788 horses. 30% was retained by the trainers and 70% passed on to the owners. \$9.7M was paid out in the form of retained funds to other industry participants.

The Committee NOTED the report which gives a good overview of CHAPS I, II & III.

***Follow -up:***

- ◆ Mr Carter to provide the Government audit report of CHAPS to the audit committee once received.

**Item 6. INTERNAL AUDIT PLAN FY 2008/2009**

Mr Carter provided the Committee with the draft proposed 2008/2009 to 2010/2011 Internal Audit program.

The committee commented on the following audit areas:

***4. Fraud Prevention and Detection (Including Fraud Policy compliance)***

- The Fraud Policy has not been developed to date and will be developed by Mr Carter and Mr Orchard – Director of Integrity Operations.
- QRL to create as much as possible then have Deloitte review.

***5. Corporate Social Responsibility***

- To be removed

***6. Capital Planning***

- For QRL & Clubs

**8. Club FMPM**

- QRL to review before Deloitte
- Already in Draft form.

**10. Purchasing**

- Terms of reference for each 08/09 review.

**12. Privacy Policy Assessment**

- To be removed.

**Follow-Up:**

- ◆ Adam Carter to provide the committee the updated Strategic Internal Audit Plan for FY08/09 TO FY10/11 at the next audit meeting.

**Item 7. EXTERNAL AUDITORS – BDO KENDALLS – INTERIM  
AUDIT ISSUES**

Mr Carter updated the committee of BDO Kendall's interim audit visit and the issues and management responses they have highlighted.

Mr Carter advised the committee that he intends to have the FY07/08 end of year financials ready for the external auditors by the 18 August 2008. Mr Carter recommended that an audit meeting be set for 8 August to run through the draft management reports for 30 June 2008. The draft financials statements are to be reviewed by the audit committee prior to sign off. Official sign off to occur at the Board Meeting on 5 September 2008.

The committee NOTED the BDO Kendall's interim audit report.

**Follow up:**

- ◆ Draft Financial Statements to be distributed for comment to the audit committee prior to the auditors starting on the 18 August 2008.
- ◆ Committee Secretary to speak with Chairman and Mr Carter in relation to an additional Audit meeting in August for the discussion of Draft Financials for FY07/08.

**Item 8. UPDATE OF REVIEW OF NON –TAB CLUB  
FINANCIALS FY06/07**

Mr Mathofer advised the committee that at the last meeting there were 25 Non-TAB clubs with outstanding financials for FY06/07 and this has now been reduced to 4 Non-TAB Clubs

- ◆ Mount Perry – received just prior to audit committee meeting
- ◆ Herbert River – still outstanding despite reminder letters, and other communication methods

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- ◆ Hughenden – still outstanding despite reminder letters, and other communication methods
  - ◆ Kumbia – still outstanding despite reminder letters, and other communication methods
  - ◆ Julia Creek – still outstanding despite reminder letters, and other communication methods

Mr Mathofer advised that these are the same clubs that routinely in the past have been late or not supplied the required information

The committee **NOTED** the update provided by Mr Mathofer

*The meeting closed at 9.20am.*

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Chairman

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Date

Queensland Racing  
Board Room  
Racecourse Road, Deagon

Meeting commenced at 8.40am

Meeting concluded at 9.30am

Committee                    Michael Lambert (Chairman)  
Members                    Tony Hanmer  
Present:

Also in                        Adam Carter – *Finance Manager*  
Attendance:                David Rowan – *IT and Communications Manager – Item 4*  
Ron Mathofer – *Business Analyst*

Apologies:                Malcolm Tuttle- *Chief Operations Manager*

Minutes:                    Laura Hains – *Board Secretary*

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*The meeting commenced at 8.40am.*

1. **Confirmation of Minutes of 6 June 2008:-**

The Committee **NOTED** the Audit Minutes from the last meeting on 6 June 2008.

The committee made no amendments to the Minutes of the previous meeting.

The committee **ENDORSED** the Minutes from the last meeting on 6 June 2008.

2. **Action Sheet:-**

The **Committee** reviewed the action sheet and made the following comments:-

<b>TAB WORKSHOP</b>
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Mr Carter proposed dates for holding of TAB Clubs Workshop for 2008.

Dates proposed:

November 19, 24, 25

December 1,2,3,4

Mr Hanmer proposed 24 November 2008 as other dates clashed with prior engagements.

Mr Lambert not able to confirm his availability at this time but expressed a preference for Thursday or Friday.

Provisional date of 24 November 2008 set for TAB workshop.

Mr Carter discussed possible expansion of workshop to include Club Chairmen and Paul Brennan – *Racing Services Manager* to address workshop participants.

Follow up at next Audit Committee meeting set down for 5 September 2008

The Committee **NOTED** the action sheet.

**Item 1. COMMERCIAL HORSE ASSISTANCE PAYMENT SCHEME (CHAPS) ASSESSMENT REVIEW.**

Mr Carter provided the committee with an overview of the review of CHAPS by the Department of Agriculture, Fisheries and Forestry (DAFF) appointed auditors – Acumen Alliance.

Overall the assistance program was successfully implemented and carried out by Queensland Racing, with average number of days for recipients of assistance to receive payment being 12 Days.

The committee **NOTED** the DAFF commissioned report.

Mr Lambert added that the cost to QRL of administering the advance funding would be in the region of \$700K.

Mr Hanmer adding that foregone interest would be approximately \$100K.

The committee **NOTED** the positive result from report, and outstanding payments from recipients overpaid. Mr Carter noted QRL to incur costs associated with recovery of outstanding payments as no further funding to be provided by DAFF.

**Item 2. INTERNAL AUDIT PLAN FY 2008/2009**

Mr Carter updated the committee on the strategic Internal Audit program. Projects included IPOS and FMPM reviews, and Human Resources policies and procedures relating to employee entitlements were underway.

Mr Hanmer expressed concerns that it is difficult to apply Human Resources policy when there is a lack of policy documentation to provide the 'backbone' for Human Resources Management.

Mr Lambert requested item 5. – Capital Planning and item 11. – Fixed Asset Management of the Strategic internal Audit Plan to be removed as they were unnecessary.

Mr Carter stated that the Racing Clubs need to formulate a strategic plan and that QRL should work in with them for more effective forward planning.

Mr Carter raised RISA technology with a view to reviewing current and future systems in order to avoid unnecessary duplication.

The committee **ENDORSED** the Strategic Internal Audit Plan for FY08/09 subject to above notes.

***Follow-Up:-***

- Review of necessity of Capital Planning to be included in the scope of internal audit plan.
- Liaise with Mr Hanmer regarding development of Human Resources Management and employee entitlements policy and procedures.
- Review the inclusion of item 11. – Fixed Assets management. Is it necessary?
- Need to look at the percentage of the Sunshine Coast Racing ATF Sunshine Coast Racing Unit Trust held by QRL as well as reviewing QRL role in the audit process, or whether separate Audit Charter is to be set up.

**Item 3.        DEBT UPDATE and BAD DEBTS**

Bad debts schedule for FY 2007/2008 tabled for committee members to review.

Mr Carter advised the committee of the bad debts to be written off relating to CHAPS. \$12,400 of outstanding debt relates to licensed debtors, and \$6,630 relates to an ownership syndicate no longer active. All possible avenues have been explored to contact syndicate members.

Mr Carter advised the committee of the proposal to make provision for \$56,744 relating to CHAPS outstanding debt. Those licensed debtors not yet renewed have been identified.

Mr Lambert asked whether industry recognition of industry related debts was in place with respective Principal Racing Authorities.

Mr Carter advised the committee that there is no formal industry recognition of debtors. Debts in one state do not preclude debtor from operating in another state. This could be done through RISA nominations and exclusions list.

Mr Carter advised the reason for increase in bad debts from last year was due to CHAPS and outstanding advertising fees. (Stud breeders magazine).

Mr Carter sought approval to write off \$75,775, and provision for bad debt of \$86,752, with debt recovery to process to include collection agency and where necessary debtors to be added to exclusion from nominations list.

Mr Carter advised the committee that it is highly unlikely that the Cairns Jockey Club will be in a position to repay the outstanding \$200K in the 2008/2009 financial year.

Mr Carter advised that since submitting the Board paper QRL has recovered \$32K from trainer Andrew Eggleston.

The Committee **APPROVED** the \$86,752 provision for bad debt, and for \$75,775 to be written off in FY 07/08.

***Follow-Up:-***

- Mr Lambert is to raise the issue of national industry recognition of bad debts through RISA. — **ARB:-**

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**Item 4. BUSINESS CONTINUITY AND DISASTER RECOVERY**

Mr Lambert summarised the findings of the report as highlighting the lack of awareness within QRL of the need for disaster recovery procedures.

Mr Rowan considered the audit as a starting point to realise what needs to be worked on, giving QRL points of focus for the improvement of policy and procedure. Also noted was that work had already commenced on addressing some of the issues raised.

Mr Rowan advised that there was a policy document in draft form and in conjunction with Mr Carter there would be an awareness rollout involving management combining Business Continuity Management (BCM) and Risk Management.

Mr Rowan advised that the Deloitte report emphasised that disaster recovery is not just an IT issue but involves planning for a range of disaster situations throughout the whole organisation.

Mr Lambert asked what policies and systems QRL currently had in place.

Mr Rowan/Mr Carter advised that QRL has a generator in place for alternate power supply as well as the capability in place to continue core activities from a remote site located at Eight Mile Plains, which is to be tested.

Mr Lambert pointed out the Deloitte report's opinion criticizing the lack of documentation available.

Mr Rowan advised the need for incident management plans in case of emergency situations arising. The Deloitte report highlighted the lack of a coordinated plan, applying the Australian standard to QRL policy and procedures.

Mr Lambert inquired regarding the plans for a QRL management workshop relating to Business Continuity, Disaster Recovery and Risk Management.

Mr Rowan and Mr Carter advised that seminars are being developed in conjunction with Deloitte, with dates to be confirmed.

Mr Lambert suggested that the seminars, and a Business Continuity Policy, be rolled out to TAB racing clubs as well.

Mr Hanmer enquired whether QRL had engaged a third party to conduct penetration attacks of IT systems to test for security measures.

Mr Rowan advised that a third party penetration attack on QRL IT systems had not been carried out.

The committee **NOTED** the update provided by Mr Rowan and Mr Carter.

***Follow-Up:-***

- Mr Rowan and Mr Carter to review documentation and training in place internally for Business Continuity Management, Disaster Recovery and Risk Management
- Mr Rowan and Mr Carter to arrange training seminars for TAB Clubs adopting a full BCM approach
- Mr Rowan to look into arranging a third party penetration of QRL IT systems to test the integrity
- The committee **NOTED** the update provided by Mr Rowan and Mr Carter.

**OTHER BUSINESS**

Mr Carter advised the committee of the external auditors' commencement date of 18 August 2008 with the expectation of financials to be submitted to the Audit Committee on the 5th September 2008.

***The meeting closed at 9.30am.***

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Date



Minutes of Audit Committee Meeting  
Friday 5 September 2008

Queensland Racing  
Board Room  
Racecourse Road, Deagon

Meeting commenced at 8.30am  
Meeting concluded at 9.20am

**Committee** Michael Lambert (Chairman)  
Tony Hanmer

**Members Present:**

**Also in Attendance:** Adam Carter – *Finance Manager*  
Ron Mathofer – *Business Analyst*

**Apologies:** Malcolm Tuttle- *Chief Operations Manager*

**Minutes:** Donna Biddle – *Board Secretary*

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*The meeting commenced at 8.30am.*

1. Confirmation of Minutes of 8 August 2008

The Committee **NOTED** the Audit Minutes from the last meeting on 8 August 2008.

The committee **RESOLVED** that the QRL Audit Meeting Minutes of 8 August 2008 be received and confirmed.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Adam Carter

2. Action Sheet

All items were deferred to next Audit Meeting.

3. Cairns Debt

Detailed information has been requested from the Cairns Jockey Club to be received by QRL by close of business today. Some information has already been received. Recovery of this loan will be sought. An update will be provided to the next QRL Board Meeting on 3 October 2008.

1. 2007/2008 Draft Financial Statements

An Audit Committee Pre-meeting was held on Thursday 28 August 2008.

Queensland Racing Limited (QRL)

Mr Damian Wright from BDO Kendalls advised the Committee that the following outstanding issues were required to be completed before finalisation of the financial statements,

1. Written confirmation from Treasury, <sup>Queensland corporation of</sup> balance of investment
2. RISA re existing loans from Queensland Racing as of 30.06.08.

The **Committee** made the following comments re draft FY07/08 end of year financials.

- Note 20 - to be removed
- Note 21 -to be expanded to include further explanation.
- \$1,738,750 to be moved out of WIP and into Sundry Debtors
- Directors Report to be expanded to include further explanation.
- Agreement had not been signed at the date of Audit.
- No other work has been performed by BDO Kendalls.
- No issues with Interim Report.

An Audit Committee Pre-meeting was held on Thursday 28 August 2008. Information on RISA loan was still outstanding but has now been received.

Auditor adjustments were made after the pre-meeting occurred.

The Committee **ENDORSED** the 2007/2008 Queensland Racing Limited Draft Annual Financial Statements and **RECOMMEND** these accounts be presented to the QRL Board Meeting today.

#### **Queensland Race Product Co Limited (Product Co)**

Mr Wright informed the Committee there are no issues with the accounts of Queensland Product Co.

The Committee **ENDORSED** the 2007/2008 Product Co Financial Statements and **RECOMMEND** these accounts be presented to the QRL Board Meeting today.

#### **Sunshine Coast Racing Club**

Mr Wright informed the Committee there are no issues with the accounts of Sunshine Coast Racing Club.

The Committee **ENDORSED** the 2007/2008 Sunshine Coast Racing Club Draft Annual Financial Statements and **RECOMMEND** these accounts be presented to the QRL Board Meeting today.

**MOVED** by Mr Michael Lambert **SECONDED** by Mr Tony Hanmer

### **5. General Business**

#### **TAB Financial Workshop**

Mr Carter advised the Audit Committee that he planned a 2 day workshop to be held 24 and 25 November. Options discussed were Day 1 as CEO/CFO and Day 2 to include the Chairpersons of TAB Clubs or both days to be CEO/CFO only. Both options will be presented to the QRL Board meeting today.

Agenda items will be:

- Workplace, Health, Safety and Environment
- Developments
- QRL Strategy
- Race date program

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***The meeting closed at 9.00 am.***

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Chairman

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Date

Minutes of Audit Committee Meeting  
Friday 6 March 2009

Queensland Racing  
Board Room  
Racecourse Road, Deagon

Meeting commenced at 8.00am  
Meeting concluded at 9.10am

Committee Members Present: Michael Lambert (Chairman)  
Tony Hanmer

Also in Attendance: Adam Carter – *Finance Manager*  
Ron Mathofer – *Business Analyst*

Apologies: Malcolm Tuttle- *Chief Operations Manager*

Minutes: Ali Wade - *Finance*

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*The meeting commenced at 8.00am.*

1. Confirmation of Minutes of 5 September 2008

The Committee NOTED the Audit Minutes from the last meeting on 5 September 2008.

Item 4: 2007/2008 Draft Financial Statement

Under QRL note 1. 'Written confirmation from Treasury be extended to 'Written confirmation from Queensland Treasury Corporation of the investments balance as at 30 June 2008.'

Under QRL note 2. bullet point reference 5. 'Agreement had not been signed at the date of audit' be extended to 'In the after balance date events in the Directors report, the lighting project agreement at the Sunshine Coats Turf Club had not been signed at the date of audit '

Grammatical corrections on page 2 line 13, 24 and 29 'RECOMMEND' be changed to 'RECOMMENDS'

The committee RESOLVED that the QRL Audit Meeting Minutes of 5 September 2008 with the above amendments be received and confirmed.

MOVED by Mr Lambert SECONDED by Mr Hanmer

2. Action Sheet

A review to be undertaken with proposed timelines for delivery of the proposed action sheet for meeting 5 June 2009.

The Committee made the following comments regarding the following action sheet items:

Item 4. A search has been undertaken to source the Certificate of title for the Barcaldine office. This is still an issue. Mr Carter is liaising with Miss Murray to rectify this matter.

Item 15. **Tattersall's Racing Club Loan**

As no formal agreement is currently in place, QRL is to source a formal request from the Tattersall's Racing Club. An update is required by the next meeting date 1 May 2009.

Item 16. **Cairns Jockey Club Internal Audit Deloitte**

This item is on the QRL Board agenda for today, 6 March 2009.

### 3. Non TAB Corporate Governance and Financial Assessment

The Committee noted the following key issues as highlighted by the Deloitte review with regards to the reported five race clubs:

3.1. Segregation of Duties

3.1.1. An issue that cannot be compromised but in some cases is not fundamentally viable due to shortage of resources in remote areas

3.2. Lack of formal business plan or budget process

3.2.1. QRL to consider providing direction and/or templates to assist in this area and whether or not there is a necessity for an in depth approach due to the size of the operation

3.3. Lack of documented policies and procedures

3.3.1. QRL to consider providing direction and or templates to assist in this area

3.4. Non compliance with licensing requirements

3.4.1. Re-licensing information will be provided earlier this financial year with the provision of further feedback to the clubs.

3.5. Lack of business continuity planning

The committee commented that club compliance has generally improved partly due to the pro-active approach QRL has provided in terms of communication and information flow and supports a continuation of the Deloitte reviews with the remainder 28 strategic Non-TAB clubs with the intention of follow up reviews to be conducted every 3 years.

The committee **NOTED** the Non TAB Corporate Governance and Financial Assessment report.

#### *Follow-Up:-*

The committee considered it necessary to identify Non-TAB 'hubs' and associated regional 'spokes'. QRL should identify good practice templates and seek to mandate and include in the new FMPM.

### 4. Non TAB Review Financial F107706

Mr Mathofer further advised as per the provided report that six Non-TAB clubs financials remain outstanding with three of these clubs having applied and been accepted for extension.

Mr Mathofer also noted the obstacle of Non-TAB clubs ability to secure timely audits.

The committee commented on the current financial crisis and considered that this could have an adverse effect on future Non-TAB club sponsorship and therefore future club financial positions.

The committee **NOTED** that the overall financial position of Non-TAB clubs is improving along with the timeliness on receiving club financial reporting.

#### 5. Internal Audit Update – FMPM

Mr Carter advised that the last review of the FMPM was conducted in 2004 and the findings by the Deloitte review have been taken into account and all significant findings are currently being actioned with a draft FMPM to be provided to the Audit Committee at the 5 June 2009 meeting.

Mr Carter will liaise with the Racing and Legal Compliance departments within QRL for further necessary input.

Mr Lambert suggested the following sections should be looked at in addition to the Deloitte review findings:

- 5.1. Business Continuity
- 5.2. Asset Utilisation
- 5.3. HR Policies and Procedures
- 5.4. Financial Reporting

The Committee **NOTED** the Independent Assurance Report on Club Financial Management Practice Manual for the year ended 2008-09 and commented that the recommendations appear sound.

#### *Follow-Up:-*

1. QRL should identify good practice templates and seek to mandate and include in the new FMPM.
2. To include the following sections in the FMPM
  - a. Business Continuity
  - b. Asset Utilisation
  - c. HR Policies and Procedures
  - d. Financial Reporting
  - e. Revise the wording under Tax basics and employment conditions

#### 6. Internal Audit Update – HR Policies and Procedures

The committee **NOTED** the HR Policies and Procedures review as undertaken by Deloitte. Mr Carter advised that the findings have been taken into account and are currently being actioned with a final report to be provided to the Audit Committee 5 June 2009 meeting.

The committee concluded that further HR discussion is to be referred to the QRL Board for consideration.

**Follow-Up:-**

1. Update the committee of follow up items at the 6 June Audit Committee meeting.

**7. TAB Workshop Discussion and Follow Up**

Mr Carter advised reported that the TAB workshop held on 24 November 2008 that the following key issues were discussed:

- 7.1. Common purchasing requirements
- 7.2. EIS One
  - 7.2.1. Implementation set for April/May
- 7.3. EI Marketing
- 7.4. Risk Management
- 7.5. Insurance

The Clubs' response has been positive with feedback requesting more regular workshops and discussion forums. The committee would require a formal agenda and purpose for further workshops going forward. QRL is to aim for a TAB workshop in late October 2009 or early November 2009 after the Melbourne Cup and perhaps combine it with the Chairman and CEO.

The committee commented on the necessary resources required to fulfil future projects and objectives and whether finance had adequate resources. Mr Carter is to review and add as an agenda item at the next Audit Committee Meeting on 1 May 2009.

**Follow-Up:-**

1. Update the action sheet with action items from TAB workshop.

**8. General Business**

Next meeting date set for 1 May 2009 at 8:30am

*The meeting closed at 9.10 am.*

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Date

Minutes of Audit Committee Meeting  
Monday 1 May 2009

Queensland Racing  
Board Room  
Racecourse Road, Deagon

Meeting commenced at 8.30am  
Meeting concluded at 9.15am

Committee Members Present: Michael Lambert (Chairman)  
Tony Hanmer

Also in Attendance: Adam Carter – *Finance Manager*  
Ron Mathofer – *Business Analyst*

Apologies: Malcolm Tuttle- *Chief Operations Manager*

Minutes: Ali Wade - *Finance*

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*The meeting commenced at 8.30am.*

1. Confirmation of Minutes of 6 March 2009

The Committee **NOTED** the Audit Minutes from the last meeting on 6 March 2009.

Grammatical correction on page 3 line 2 'AFFECT' be changed to 'EFFECT'

The committee **RESOLVED** that the QRL Audit Meeting Minutes of 6 March 2009 with the above amendment be received and confirmed.

**MOVED** by Mr Lambert **SECONDED** by Mr Hanmer.

2. Action Sheet

The Committee made the following comments regarding the following action sheet items:

Item 1. **TAB Workshop**  
23<sup>rd</sup> and 24<sup>th</sup> November are the preferred dates for 2009.  
Michael Paramor to receive an Agenda

Item 12. **TAB Business Asset Risk and Sponsorship Plan**  
To be deferred to 4 December 2009

Item 15. **Tattersall's Racing Club Loan**  
Mr Carter confirmed the finalised update will be provided 5 June 2009

Item 16. **Cairns Jockey Club Internal Audit Deloitte**  
Action complete and can be removed



### **3. Risk Management Policy**

Mr Carter advised that although there was limited feedback from clubs, no significant issues were raised and comments were favourable.

The Committee noted the following issues:

- 3.1. Consideration is to be given to provide the same detailed information to Strategic Non-TAB clubs in alignment with TAB clubs where the requirements of clubs are the same
- 3.2. Recommend a tiering system to distinguish between the three classes of clubs
  - 3.2.1. TAB
  - 3.2.2. Strategic Non-TAB
  - 3.2.3. Other Non-TAB
- 3.3. Appendix A: TAB Clubs (page 6), replace Club venue with Club name

The committee **ENDORSED** the Risk Management Plan subject to the proposed tiering system as noted in item 3.2 above.

### **4. Event Management Policy**

Mr Carter advised the feedback received from clubs raised no significant issues. This is partly due to the clubs involvement during the production of the policy.

The committee noted the following issues:

- 4.1. Change the point of contact to Mr Brennan – Racing Services Manager
- 4.2. Review the non-racing events listed on page 3
- 4.3. Define Table 1, page 4 as examples
- 4.4. Recommend reviews to be undertaken bi-annually
- 4.5. Consideration to be given for QRL to create and facilitate a forum to discuss and relay event management experience

Mr Lambert provided a hard copy of amendments to be made.

The committee commented that the forum (refer 4.5) be discussed with Mr Brennan.

The committee **ENDORSED** the Event Management Policy subject to the above changes.

### **5. Internal Audit Update – FMPM**

The committee noted the following issues:

- 5.1. Further work required on areas identified by auditors, item 4, page 3 of the audit paper.
  - 5.1.1. Incorporate additional sections as identified by Deloitte and highlighted in Audit Paper
- 5.2. FMPM Page 1, Introduction
  - 5.2.1. Message to be endorsed by the QRL Chairman

- 5.2.2. Include direction to contact person: Mr Carter – Finance Manager
- 5.3. Review structure of Business, Operational and Strategic Planning to remove duplication
- 5.4. Review items that would be considered outside financial management and possibly remove.
  - 5.4.1. Volunteer management
  - 5.4.2. Marketing/Advertising/Promotion
  - 5.4.3. Retention of Management
- 5.5. To add a checklist on the specific requirements of the FMPM which apply to Non TAB, Strategic Non Tab and Tab Clubs.

The committee **ENDORSED** the general FMPM document subject to further discussion and fine tuning.

***Follow-Up:-***

Mr Lambert to liaise with Mr Carter on FMPM issues.

**6. Banking Review**

The committee requested that TAB clubs be advised of the process and consideration given by the banks in their proposals.

The committee commented that the NAB proposal would be more beneficial than the status quo for clubs.

Mr Carter advised that NAB's offer was not conditional on TAB clubs switching to NAB.

The committee **ENDORSED** the change to NAB for all QRL banking arrangements from 1 July 2009.

The committee **ENDORSED** a proposal be put forward to TAB Clubs to switch to NAB, upgrade current arrangements with NAB, to more competitive rates and services than they currently have in place.

***Follow-Up:-***

1. Request the current banking information breakdown from all clubs.
2. Report response to Audit Committee.
3. Provide NAB the opportunity to source further competitive rates.

**7. General Business**

Mr Carter advised the following dates for Audit by BDO Kendalls:

- 7.1. 2009 Audit dates
  - 7.1.1. Interim Audit 15 June 2009
  - 7.1.2. Final Audit 3 August 2009
  - 7.1.3. For review at Audit Committee meeting 28 August 2009
  - 7.1.4. Seek Board approval 4 September 2009

Mr Carter provided feedback on BDO Kendall's commenting that the fees are currently reasonable, auditors approachable with good response time and continuity of staff.

The committee **NOTED** the feedback and recommended a three to five year rotation of auditors.

7.2. Purchasing and Procurement Strategy

- 7.2.1. Considering tender process in line with State Government (preferential suppliers)
- 7.2.2. Working towards short and long term strategies

7.3. Club Ticketing

- 7.3.1. Current TAB Club ticketing structure lacking cohesion and audit trail
- 7.3.2. Consideration be given to a unified ticketing system through RISA for all TAB clubs

Next meeting date set for 5 June 2009 at 8:30am

***The meeting closed at 9.15 am.***

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Date

Minutes of Audit Committee Meeting  
Friday 26 June 2009

Queensland Racing  
Board Room  
Racecourse Road, Deagon

Meeting commenced at 8.00am  
Meeting concluded at 9.05am

Committee Members Present: Michael Lambert (Chairman)  
Tony Hanmer

Also in Attendance: Adam Carter – *Finance Manager*  
Ron Mathofer – *Business Analyst*

Apologies: Malcolm Tuttle- *Chief Operations Manager*

Minutes: Ali Wade - *Finance*

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*The meeting commenced at 8.00am.*

1. Confirmation of Minutes of 1 May 2009

The Committee NOTED the Audit Minutes from the last meeting on 6 March 2009.

Correction for agenda item 6, follow up item 3, page 3. To be amended to 'Provide NAB the opportunity to source more competitive quotes'.

The committee RESOLVED that the QRL Audit Meeting Minutes of 1 May 2009 with the above amendment be received and confirmed.

MOVED by Mr Lambert SECONDED by Mr Hanmer.

Note to minute:

7.1.2 Final Audit has been brought forward to 3 July 2009.

2. Action Sheet

The Committee made the following comments regarding the following action sheet items:

Item 1. TAB Workshop  
Look at further stakeholder input regarding preferred dates.

Add Banking Review to Action List.

### **3. TAB Corporate Governance and Financial Assessment – Gold Coast Turf Club**

The committee requested the following inclusions to the summary on page 2:

- 3.1. Low level of entry paying attendances
- 3.2. Credit card policy

The committee commented that the priority should be to organise the management of cash reconciliations. As per the Deloitte template the clubs should look towards estimating gate takings and actual received to ascertain variances which should be undertaken by all TAB clubs.

#### ***Follow-Up:-***

1. Request a further detailed response from Mr K Ahrens at the GCTC.
2. Progress the admissions bar coding system through RISA in early FY09/10.

### **4. Internal Audit Plan FY 09/10**

Mr Carter advised the Internal Fraud Plan has been deferred to FY09/10.

The committee noted the following issues:

- 4.1. Item 5. Further definition required for Capital Planning to be QRL focused.
- 4.2. Item 11. Expand explanation to convey valuations and Sunshine Coast Racing Unit Trust.
- 4.3. Item 13. Flag as potential current systems analysis in line with the new national system.
- 4.4. Item 16. To review race fields legislation process from start to finish with a view to completion as early as possible.

The committee **ENDORSED** the Internal Audit Plan FY 09/10 subject to the above amendments.

### **5. TAB Club Corporate Governance and Financial Assessment Plan FY09/10**

Mr Mathofer advised that the targeted strategic non TAB clubs are due to scale and profit position.

The committee requested Mr Carter to liaise with P Brennan to check the appropriateness of the current targeted clubs.

The committee discussed switching the review from the Ipswich Turf Club to the Mackay Turf Club which is better suited due to the current scale and profit of each club.

The committee resolved to **ADOPT** the recommendations on page 5 with the replacement of the Ipswich Turf Club for the Mackay Turf Club.

***Follow-Up:-***

Mr Carter to liaise with Andrew Moore from the Brisbane Racing Club (BRC) to discuss the timing of Corporate Governance and Financial Operations review.

**6. Internal Audit Update - Payroll**

Mr Carter advised the current system has injected improvements into the payroll process in a gradual manner.

The committee **NOTED** the Internal Audit Payroll Processing review with an update of action items to be provided at the September 2009 meeting.

***Follow-Up:-***

1. To review and implement policy surrounding the consistency in employee terminations.
2. Update of action items from all previous internal audits to be provided at the September 2009 audit committee meeting.

**7. Internal Audit Update - Purchasing**

Mr Carter advised that I-POS is a significant change in the purchasing process and is a work in progress.

The committee discussed the importance of the panel/preferred supplier selection to require:

- 7.1. QRL to be pro-active in sourcing preferred supplier lists
- 7.2. Based on competitiveness

Mr Carter advised the focus is currently on TAB clubs with the intention to involve all clubs in the following areas:

- 7.3. Repairs and Maintenance
- 7.4. Communication
- 7.5. Travel/Accommodation
- 7.6. Banking
- 7.7. Insurance

Mr Carter further advised that QRL will charge back for the use of QRL employees and is considering the possibility of travel inclusion.

The committee discussed the resources required and recommended an assessment of suitability of any assistance that is sourced. The committee **NOTED** the action on the I-POS implementation and panel/preferred supplier selection will take time.

The committee **NOTED** the Internal Audit Purchasing review with an update of action items to be provided at the September 2009 meeting.

***Follow-Up:-***

1. Continual updates to be provided to the QRL Board due to significance of impact.

2. Update of action items to be provided at the September 2009 meeting.

#### **8. Internal Audit Update – Document Management**

Further to the Deloitte internal audit review the committee would like further consideration to item 2.1.4.2 to include

- 8.1. Documented levels and rights to access information

The committee **NOTED** the possibility of centralising the document system with the Club Correspondence targeted as a priority.

The committee discussed the importance of the flow of information with a view to scan all information at source and stored in restricted access areas. Authority and resources will need to be addressed. The committee requested a broad policy proposal to be established.

The committee **NOTED** the Internal Document Security review with an update of action items to be provided at the December 2009 meeting.

#### ***Follow-Up:-***

1. Broad Policy proposal to be established and cost benefit analysis to be undertaken for resourcing the project.
2. Centralise Club Correspondence
3. Work towards imagery of all current information within the 7 year timeframe as per QRL policy for keeping historic data with the intention to phase out the Grace Records management system.
4. G Drive access to be addressed
5. Flow of information to be addressed with a view to scan information at source

#### **9. Insurance Update**

Mr Carter tabled the insurance premium comparison FY 09/10 document and noted the following:

- 9.1. Insurance has been finalised with input from AON and Racing Victoria
- 9.2. The premium from FY 05/06 to FY 09/10 has been reduced by approximately 45%.
- 9.3. The major increase has been in jockey workcover insurance due to increased:
  - 9.3.1. Coverage
  - 9.3.2. Claims
- 9.4. QRL is working towards minimising claims through
  - 9.4.1. Upgrade in facilities
  - 9.4.2. Streamlining processes

The committee **NOTED** the insurance update.

#### **10. Provision for Bad Debt FY 08/09**

Mr Carter tabled Audit Committee Paper 10 for the provision of bad debt for the FY 08/09 and request approval for the write off against bad debt in the FY 08/09.

The committee **NOTED** the provision for bad debt document and will advise Mr Carter after due consideration.

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**11. Upcoming Projects**

Deferred to next Audit Committee meeting

Next meeting date set for 7 August 2009 at 8:00am

*The meeting closed at 9.05 am.*

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Chairman

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Date



Minutes of Audit Committee Meeting  
Friday 7 August 2009

Queensland Racing  
Boardroom  
Racecourse Road, Deagon

Meeting commenced at 8.00am  
Meeting concluded at 9.35am

Committee Members Present: Michael Lambert (Chairman)  
Tony Hanmer

Also in Attendance: Adam Carter – *Finance Manager*  
Ron Mathofer – *Business Analyst*  
Damian Wright – *BDO Kendall's representative (8:15am to 8:50am)*  
Sam Johnson – *BDO Kendall's representative (8:15am to 8:50am)*  
Carl Gerrard – *Deloitte representative (8:55am to 9:10am)*

Apologies: Malcolm Tuttle- *Chief Operations Manager*

Minutes: Ali Wade - *Finance*

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*The meeting commenced at 8.00am.*

1. Confirmation of Minutes of 26 June 2009

The Committee NOTED the Audit Minutes from the last meeting on 26 June 2009 .

Amendments as follows:

- 7.1 further definition required
- 7.2 replace 'incorporate' with 'involve'
- 8. Follow up item 1. replace "or" with "for"
- 9.2 Delete the word "renewal".

The committee RESOLVED that the QRL Audit Meeting Minutes of 26 June 2009 with the above amendments be received and confirmed.

MOVED by Mr Lambert SECONDED by Mr Hanmer.

2. Action Sheet

The Committee made the following comments regarding the following action sheet items:

- Item 7. FMPM  
Additional changes have been made and sent through to Deloitte. QRL is currently waiting on the final comment.  
Once finalised the FMPM is to be sent to all Clubs/CEO's/Treasurers.
- Item 12. Tattersall's Racing Club Loan  
Adam Carter confirmed the date to finalise this matter has been set for the next audit meeting.

**Item 15. Banking Review**

NAB information regarding Work Life programs have been sent to all TAB clubs. QRL, NAB and TAB clubs are currently arranging to meet and discuss NAB banking provisions with a view of securing a TAB club banker.

**3. BDO Kendall's Interim Audit Update**

The committee requested the roles and responsibilities of QRL and Clubs are to be documented with specific reference made to the Toowoomba Synthetic Track.

BDO Kendall's representatives Mr Damian Wright and Sam Johnson entered the meeting at 8:15am.

Two reports were tabled by BDO Kendall's (as attached) and discussion was undertaken surrounding the following issues:

**Queensland Racing Limited****3.1. Toowoomba Synthetic Track**

BDO recommends that QRL to treat as a notional loan with acknowledgement required from the other party and that a loan agreement to be in place.

**3.2. Race Information Fee (RIF) and accounting thereof at 30 June 2009**

3.2.1. BDO suggested that the annual accounts should include statement of emphasis providing detailed disclosure on the 'debtor' relating to RIF and the degree of uncertainty relating to this issue.

3.2.2. Recommendation was made to delay signing of the accounts until RIF's data is supplied by wagering operators and accurate.

3.2.3. BDO requests access to a letter from either in-house or external legal counsel in regards to the likelihood of RIF's legislation outcome and the collectability of \$5.5M as at 30 June 2009 for Corporate Bookmakers.

**3.3. Queensland Race Product Co Limited.**

BDO advised that the revenue which QRL has recognised from UNITAB has been overstated. The Race Information fees should not be shown as expense rather it should be netted off the Product and Program fee QRL should note the effect and BDO have advised that this amount should not be taken up in the financial statements and the Product and Program fee should be shown as a net figure of the race field information fees charged by the Principal racing Authorities through UNITAB.

**3.4. Sunshine Coast Racing Unit Trust**

3.4.1. No unrecorded adjustments

3.4.2. No significant issues

3.4.3. BDO recommends a reassessment of assets:

3.4.3.1. Useful Life

3.4.3.2. Classes

3.4.3.3. Valuations

The Committee was advised that audited RIF wagering operator statements were due in 60 days from the end of the financial year. (31 August 2009)

An Audit Committee meeting was proposed for 28 August 2009 via teleconference.

BDO suggested delaying the sign off subject to looking at the RIF's adjustment (actual to accruals) dependant on significance in mid September for final audit sign off.

BDO Kendall's representatives exited the meeting at 8:50am.

#### **4. Deloitte Sunshine Coast Audit Report Follow Up (Agenda Item 5)**

Deloitte's representative Mr Carl Gerrard entered the meeting at 8:55am and tabled the attached report.

The Committee and Mr Carl Gerrard discussed the background and issues surrounding the Deloitte report.

There is a significant issue with poor accounting from the Club to QRL. Since the last audit undertaken four years ago in May 2005 there has been little uptake of the recommendations and the guidance provided through the annual TAB workshops and feedback provided back to the clubs and compliance with the FMPM.

QRL has undertaken significant capital investment in the SCTC and increased the number of race meetings. SCTC has not complied with suggested procedural and processing requirements therefore has not taken into consideration the business opportunity which had been provided to them.

The committee **NOTED** the SCTC treasurer has been absent in the review process to date.

The committee requested the following steps to be undertaken:

- 4.1. Run through Deloitte response.
- 4.2. Provide the report to SCTC.
- 4.3. Response from SCTC.
- 4.4. Arrange a meeting with SCTC, Deloitte representative and nominated QRL representative
- 4.5. Request further club response

The committee advised that the factual situation be determined and settled via the above listed process prior to the QRL Board involvement

#### ***Follow-Up:-***

Mr Carter to liaise with the SCTC and with the Office of Racing and request feedback in terms of due process and compliance with the *Racing Act 2002*.

#### **5. Deloitte Townsville Audit Report (Agenda Item 6)**

The committee and Mr Gerrard discussed the issue of the Townsville Turf Club CEO having procedural control and input at every level of the club processes. This level of control leaves little room to view and run the organisation from strategic viewpoint due to a lack of segregation or delegation of duties in place. There also appears to be a lack of financial management. There has been high staff turnover with the financial accountants' position been turned over three times in the last four years.

The committee requested the following steps to be undertaken:

- 5.1. Send draft Deloitte report to Townsville CEO.
- 5.2. Request response.
- 5.3. Table management response at the next Audit Committee meeting
- 5.4. Provide feedback to the Townsville Turf Club

The next audit reviews to be undertaken in FY0910 will be for the Brisbane Racing Club, Mackay and Toowoomba.

Mr Gerrard exited the meeting at 9:10am

#### 6. TAB Workshop Schedule (Agenda Item 4.)

The committee **NOTED** the proposed Agenda with the following amendment:

- 6.1. Item 4.
  - 6.1.1. Amend 'new' to 'discuss' revenue streams.
  - 6.1.2. The issue of Role and Responsibilities is to be addressed due to the fundamental nature of the issue being more operational which may need to be removed.

#### ***Follow-Up:-***

Adam Carter to scope the possibility of a guest speaker from a parallel organisation such as the AFL

#### 7. Bad Debt

The committee **APPROVED** the following recommendations:

- 7.1. Write off of debt against the debtor account of \$105,340.12 previously provided for in the FY 07/08
- 7.2. Write off of \$9,010 for the BTC
- 7.3. The provision of \$110,000 for the Cairns Jockey Club for FY 08/09

The committee **NOTED** their dissatisfaction at the tabled report and requested:

- 7.4. Further review and resubmission of the provision for bad debt of \$20,856 for the FY08/09.
- 7.5. Consideration to be given to the use of a debt collection agency.

#### ***Follow-Up:-***

1. All provisions for bad debts to be checked against the licensee status with the licensing department and Integrity Operations.
2. Source competitive and viable debt collection agencies

Next meeting date set for 28 August 2009 at 8:30am

*The meeting closed at 9.35 am.*

  
\_\_\_\_\_  
Chairman

18/11/2009  
\_\_\_\_\_  
Date

Minutes of Audit Committee Meeting  
Friday 15 January 2010

Queensland Racing  
Boardroom  
Racecourse Road, Deagon

Meeting commenced at 8.30am  
Meeting concluded at 10:15am

Committee Members Present: Bradley Ryan (Chairman)  
Tony Hanmer

Also in Attendance: Adam Carter – *Finance Manager*  
Ron Mathofer – *Business Analyst*

Apologies: Malcolm Tuttle- *Chief Operations Manager*

Minutes: Ali Wade - *Finance*

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*The meeting commenced at 8.30am.*

1. Confirmation of Minutes of 7 August 2009

The Committee NOTED the Audit Minutes from the last meeting on 7 August 2009.

The Committee RESOLVED that the QRL Audit Meeting Minutes of 7 August 2009 be received and confirmed.

MOVED by Mr Hanmer in the absence of the departed Chairman Mr Lambert.

Discussion on previous minutes:

- 3.1 Discussion was undertaken surrounding the ability for QRL to take out a mortgage over property and forge a lease rather than Trust when dealing with significant contributions to clubs.
5. Townsville status after the audit review needs further attention. Mr Hanmer put forward to the Chair that a timetable be constructed incorporating the 28 steps in line with the procedure followed with the Sunshine Coast Turf Club. The timeframe for this procedure would be approximately 10 months from the initial assessment.
7. Bad Debt  
Collection House Ltd has been sourced as the external debt collection agency.

*Follow-Up:-*

Add Townsville review and follow up to action sheet  
Draw up timetable incorporating 28 step plan to be tabled at the next committee meeting for authorisation and sign off.

Power point presentation on Agenda Items tabled.

## 2. Action Sheet

The Committee made the following comments regarding the action sheet items below:

### Item 1. TAB Workshop

Mr Hanmer to discuss with Mr Bentley any affect the potential merger could have on future TAB workshop formats.

Deferred to the next audit committee meeting.

## 3. Audit Committee Charter

Provided with audit papers.

## 4. TAB Club Audits timing FY 0910

Schedule provided in power point presentation.

Noted the BRC audit is to commence 22 February with Andrew Moore the CFO being the first point of contact.

## 5. Update on TAB Club Assessments

Toowoomba Turf Club forecasts its first loss in several years largely due to the significant repairs and maintenance that has been undertaken in the current financial year.

Overall attendance numbers have declined although the average spend on bar and catering has increased across the board.

Membership numbers have been on a steady decline throughout all clubs.

Noted that the Sunshine Coast Turf Club is not competing in line with other TAB clubs given the demographics and continuing increase in population within that region.

### 5.1. Sponsorship

5.1.1. Prizemoney trend is increasing whereas sponsorship is flat lining

5.1.2. Inability to provide a platform for state-wide sponsorship is an issue

5.1.3. Sponsorship to be included in the agenda for TAB workshops

## 6. Update on Non-TAB Assessments

Provided in the power point presentation.

## 7. Internal Audit Plan FY0910

Provided in the power point presentation.

Committee requested prior finalised reviews to be tabled at the next committee meeting.

### 7.1. Race Information Legislation

7.1.1. Analysis to be undertaken to distinguish the different models being used in the industry

- 7.1.2. QRL to develop forms to incorporate different betting models to provide a platform for a consistent process to take place when dealing with betting agencies.

***Follow-Up:-***

Race Information Fees review to be brought forward to the next Audit Committee meeting.

**8. Club FMPM**

Committee members deemed it prudent to review the tabled document in depth prior to finalisation.

Mr Ryan requested:

- 8.1. an addition to the management reporting section to include an analysis on variances in monthly management accounts.
- 8.2. that budgets are required before July and not in September along with the end of year financials.

**9. TAB Workshop – timing**

Deferred to the next Audit Committee meeting (discussed at agenda item 2).

**10. RISA – Ticketing**

The initiative is an expansion of the current provisions of ticketing, memberships and functions through clubs to provide an online presence and broaden the accessibility to the industry and potential industry participants and help automate processes.

This is an ongoing process that will eventually be tabled for support, in principle, from the Audit Committee and QRL Board of Directors.

Mr Carter put forward the notion that QRL look towards supporting the funding of the infrastructure and set up of the new system with ongoing costs to remain the Clubs responsibility. As QRL has equity in RISA, although the outlay may be significant there are foreseeable tangible benefits for undertaking this venture.

**11. Insurance**

Provided in the power point presentation.

11.1. Public Liability Insurance (PLI)

- 11.1.1. QRL has secured PLI on behalf of all clubs at a considerable saving
- 11.1.2. Develop models to assess clubs based on their risk management performance to rank and attribute proportional premiums based on ratings.

***Follow-Up:-***

Amend wording of 'recoupement' (pg 64 of presentation).

Review the allocation of the premium and excess of race clubs based on their risk management performance to rank and attribute proportional premiums based on ratings.


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**12. Bad Debts**

Discussed at Agenda Item 2.

Next meeting date set for Wednesday 3 February 2010 at 7:30am

*The meeting closed at 10.15 am.*

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Date



Minutes of Audit Committee Meeting  
Friday 3 February 2010

Queensland Racing  
Boardroom  
Racecourse Road, Deagon

Meeting commenced at 7:30am  
Meeting concluded at 9:10 am

Committee Members Present: Bradley Ryan (Chairman)  
Tony Hanmer

Also in Attendance: Adam Carter – *Finance Manager*  
Ron Mathofer – *Business Analyst*

Apologies: Malcolm Tuttle- *Chief Operations Manager*

Minutes: Sarah Walker – *Compliance Accountant*

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*The meeting commenced at 7.30am.*

**1. Confirmation of Minutes of 15 January 2010**

The Committee **NOTED** the Audit Minutes from the last meeting on 15 January 2010.

The Committee **RESOLVED** that the QRL Audit Meeting Minutes of 15 January 2010 be received and confirmed.

**MOVED** by Chairman Mr Ryan.

**2. Action Sheet**

The **Committee** made the following comments regarding the action sheet items below:

Item 1. **TAB Workshop**

The scheduling of the workshop is anticipated for late November 2010, timing to coincide with a reminder to clubs of QRL's reporting requirements.

Letters to be sent to TAB clubs including date, draft agenda and noting an invitation to the TAB Workshop is to be extended to both Greyhound and Harness clubs.

A list of agenda items is to be provided at the next audit committee meeting.

Item 7. **Financial Management Procedures Manual (FMPM)**

The FMPM to be updated to incorporate requirements for Harness and Greyhound clubs and the FMPM to be released in early July 2010. This is to be updated and presented prior to the TAB workshop. Appendices are able to be circulated as and when requested by clubs.

**Follow Up:**

1. A list of agenda items for the TAB Workshop is to be presented at the June 2010 Audit Committee meeting.

### **3. Audit Committee Charter**

The committee noted that changes may be required due to the amalgamation of the three codes and the Charter will be required to be updated.

Mr Ryan requested that the charter needed to include an emphasis of focus, whereby the audit committee would be required to drive initiatives with strategic direction.

Mr Hanmer noted that after the amalgamation, it needed to be made clear to new board members that they are able to attend audit committee meetings if they choose.

Mr Hanmer requested that section 3.2 (a) Compliance and Risk Management (page 2 of the report) should be amended to include any Act of Parliament that may impact the operations of the audit committee.

#### ***Follow Up:***

1. Charter to be updated taking into account the 3 codes and presented to the audit committee in June 2010

### **4. Financial Management Procedures Model for Clubs**

Discussed at Agenda Item 2.

### **5. Townsville Turf Club – 28 Step Plan**

The committee noted that the process is up to Step 14, and while no final responses had been received from the Townsville Turf Club committee, draft responses to the report had been tabled in the minutes of the club.

Mr Carter advised the committee that he had proposed a meeting with the club's representatives to be held in early March in Townsville. Mr Hanmer commented that a presentation similar to the presentation given to the SCTC be prepared. Mr Carter noted that this would be sent to Mr Hanmer by 12 February 2010. Mr Carter, Mr Hanmer and Mr Carl Gerrard (Deloitte) would attend the meeting.

It was also noted that Mr Bruce Slattery (formerly of the Rockhampton Jockey Club) has offered assistance in consulting with the clubs on compliance issues.

#### ***Follow Up:***

1. Ali Wade to coordinate visit with the Townsville Turf Club
2. Draft presentation to be prepared and sent to Mr Hanmer by 12 February 2010.

### **6. TAB Workshop Timing**

Discussed at Agenda Item 2.

### **7. Race Information Fees – Audit Review**

It was noted by the committee that the scope of the Deloitte report was heavily focussed on the financial practices, and didn't fully encompass the process from receipt of application.

The committee further noted the importance the Deloitte report would have in terms of the amalgamation of the three codes.

Mr Hanmer raised his concerns regarding the quality of information accompanying applications.

Mr Ryan commented that consideration should be given to implementing a 100 point check similar to that used in banking, including character references, credit checks and National Police Certificates.

Mr Carter noted that as a result of the Deloitte report a master spreadsheet has been created to specify the roles and responsibilities of those involved in the process. Standard template letters have also been prepared and approved by Cooper Grace Ward and the Office of Racing.

**Follow Up:**

1. Recommend 100 point check process to licensing department.

Next meeting date set for Thursday 1 April 2010 at 8:30am

**The meeting closed at 9:10 am.**

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Date

Minutes of Audit Committee Meeting  
Thursday 1 April 2010

Queensland Racing  
Boardroom  
Racecourse Road, Deagon

Meeting commenced at 8:05am  
Meeting concluded at 9:20 am

Committee Members Present: Bradley Ryan (Chairman)  
Tony Hanmer

Also in Attendance: Adam Carter – *Finance Manager*  
Ron Mathofer – *Business Analyst*  
Carl Gerrard – *Deloitte Representative*  
David Rowan – *Information & Communications Manager*  
(8:00am to 8:18am)  
Shara Murray – *Corporate Counsel/Company Secretary*  
(8:20am to 8:26am)  
Bob Bentley – *Chairman (QRL Board)*  
(8:22am to 8:30am)

Apologies: Malcolm Tuttle- *Chief Operations Manager*

Minutes: Ali Wade

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*Tony Hanmer opened the meeting at 8:05am.*

1. Confirmation of Minutes of 3 February 2010

The Committee NOTED the Audit Minutes from the last meeting on 3 February 2010.

The Committee RESOLVED that the QRL Audit Meeting Minutes of 3 February 2010 be received and confirmed.

MOVED by Chairman Mr Ryan.

2. Deloitte – Carl Gerrard

3. Action Sheet

The Committee made the following comments regarding the action sheet items below:

3.1. TAB Workshop

3.1.1. Tentative date set for 22 November 2010.

3.1.2. Letters to be sent to TAB clubs including:

- tentative date (22 November 2010).
- noting an invitation is to be extended to both Greyhound and Harness clubs
- Include an invitation to the Chairperson of each club

- 3.1.3. A list of agenda items is to be provided at the next audit committee meeting
- 3.1.3.1. Deloitte to be added as an agenda item with Mr Gerrard to provide an overview on Risk and Event management.

*Follow Up:*

1. Tentative letter to be sent to TAB clubs
2. A list of agenda items for the TAB Workshop is to be presented at the June 2010 Audit Committee meeting.

4. Insurance – Public Liability – EML & Claims

Mr Carter provided background on the fund with Employers Mutual Limited. QRL is involved with both Racing Victoria and Racing NSW in a captive fund from 1 July 2003 to 30 June 2006. Significant savings have been achieved over the years although historically QRL has had a poor claims history. This has been actively managed through QRL and AON. As the claims mature and are settled the excess was \$50,000 with all claims above this settled through the captive fund.

EML have advised of a premium adjustment to QRL for FY 03/04 and FY 04/05 totalling \$588,302.

The committee **NOTED** the amount of \$588,302 which is to be paid to EML and placed into trust as per the Heads of Agreement.

There is a sunset clause once FY 05/06 claims mature and claims are settled of which further premium adjustments will be required.

QRL would recoup a percentage of this from clubs where these claims have occurred and based on the recent decline in claims has the potential to receive a refund from the trust after the sunset clause.

Mr Carter confirmed that at this stage the \$588,302 would be reflected in the QRL balance sheet as an asset. Adam Carter also confirmed that relevant information has been sent through to both Harness and Greyhounds for the possibility of combining insurance within the merger.

The committee **NOTED** the current status of the EML insurance claims and requested that:

- 4.1. Auditors confirm the appropriateness of including the \$588,302 as a balance sheet item
- 4.2. QRL to assess the timing of communication to clubs for any possible cost recovery
- 4.3. To follow up on the inclusion of Harness and Greyhound within future cover.

*Follow Up:*

1. Request auditors advice on inclusion of premium in QRL balance sheet
2. Inform clubs of possible cost recovery over a period of time and significant savings achieved over the period of the fund.
3. Inclusion of Harness and Greyhound within future cover

5. Internal Audit – Third Party Agreements

Ms Murray and Mr Ryan entered 8:20am

The committee **NOTED** the key issues

- 5.1. Reconciliation
- 5.2. Monitoring of contracts and renewal thereof

The committee **RECOMMENDED** that QRL review the policy to include:

- 5.3. Confirmed agreements in place prior to payment
- 5.4. Managers responsible to provide information to legal compliance for policies and contractual agreements

Ms Murray requested that future auditors liaise with the relevant parties to ensure the review is accurate.

Ms Murray exited the meeting 8:26am

*Follow Up:*

1. Update of action items to be provided at June 2010 meeting

**6. Internal Audit – General Computer Network Controls**

Mr Rowan clarified that QRL's current IT strategy is taken from the Business Plan and is not an over arching IT Strategy for the organisation.

The committee discussed:

- 6.1. the need for a monitored Fire Alarm System
- 6.2. To look at further tightening HORSES database controls and processes

The committee **RECOMMENDED** the IT business plan should link through to the overall business plan.

Mr Hanmer **NOTED** the General Computer Network Controls audit review with an overall good result achieved. An update of action items is to be provided at June 2010 committee meeting.

Mr Rowan exited the meeting 8:18am.

*Follow Up:*

2. Mr Rowan to report to Mr Hanmer the building structure (electrical and cabling) needed to bring the IT infrastructure up to audit requirements.
3. Update of action items to be provided at June 2010 meeting

**7. Internal and External Audit Update**

7.1. Mr. Carter tabled the proposed Deloitte club review dates:

- 7.1.1. Mackay Turf Club, 6 -16 April 2010
- 7.1.2. Toowoomba Turf Club, 26 April - 7 May 2010
- 7.1.3. Julia Creek Turf Club, 17 - 21 May 2010
- 7.1.4. Warwick Turf Club, 17 - 21 May 2010
- 7.1.5. Towers Jockey Club, 24 – 28 May 2010
- 7.1.6. Cunnamulla & District Diggers Race Club, 31 May – 11 June
  - 7.1.6.1. *The proposed dates for the Cunnamulla & District Diggers Race Club audit has been deferred to FY 10/11 calendar.*
- 7.1.7. Sunshine Coast Turf Club, 7 – 11 June 2010
- 7.1.8. Townsville Turf Club, 14 – 18 June 2010

- 7.2. Mr Bradley Ryan suggested that it would be valuable to have HR Business Solutions undertake a review of the race club CEO and top executive fees.
- 7.2.1. Scope to include interstate executive rates
  - 7.2.2. To assess the necessity of QRL undertaking the role to review top executive position applications and submit recommendations to clubs to ensure positions are being filled by qualified and experienced candidates while implementing cost and efficiency controls.
- 7.3. The committee discussed that due to the impact of corporate bookmakers on the industry it has become incumbent on QRL to grow revenue base.
- 7.4. The committee **NOTED** the following reviews have been deferred post amalgamation:
- 7.4.1. Fraud
  - 7.4.2. Capital Planning
  - 7.4.3. Race Fields Information (second review)
- 7.5. The committee **NOTED** the following QRL audit start dates:
- 7.5.1. Interim Audit 17 May 2010
  - 7.5.2. Final Audit 23 August 2010
- 7.6. The committee **NOTED** the following audit review results to be provided at the June 2010 audit committee meeting:
- 7.6.1. Brisbane Racing Club
  - 7.6.2. Mackay
  - 7.6.3. Toowoomba
- 7.7. The committee discussed the possible changes to sub-committee structure
- 7.7.1. Addition of Finance sub-committee to focus on external audit reviews
  - 7.7.2. Audit sub-committee to have internal QRL focus and review thereof
- 7.8. The Chairman raised the sustainability of clubs is an ongoing issue highlighting the Rockhampton Jockey Club being considered one of Queensland's top performing clubs yet their liquidity is currently deficient.

***Follow Up:***

1. Request quote from HRBS to undertake clubs top executive salary reviews
2. Draft policy to include QRL's role and responsibility in ensuring clubs top executives are qualified, experienced with adequate remuneration.

**8. Tattersall's Racing Club Loan**

Mr. Carter tabled a copy of the letter sent to Tattersall's Racing Club requesting documentary evidence of the loan arrangement between Tattersall's Racing Club and Tattersall's Club Brisbane. Mr Carter noted that Michael Paramor has verbally confirmed that a formal response will be provided to QRL.

***Follow Up:***

1. Formal Agreement to be finalised including a restriction clause in regards to on-lending of funds from clubs to other entities.

**9. Corporate Bookmakers**

The committee **RECOMMENDED** that end of year balance sheet items for corporate bookmakers' debt to be consistent across the codes.

Provision needs to be assessed for bad and doubtful debts.

#### **10. Sunshine Coast**

Not discussed

#### **11. Toowoomba**

Toowoomba review deferred to 26 April 2010.

#### **12. Industry Revenue Trends**

Ron Mathofer tabled two reports for the Audit Committee to note and for reference:

- 12.1. Size and Scope of Racing in QLD
- 12.2. IBIS World (Sample Document)

Committee discussed the importance of the provision of relevant and key information within the industry and requested a 1 page document with key statistics for stakeholders in QRL and merging parties to reference supporting a 'One sight, One Sound, One Message' culture. The committee **NOTED** that relevant statistical information is to be communicated back to the board on a regular basis.

#### ***Follow Up:***

1. Provide a 1 page document containing key statistics in the racing industry.

#### **13. General Business**

Bob Bentley entered 8:22am


Bob Bentley requested a review of the quote from Deloitte for the Due Diligence surrounding the amalgamation. The scope of the due diligence to target the key issues.

Bob Bentley requested Deloitte to provide in writing their recommendation regarding GCTC model, business plan and financial viability. Due date 9 April 2010.

Bob Bentley exited the meeting 8:28am.

Next meeting date set for Tuesday 15 June 2010 at 8:00am

*The meeting closed at 9:20 am.*

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Date



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- 11.7. Mr Carter to provide possibilities of external representatives such as the AFL approach
  - 11.8. Focus on event management
  - 11.9. Committee requested a copy of agenda to the Workshop held in 2009.
  - 11.10. Consider Deloitte presence and inclusion of the Self-Assessment System to the agenda
  - 11.11. Mr Carter to draft letter to notify clubs
  - 11.12. Committee to consider venue at the next meeting

## **12. RISA Ticketing**

The committee **APPROVED** the budget of \$60K in line with the approved FY1112 budget approved at the 7 June board meeting. RQL to pursue the strategy of the RISA ticketing solution for clubs which partner with RQL.

## **13. ACTION SHEET – Follow up issues**

The committee **NOTED** the action sheet and ongoing follow up issues

***The meeting closed at 10:35 am.***

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Chairman

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Date



**RACING**  
QUEENSLAND

**Minutes of the Audit, Finance and Risk Committee  
Meeting  
Thursday 5 August 2010**

**Racing Queensland Boardroom  
Racecourse Road, Deagon**

**Meeting commenced at 7:35am  
Meeting concluded at 10:25 am**

**Committee Members**            **Bradley Ryan (Chairman)**  
**Tony Hanmer**  
**Bob Lette**  
**Wayne Milner**

**Also in Attendance:**            **Adam Carter – Chief Financial Officer**  
**Tracey Harris – Finance & Business Manager**  
**Ron Mathofer – Business Analyst**  
**Carl Gerrard – Deloitte Representative (8:30 to 9:45am)**

**Minutes:**                        **Ali Wade**

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***The meeting commenced at 7:35am.***

The Chair, Mr. Bradley Ryan welcomed all members in attendance for the first Audit, Finance and Risk Committee meeting for Racing Queensland Limited.

**1. Audit, Finance and Risk Committee Charter**

The Committee **REQUESTED** amendments to the charter as follows:

- 1.1. Further emphasis to be placed on the Racing Act 2002, section 34 as the legislation which governs the charter.
- 1.2. Inclusion of Corporate Counsel report per meeting
- 1.3. Inclusion of CEO report per meeting (CEO report provided to Board to confirm)
- 1.4. Pg 2. g) change 'Considering' to 'Consider'
- 1.5. Remove Pg 3. i)

**2. Overview of Audit, Finance and Risk Committee**

Mr. Adam Carter presented an overview of the Audit, Finance and Risk Committee. The Committee highlighted the following:

- 2.1. The projected meeting dates correspond with quarterly reporting between 60-90 days in arrears.
- 2.2. The committee to review and finalise the proposed audit dates for the FY10/11 at the next committee meeting.
- 2.3. Budgets to be provided at the next meeting.
- 2.4. Mr. Tony Hanmer would like a review on the utilisation of the role of audit in clubs.
- 2.5. The Chair requested the undertaking of drafting a club shared services model with an alternative process for non-TAB clubs.
- 2.6. FMPM's from the 3 codes to be combined into one operating manual with draft tabled at a future meeting.
- 2.7. Mr. Wayne Milner recommended a RQL representative present audit reviews and summaries to club committees and CEO's to ensure the information is

provided to the relevant parties and increase the awareness and understanding of the process and results.

- 2.8. The committee to provide greater emphasis on a combined management approach for ticketing through RISA.
- 2.9. The COMMITTEE expressed frustration around the restrictive powers to take action surrounding non-compliant clubs.
- 2.10. The Committee **MOVED** that Deloitte undertake a report advising on the potential cost savings and efficiencies for the racing industry in the state of Queensland with specific focus on executive management remuneration.

Mr Bradley Ryan/Mr Wayne Milner

**Follow Up:**

1. A Carter to re address the proposed committee meeting dates to align a week prior to Board meetings and quarterly reporting for committee approval.
2. A Carter and T Harris to provide a draft shared services model to the Committee

**3. Corporate Governance and Financial Assessment – Townsville Turf Club**

Mr. Carl Gerrard gave a brief overview on the report. Townsville have slightly improved on overall performance in comparison to the last review although there remain substantial deficiencies in the financial operations of the club and the club has not adjusted its business model.

The Committee **NOTED** the findings of the Deloitte assessments and the club to address areas highlighted by Deloitte within the financial year.

**4. Corporate Governance and Financial Assessment – Gold Coast Turf Club**

Mr. Carl Gerrard gave a brief overview on the report. Gold Coast has remained consistent on overall performance in comparison to the last review.

The Committee **NOTED** the findings of the Deloitte assessments and the club to address areas highlighted by Deloitte within the financial year.

**5. Internal Audit Plan FY 10/11**

The Committee **APPROVED** the Internal Audit Program for the 2010-2011 year and agreed in principle to the 3 year internal audit plan which will be approved annually.

Mr. Carl Gerrard exited the meeting at 9:30am.

**6. Clubs Financial Performance – Summary 3 codes**

The following Net Profit/Loss and liquidity reports were tabled for the financial years 04/05 to 08/09:

- 6.1. TAB Club Analysis – All Codes
- 6.2. Non-TAB Club Analysis – All Codes
- 6.3. Thoroughbred TAB Club P&L summary at 31 March 2010

**7. Insurance – Overview including summary of claims**

Overview provided in the PowerPoint presentation. Claims have been high although reduced due to better risk management.

Mr. Wayne Milner proposed the short-term focus be withdrawn on non-essential insurance cover such as event cancellation until RQL is in a more favourable financial position.

## **8. Thoroughbred Draft Financial Statements**

Finance Board Report 2.3 tabled for the committee to review prior to inclusion in the board reports.

Mr. Tony Hanmer exited the meeting at 9:45am.

## **9. Harness & Albion Park Race Draft Financial Statements**

The committee **RESOLVED** the draft financial statements for Harness and Albion Park Raceway Joint Venture be accepted subject to auditors' confirmation and confirmation of the treatment of Race Information fees.

Bob Lette/Bradley Ryan

## **10. TAB Workshop Agenda**

The committee proposed the TAB workshop be brought back to 22<sup>nd</sup> November 2010. Date to be confirmed at next committee meeting.

Mr. Wayne Milner requested further club involvement in providing information or presentation items for the agenda.

## **11. Monthly Reporting Template to RQL Board**

The draft Board Financial Report Template was tabled for discussion.

The Committee discussed and requested inclusion of:

- 11.1. Services to the industry be clearly identified reflecting the return to the industry.
- 11.2. Race Information Fees reports to separate between racing authorities and corporate bookmakers showing net value.
- 11.3. To include a re-forecast budget at 6 and then 9 months.
- 11.4. Cash flow reporting to be moved to the first page of the template.
- 11.5. Cash flow reporting to include a 12 month rolling cash flow
- 11.6. Covenant ratios to include
  - 11.6.1. Capacity to lend
  - 11.6.2. Capacity to borrow

## **12. General Business**

The committee requested going forward:

- 12.1. Investment Charter Portfolio to be developed under RQL for inclusion in committee reports.
- 12.2. All Board members to receive a copy of the Audit, Finance and Risk committee reports
- 12.3. Scheduling to be re addressed for approximately 1 week prior to board meeting to enable recommendations to the Board in a timely manner.

***The meeting closed at 10:25 am.***

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Chairman

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Date

Minutes of the Audit, Finance and Risk Committee  
Meeting  
Monday, 6 December 2010



RACING  
QUEENSLAND

Racing Queensland Boardroom  
Racecourse Road, Deagon

Meeting commenced at 3:25pm  
Meeting concluded at 5:25 pm

Committee Members  
Bradley Ryan (Chairman)  
Tony Hanmer  
Bob Lette  
Wayne Milner

Also in Attendance:  
Adam Carter – *Chief Financial Officer*  
Ron Mathofer – *Business Analyst*  
Clark Jarrold – *BDO Representative (3:25pm to 4:25pm)*

Minutes: Ali Wade

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*The meeting commenced at 3:25pm.*

Mr Clark Jarrold – BDO representative is in attendance therefore the Chair deemed it prudent to commence with agenda item 9.

9. Opening Balances review 1 July 2010

Mr Clark Jarrold presented the RQL Accounting for the July 1, 2010 acquisition of assets and liabilities of the former control bodies' discussion paper along with 3 appendices.

Mr Jarrold highlighted the main issue for discussion is the treatment of the valuation of assets dependant upon which AASB is applicable and reporting thereof.

The Committee decided further background work to be compiled to provide a better understanding to ensure RQL is compliant in the treatment and reporting of assets and liabilities from 1 July 2010.

Mr Jarrold recommended the utilisation of the reduced disclosure regime for the annual financial statements year ending 30 June 2011 to simplify and assist with reporting.

*Follow Up:*

1. Mr Adam Carter to assess and report on RQL's status for financial reporting and seek legal confirmation from David Grace of Cooper Grace Ward.
2. Recommended status to be put forward for the next Board meeting Friday, 4 February 2011.

Mr Jarrold exited the meeting at 4:35pm

1. Confirmation of Minutes 5 August 2010

The Committee RESOLVED that the RQL Audit, Finance and Risk Committee Meeting Minutes of 5 August 2010 be received and confirmed.

MOVED by Chairman Mr Bradley Ryan, CONFIRMED by Mr Tony Hanmer.

## 2. Audit, Finance and Risk Committee Charter

The Committee APPROVED the Audit, Finance and Risk Committee Charter be sent to the Board for approval.

## 3. Risk Management Policy

The Committee APPROVED the Risk Management Policy subject to the following changes:

- 3.1. Amend title to 'RQL Risk Management Policy for Race Clubs'
- 3.2. p.2 Policy statement point 2 amend to 'providing guidance to appropriate risk management procedure'
- 3.3. p.6 amend Albion Harness Racing Club to 'Albion Park Harness Racing Club'
- 3.4. p.7 Include final point from TAB Clubs to Strategic non-TAB clubs

### *Follow Up:*

1. Mr Carter to provide RQL's Risk Management Policy (internal) to a future Audit meeting along with an updated Risk Register.

## 4. Investment Policy

The Committee RECOMMENDED a further review of the Investment Policy to be provided in the next 6-9 months to scope the inclusion of:

- 4.1. A timeline for CFO delegation for withdrawal of funds, to include checks and balances
- 4.2. Inclusion of liquidity and management process

The Committee DIRECTED the removal of Bank West as a financial Institution to be used in the assessment of better investment options.

### *Follow Up:*

1. Mr Carter to provide a further review of the Investment Policy to a future Audit meeting following feedback from the audit committee

## 5. Schedule/Overview of Current Assets

The Committee RECOMMENDED the investments currently with the Queensland Treasury Corporation (QTC) to remain for the short term future and to be re-addressed at a later date in line with the investment policy above and the proposed Infrastructure plan.

## 6. Internal Audit Plan FY 10/11

The Committee APPROVED the Deloitte Internal Audit Plan FY 10/11 subject to the following:

- 6.1. Deferral of Fixed Assets to a later date given the pending decision on the accounting for the 1 July 2010 acquisition of Assets and Liabilities.
- 6.2. Assessment of the days attributed for the prizemoney distribution audit

7. Tattersall's Loan

The Committee APPROVED the draft letter to Tattersall's to be sent out accordingly.

8. Status of Debts Owed

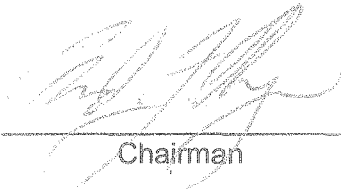
The Committee NOTED the status of debt owed as at 31 October 2010.

General Business

The committee decided the future meeting dates as follows:

- Friday, 4 February 2010
- Friday, 6 May 2010
- Friday, 5 August 2010
- Friday, 7 October 2010

*The meeting closed at 5:25 pm.*

  
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Chairman

*23/12/2010*  
\_\_\_\_\_  
Date

Minutes of the Audit, Finance and Risk Committee  
Meeting  
Friday, 4 February 2011

Racing Queensland Boardroom  
Racecourse Road, Deagon  
Meeting commenced at 8:00 am  
Meeting concluded at 9:25 am

Committee Members      Bradley Ryan (Chairman)  
                                 Tony Hanmer  
                                 Bob Lette  
                                 Wayne Milner

Also in Attendance:      Malcolm Tuttle – Chief Executive Officer  
                                 Adam Carter – Chief Financial Officer  
                                 Ron Mathofer – Business Analyst

Minutes:                      Ali Wade

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*The meeting commenced at 8:03 am.*

**1. Confirmation of Minutes 6 December 2010**

Mr Tony Hanmer requested the issue of the treatment of the RQL Opening Balance's be added to the Action Sheet.

The Committee **RESOLVED** that the RQL Audit, Finance and Risk Committee Meeting Minutes of 6 December 2010 be received and confirmed.

**MOVED** by Mr Wayne Milner  
**CONFIRMED** by Mr Bob Lette

**2. Status of debts owed**

- 2.1. Mr Adam Carter advised all debtors accounts will be allocated by the next Audit Committee meeting to ensure that the age analysis reflects the true position.
- 2.2. The committee requested a review and report of the debt collection process and credit policy with a view to assessing the viability of outsourcing aged debt to a debt collection agency compared to utilising internal resources in legal and compliance via small claims court.

The Committee **NOTED** status of current debts owed.

**Follow Up:**

1. Provide Credit Policy and debt collection process to the next Committee meeting
2. Provide a listing of provision for bad debt for FY1011

**3. Opening Balances review 1 July 2010**

RQL is currently working with BDO on the treatment of opening balances in the financial accounts as at 1 July 2010.

A draft report to BDO is being finalised and the committee requested that this to be provided to the Audit Committee when ready.



**Follow Up:**

1. The draft BDO report on Opening Balances to be circulated to the committee members
2. Report to be tabled at the next board meeting prior to the next audit meeting on 6 May 2011

**4. Internal Audit Plan FY 10/11 – Payroll Review**

Two internal audit payroll reviews are set for the current financial year. The first was finalised in December 2010. As per the tabled report there were moderate and low risks identified.

Mr Carter advised that a no employment agreement, no pay policy has been implemented to reduce the risk and further courses of action were underway to minimise risk and collect outstanding paperwork.

The second review in May 2011 will encompass the first and include compliance and a review of long service leave and annual leave.

**The committee RECOMMENDED**

- 4.1. to prepare and send management response to Deloitte
- 4.2. provide an update to the next Committee Meeting
- 4.3. ensure responsibilities are shared by employees across codes
- 4.4. to review and establish enhanced policies and procedures with focus on club and facility employees
- 4.5. Long term standardisation of employee terms and payments over the next two years

The Committee **NOTED** the Internal Audit Review and were satisfied with the content and outcome of the report given the complexity and timeframe of the amalgamation.

**Follow Up:**

1. Management response to be sent to Deloitte
2. Update Committee at next meeting
3. Review and establish enhanced policies and procedures with focus on club and facility employees

**5. Overview of RQL Insurances**

Mr Carter provided an update on the current claims with AON, JLT and Workcover

- 5.1. Full flood cover of \$20M and \$10K excess was recently included on the ISR insurance
- 5.2. Business Interruption Insurance is included in the ISR insurance
- 5.3. Crawford's have been assigned as the assessors
- 5.4. Albion Park, Ipswich and Rockhampton are currently being assessed
- 5.5. Tabled the Harness Public Liability Claims to date
- 5.6. Tabled the Harness Personal Accident Liability Claims to date
- 5.7. Tabled the Jockey Workcover Queensland Claims to date

The Committee requested:

- 5.8. A review to assess whether the Cushion Track implementation had an effect on claims.
- 5.9. A review of Business Travel cover in respect to the inclusion of the 8 original regional boards; the requirements, necessity and wording thereof

- 5.10. To assess practicality of Insurance Tender Options for the FY12/13
- 5.11. A review of the budget in terms of the impact of the current environment and costs associated

**Follow Up:**

1. Report on number of jockey claims broken down by venue and cushion track
2. Assess Business Travel Cover
3. Look at practicality of tender options for FY12/13
4. Review Insurance Budget for FY11/12

**6. Internal Tattersall's Loan Status Update**

Mr Bob Lette exited the meeting at 9:10am due to a conflict of interest.

The Committee will **APPROVE** the loan from Tattersall's Racing Club to Tattersall's Club Brisbane subject to

- 6.1. The Club providing a documented loan agreement
- 6.2. Based on standard commercial terms
- 6.3. Received by RQL within 60 days of the notification letter

**Follow Up:**

1. Mr Carter to draft a letter of notification the Tattersall's Racing Club and distribute to Committee members for review and approval

Mr Bob Lette re-entered the meeting at 9:15am

**7. Sun 5 Accounting Implementation Update**

The Committee **NOTED** the SUN 5 Accounting Implementation update and expressed concern at the changeover implementation date of 1 May 2011 with no parallel accounting system.

**Follow Up:**

1. Mr Carter to provide an update of implementation at the next Committee meeting

**8. Key Dates - RQL Financial Statements FY10/11**

The Committee will look at provisional dates for a Committee meeting to coincide with the provision of the Audited Financial Statements and RQL AGM.

Mr Carter will provide Audit rates at the next Committee meeting.

**Follow Up:**

1. Mr Carter to provide External Auditor rates per entity at the next Committee meeting.

**9. Action Sheet – Follow Up Issues**

The Committee **NOTED** the Action Sheet and requested all additional items from this meeting be included.

*The meeting closed at 9:25 am.*

  
Chairman

  
Date



RACING  
QUEENSLAND

Minutes of the Audit, Finance and Risk Committee  
Meeting  
Friday, 10 June 2011

Racing Queensland Boardroom  
Racecourse Road, Deagon

Meeting commenced at 8:00 am  
Meeting concluded at 10:35 am

Committee Members  
Bradley Ryan (Chairman)  
Tony Hanmer  
Bob Lette  
Wayne Milner

Also in Attendance:  
Adam Carter – *Chief Financial Officer*  
Ron Mathofer – *Business Analyst*  
Shara Murray – *Senior Corporate Counsel/Company Secretary*  
Carl Gerrard – *Deloitte Representative (8:35am to 9:35am)*  
Jason Swemmer - *Deloitte Representative (8:35am to 9:35am)*  
Pascal Marrot -*Deloitte Representative (8:35am to 9:35am)*  
Damian Wright– *BDO Representative (9:25am to 10:05am)*  
Sam Johnson – *BDO Representative (9:25am to 10:05am)*

Minutes: Ali Wade

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*The meeting commenced at 7:55 am.*

**1. Confirmation of Minutes 4 February 2011**

Mr Bradley Ryan recommended the overview of RQL insurances as per minutes be added to the agenda for the next audit committee meeting.

The committee NOTED a positive response has been received from Tattersall's in relation to the \$1M loan with a deed being received by RQL. Ms Shara Murray is to provide a copy of the deed to Mr Adam Carter. Tattersall's have agreed to pay amounts of \$50,000 per annum. The administration fees and charges may be varied from time to time.

The Committee **RESOLVED** that the RQL Audit, Finance and Risk Committee Meeting Minutes of 4 February 2011 be received and confirmed.

**MOVED** by Mr Wayne Milner  
**CONFIRMED** by Mr Bob Lette

**2. Directors Expenses**

- 2.1. For probity the Committee **RECOMMENDED** the review of the RQL Chairman and Chief Executive Officer (CEO) expenses be added to the agenda on an annual basis for review and requested all Board member expenses to be tabled and expanded to include the purpose for each line item.
- 2.2. The Committee **RECOMMENDED** a declaration to be signed by individual Board members for any reimbursement of expenditure whilst on company business on an annual basis.
- 2.3. The Committee requested a letter be sent to Ms Kerry Watson for declaration of expenditure incurred during her time as a Board member.
- 2.4. With reference to the expense reimbursement policy;

2.4.1. Review the clause in 3.2.3 and 3.3.3 for the rate (currently 74c per km) to "be updated annually in accordance with current ATO rates"

2.4.2. As Board members and other committee members e.g. Appeal Committee do not have access to RQL "pool cars" it is **RESOLVED** that clause 3.2.3 be amended to remove "outside of city/town"

**MOVED** by Mr Tony Hanmer

**CONFIRMED** by Mr Wayne Milner

*Follow Up:*

1. Expense reimbursement listing per board member be expanded to include purpose
2. Provide expanded list and declaration to applicable Board Members for authorisation
3. Provide the Chairman and CEO's expense reimbursement at the next Committee meeting
4. Letter requesting declaration of reimbursed expenditure be sent to Ms Kerry Watson for \$1,421.22 and Audit Chair to sign off on letter.

Due to external parties entering, the committee decided to move to agenda item 9 in the interim

**9. Debt Analysis Report**

The Committee **RECOMMENDED** the debt analysis report to be focused on significant outstanding debt.

Mr Adam Carter informed the Committee the provision for bad debt is currently being compiled and is to be tabled at the next committee meeting.

The committee noted the outstanding amounts for on-course bookmakers is currently being referred for legal action and recommended this be taken into consideration in the provision for bad debt.

The Committee **NOTED** the status of debt as at 30 April 2011.

*Follow Up:*

1. Listing of significant debts and inclusions to Forfeit List for the next committee meeting
2. Provision for Bad Debt to be tabled at the next committee meeting

**10. Debt Collection Review**

The committee reviewed the RQL debt collection process and **RECOMMENDED** a review of the utilisation of the final referral stage to a debt collection agency "Collection House" with a view to sourcing alternative agencies or methods.

*Follow Up:*

1. Mr Adam Carter to assess the final stages of debt collection
2. Review rate comparisons with competing agencies in this field and provide an update at the next meeting

Deloitte representatives entered the meeting at 8:35am, committee returned to agenda item 5. Shara Murray exited the meeting.

## 5. Internal Audit – Payroll Review Update

Mr Carl Gerrard – Partner at Deloitte discussed the payroll review noting that the one minor finding had already been dealt with.

Mr Adam Carter confirmed the finding of the one incorrect leave entitlement from the sample taken had been reviewed across all employees.

Mr Carl Gerrard discussed the opportunities for improvement which included:

- 5.1. Standardising payment terms for employees to reduce cost and improve efficiency i.e. fortnightly to monthly
- 5.2. Standardising contract conditions

The committee commented that both opportunities have been earmarked to be addressed for the FY12/13 when any legislative impediments from the amalgamation of the three codes will cease.

The Committee **NOTED** their satisfaction at the overall review specifically given the circumstances and work involved with the amalgamation.

The Committee requested the next payroll review to include in FY12/13:

- 5.3. Superannuation compliance
- 5.4. Payroll Tax and FBT compliance

### *Follow Up:*

1. Mr Adam Carter to include the superannuation, payroll tax and FBT in the scope of the next Payroll review in FY12/13
2. In the FY11/12 provide a report to the committee on standardising payroll and human resource terms, conditions and payments for the FY 12/13

Ms Shara Murray entered the meeting at 9:30am

## 6. Internal Audit Update – Race Information Fee

Mr Carl Gerrard noted the major risk on the review regarding a centralised list of wagering operators.

Ms Shara Murray confirmed that this matter has been addressed with all PRA's providing lists which have now been consolidated to a listing in excess of 400 bookmakers. In addition to this website and company searches are continually undertaken to source international bookmakers wagering on Queensland Race Information. The other low risk of confirmation of bookmaker's NOT utilising Queensland product has been addressed with all the subsequent bookmakers required to submit non-use of Queensland product in writing.

Mr Tony Hanmer discussed the RQL's Race Information Fee committee's focus to address the moderate risks of

- 6.1. Sourcing verifiable annual data
- 6.2. Implementation of an automated centralised work flow process

The issues where constitutional requirements impede Deloitte recommendations are:-

- 6.3. Invoicing threshold, where all authorised operators are required to be on a 'level playing field'

Mr Ron Mathofer confirmed follow up had taken place to notify bookmakers of the effects of non-compliance within the payment terms although as yet no interest charge has been incurred.

The committee **RECOMMENDED** the interest charge be incorporated as per the terms and conditions as part of the finance process.

The committee **NOTED** the internal audit Race Information fee review with a further review to be undertaken in the FY11/12 as per the internal audit plan (item 4.)

The committee requested Deloitte provide any recommendations on the implementation of a work flow process whilst ensuring integrity of data.

***Follow Up:***

1. Mr Adam Carter to provide an update of recommendations at the 5 August 2011 Committee meeting
2. Mr Adam Carter to provide a draft set of policies and procedures of the new RIF process at the 5 August 2011 Committee meeting

Ms Shara Murray exited the meeting at 9:40am

The committee returned to Agenda Item 3

**3. Corporate Governance and Financial Assessments for Clubs - Presentation**

Mr Pascal Marrot presented an overview of the Deloitte Control Self-Assessment system (CSA) to effectively and efficiently manage CSA activities.

The following were highlighted:

- 3.1. Ability for clubs to take ownership of risk management and self-assess
- 3.2. Provision of a system to ensure clubs are on a "like" platform
- 3.3. Integrated control assessment, improvement and reporting system
- 3.4. Possible reduction in internal audit costs
- 3.5. Ability to self-administer by RQL

The committee **ENDORSED** the concept and recommended a report to be provided at the next committee meeting outlining costs and proposal with the prospect to include on the TAB workshop agenda to be held at the end of the calendar year.

***Follow Up:***

1. Mr Carter to provide a report at the next committee meeting outlining proposed costs, utilisation and phased implementation
2. Inclusion on draft TAB workshop agenda

**4. Internal Audit Plan FY11/22**

The Committee **APPROVED** the internal audit plan for FY11/12 and requested that the days are kept within the budget for FY11/12 and recommended

- 4.1. The Purchasing engagement to be brought forward to late September or early October.
- 4.2. To review the days for each audit as applicable to the review and redistribute appropriately within budget

**MOVED** by Mr Tony Hanmer  
**CONFIRMED** by Mr Brad Ryan

**Follow Up:**

1. Mr Adam Carter to liaise with Deloitte to realign dates for the Purchasing review.

Deloitte representatives exited the meeting at 9:50am

BDO representatives entered the meeting at 9:50am

**7. BDO Interim Audit and Opening Balances Update**

Mr Damian Wright – Partner at BDO discussed the interim audit and noted that over the next few weeks there will be intensive work for the finance team to finalise the asset register and opening balances in line with the Committees resolution to utilise general purpose financial reporting.

The committee discussed the following

- 7.1. Available resources for finance to undertake these tasks. Mr Adam Carter responded that due to a key employee, leaving on maternity leave for a year who is involved in the end of financial year process, finance staff resources are being reconsidered to bring in a contractor.
- 7.2. Opening balances to be brought in at Net Book Value with no accumulated depreciation to be brought forward
- 7.3. The Committee **RESOLVED** that RQL to utilise general purpose financial reporting and not special purpose reporting
- 7.4. Changes to legislation in regards to the RDR regime, BDO tabled a letter outlining the significant changes
- 7.5. BDO requested a draft set of accounts to be provided prior to BDO's on-site visit for the year end audit FY10/11
- 7.6. FY10/11 draft set of accounts to be tabled at the next audit committee meeting
- 7.7. The year-end accounts will not contain comparatives due to RQL's first year in operation.
- 7.8. The BDO audit is set to start 22 August 2011
- 7.9. The committee to convene late September for sign off of the FY10/11 accounts
- 7.10. The committee **CONFIRMED** BDO's engagement letter and fees

**MOVED** by Mr Wayne Milner

**CONFIRMED** by Mr Brad Ryan

**Follow Up:**

1. Mr Adam Carter to ensure adequate finance resourcing to finalise upcoming tasks
2. Provide draft set of accounts to BDO prior to 22 August 2011.
3. Provide draft set of accounts to next audit committee meeting
4. Sign and return BDO engagement letter and fees

**11. TAB Workshop – Draft Agenda**

The committee discussed the possibility of an upcoming TAB workshop highlighting the following points:

- 11.1. Committee members to consider the agenda for the next audit committee meeting
- 11.2. Consideration given to a theme e.g. "Clubs as a Business – How RQL can assist"
- 11.3. Proposed date of Monday 28<sup>th</sup> November 2011
- 11.4. Clubs to contribute
- 11.5. Inclusion of CEO's, CFO's and Marketing representative
- 11.6. Board representatives be considered to attend either later in the day or alternatively an individual meeting per club.

- 11.7. Mr Carter to provide possibilities of external representatives such as the AFL approach
- 11.8. Focus on event management
- 11.9. Committee requested a copy of agenda to the Workshop held in 2009.
- 11.10. Consider Deloitte presence and inclusion of the Self-Assessment System to the agenda
- 11.11. Mr Carter to draft letter to notify clubs
- 11.12. Committee to consider venue at the next meeting

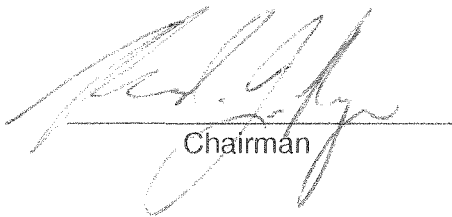
**12. RISA Ticketing**

The committee **APPROVED** the budget of \$60K in line with the approved FY1112 budget approved at the 7 June board meeting. RQL to pursue the strategy of the RISA ticketing solution for clubs which partner with RQL.

**13. ACTION SHEET – Follow up issues**

The committee **NOTED** the action sheet and ongoing follow up issues

*The meeting closed at 10:35 am.*

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Date





RACING  
QUEENSLAND

Minutes of the Audit, Finance and Risk Committee  
Meeting  
Thursday, 11 August 2011

Racing Queensland Boardroom  
Racecourse Road, Deagon

Meeting commenced at 8:00 am  
Meeting concluded at 10:05 am

Committee Members: Bradley Ryan (Chairman)  
Tony Hanmer  
Wayne Milner - *Teleconference*

Also in Attendance: Adam Carter – *Chief Financial Officer*  
Ron Mathofer – *Business Analyst*

Apologies: Bob Lette – *Committee Member*  
Malcolm Tuttle – *Chief Executive Officer*

Minutes: Ali Wade

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*The meeting commenced at 8:00 am.*

1. Confirmation of Minutes 10 June 2011

Mr Bradley Ryan recommended all follow up items from minutes to be included on the action sheet and as agenda items for the next committee meetings on an ongoing basis.

From the minutes 10 June 2011 the committee NOTED for further action

- 2.1 Directors Expenses - A full extract and report including purpose to be tabled at the next committee meeting and directors to sign declarations
- 2.3 Draft letter and acceptance declaration to Kerry Watson to be actioned once the year end is finalised
- 10. Debt Collection review to be pursued further, including industry comparisons
- 11. Race Fields Information update of recommendations and procedures and process is to be presented directly to the next meeting of the RQL Board.

The committee **NOTED** the receipt of confirmation from Tattersall's and copy of agreement in relation to the \$1M loan for repayment between the two entities.

The committee directed a report be compiled for the next RQL Board meeting providing the background and **RECOMMENDING** recognition of the agreement.

**MOVED** by Mr Tony Hanmer  
**CONFIRMED** by Mr Wayne Milner

The Committee **RESOLVED** that the RQL Audit, Finance and Risk Committee Meeting Minutes of 10 June 2011 be received and confirmed.

**MOVED** by Mr Bradley Ryan  
**CONFIRMED** by Mr Tony Hanmer

## 2. Audit Finance and Risk Committee Charter

Mr Bradley Ryan reiterated the obligation the committee had on ensuring that the financial reporting is consistent and accurate. The committee **RECOMMENDED**:

- 2.1. Any relevant items in the financial accounts are to be brought to the committee's attention throughout the next month and during the audit process
- 2.2. The Charter to be reviewed with the view of increasing the scope to ensure compliance, regulatory and control is incorporated
  - 2.2.1. Separate the components to reflect
    - 2.2.1.1. Commercial governance in line with acceptable industry standards
    - 2.2.1.2. Racing Act Industry Compliance
  - 2.2.2. Seek Senior Corporate Counsel advice to elaborate on the necessity for monitoring with laws and regulations governed by the *Racing Act 2002*.
  - 2.2.3. Remove "provided periodically and" from 3. as information provided to stakeholders is realistically on an annual basis
  - 2.2.4. Include the Draft Budget as an agenda item to the June Quarter.

### ***Follow Up:***

1. Incorporate changes to the Charter with an updated draft for the next committee meeting
2. Report to committee members any relevant items over the next month in relation to the year-end financial accounts.

## 3. Directors Expenses

The Committee **NOTED** the procedure for Directors expenditure of which a final transactional base report is to be tabled at the next Committee meeting.

The Committee **RECOMMENDED** the inclusion of the Gifts and Benefits register to be included as an agenda item at the next meeting for Directors and Employees.

### ***Follow Up:***

1. Provide a transactional listing of expenditure for each director including where possible the purpose of the expenditure at the next committee meeting
2. Provide the Gifts and Benefits register

## 4. Corporate Governance and Financial Assessments - Clubs

The purpose of this initiative is to provide a platform for financial compliance and corporate governance on a routine basis to aid clubs in their progression through business process improvement.

The committee **ENDORSED** the proposal and **NOTED** that this has been included in the FY12 budget with a view to:

- 4.1. Further develop with implementation strategies and timelines
- 4.2. Clearly define area of responsibilities and resourcing requirements
- 4.3. Ensure a follow through approach is adopted with ongoing reviews
- 4.4. Integrate with the Operational Club Subsidy requirements
- 4.5. Propose this strategy to be incorporated into any future club infrastructure agreements
- 4.6. Include on the TAB workshop Agenda

### ***Follow Up:***

1. Mr Adam Carter to further progress and to provide a plan and implementation strategy to ensure the clubs will fully embrace the initiative

## **5. Debt Analysis Report**

The committee **APPROVED** the provision of \$74,868 of client debt and **RECOMMENDED** further actions to be taken to recover these amounts.

The committee expressed concern at:

- 5.1. Accumulation of individual licensee debt
- 5.2. Inter department communications
- 5.3. Restrictions on default licensees

Mr Adam Carter highlighted that the value for the provision for bad debt of \$74,868 was 1.7% of the total debt outstanding being \$4,387,045.

The committee **RECOMMENDED** communications to be sent to the Director of Integrity Operations and Licensing and Training Manager to request their input and strategy to assist in the debt recovery process and restrictions on default licensees.

The committee **RESOLVED** that there is no requirement to provide for \$128,310 for the Cairns Jockey Club as this is set for finalisation in FY11/12.

The committee **RESOLVED** that there is no requirement to provide for on-course bookmaker debt of \$389,754 which is currently under legal proceedings and given the recent court ruling the committee can see no cause for this debt not to be recovered.

### ***Follow Up:***

1. Mr Adam Carter to pursue the defaulters on the provision for bad debt listing
2. Mr Adam Carter to communicate with inter departmental managers for their strategy on default licensees
3. Update of Debt to be a standing agenda item

## **6. TAB Workshop**

The committee **RECOMMENDED** the TAB Workshop be set for Monday, 30 January 2012.

- 6.1. Committee members to provide any amendments to the proposed agenda to Mr Adam Carter by the next committee meeting
- 6.2. A letter be sent to clubs proposing the date of Monday, 30 January 2012
- 6.3. Mr Adam Carter to look further at sourcing sponsorship for this event
- 6.4. Mr Adam Carter to look further at sourcing a guest speaker for this event

### ***Follow Up:***

1. Mr Adam Carter to communicate with clubs the proposed date of Monday 30 January 2012 for the TAB workshop.

## **7. Update on internal Audit Plan and Key dates**

The committee **NOTED** the proposed dates for the FY1112.

The committee meeting dates are set to be finalised after consultation between the Chairman and Chief Financial Officer then provided to the Board Secretary.

The committee **RECOMMENDED** that as per the upcoming audit calendar, the audit reviews to be tabled at each subsequent committee meeting for assessment.

**Follow Up:**

1. Mr Bradley Ryan and Mr Adam Carter to finalise dates then provide to the Board Secretary for inclusion in the Board calendar.

**8. Annual Financial Statements**

The committee **RESOLVED** that it is prudent to **ADOPT** the Reduced Disclosure Regime with the exception of:-

**8.1. Key Management Personnel**

This item to remain included in the Annual Financial Statements.

**MOVED** by Mr Tony Hanmer  
**CONFIRMED** by Mr Brad Ryan

The committee **RECOMMENDED** the directors report/Annual Report to emphasise the following:

- 8.2. RQL's contribution to the industry
- 8.3. 3 Code Efficiencies to date and proposed efficiencies
- 8.4. Wagering and Race Information

The committee considered the requirements for current valuations. Given the current climate in relation to Albion Park the committee deemed it prudent to pursue further valuations in the financial year ending 30 June 2012 once legal proceedings have been resolved.

**9. Club Communications – Compliance and Sky Racing Media Rights**

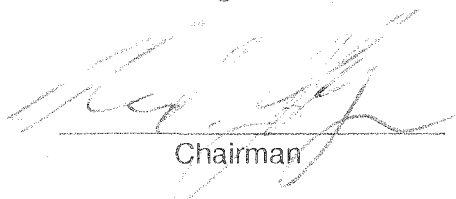
The committee **NOTED** the communication undertaken with licensed RQL Thoroughbred Race Clubs.

The committee **RECOMMENDED** an inclusion in the Directors Report/Annual Report to include an overall percentage of return for the SKY TAB Thoroughbred Club Broadcast to the industry co-ordinated by RQL.

**Follow Up:**

1. Mr Adam Carter to provide a Broadcast Rights section for inclusion to the Directors Report in the Annual Financial Statements

**The meeting closed at 10:05 am.**

  
Chairman

  
Date



RACING  
QUEENSLAND

Minutes of the Audit, Finance and Risk Committee  
Meeting  
Monday, 10 October 2011

Racing Queensland Boardroom  
Racecourse Road, Deagon

Meeting commenced at 2:10 pm  
Meeting concluded at 4:55 pm

Committee Members	Bradley Ryan (Chairman) Tony Hanmer Wayne Milner Bob Lette
Also in Attendance:	Adam Carter – <i>Chief Financial Officer</i> Ron Mathofer – <i>Business Analyst</i> Damian Wright – <i>BDO representative 2:40pm to 4:00pm</i> Sam Johnson – <i>BDO representative 2:40pm to 4:00pm</i>
Apologies:	Malcolm Tuttle – <i>Chief Executive Officer</i>
Minutes:	Ali Wade

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*The meeting commenced at 2:10pm*

**1. Confirmation of Minutes 11 August 2011**

The Committee **RESOLVED** that the RQL Audit, Finance and Risk Committee Meeting Minutes of 11 August 2011 be received and confirmed.

**MOVED** by Mr Wayne Milner  
**CONFIRMED** by Mr Tony Hanmer

**2. Annual Financial Statements (AFS) Racing Queensland Limited (RQL)**

In addition to the provided Audit, Finance and Risk Committee (AFRC) reports Mr Adam Carter tabled the BDO finalisation report on the audit of the RQL financial statements for the year ended 30 June 2011.

The AFRC made the following recommendations

- 2.1. Request letters from both Mackay TC and the GCTC to provide assurance of the agreement for the accounting for preliminary project costs prior to any formal arrangement being entered into. Mr Wayne Milner to liaise with Mr Adam Carter to finalise this week ending 14<sup>th</sup> October 2011.
- 2.2. There was no foreseeable reason that the bookmaker debt of \$433,395 will not be recovered within the FY12 financial year and therefore it should not be provided for in the annual financial statements.
- 2.3. The removal of the amount of the policy premium for the indemnity insurance from the director's report as it provides no added value.
- 2.4. Further development of note (b) page 5 to clarify the difference in attendance for the Chairman given the number of Board meetings called specifically for race information and the corresponding conflict of interest.

- 2.4.1. Note the flow through of the meetings of Directors in paragraph 1 is relative to the information provide in the table e.g. fourteen meetings vs. 21 meetings
- 2.5. To ensure any decision on race information fees such as the bookmakers' debt noted in item 2.2 flows through the financial statements and associated notes specifically the revenue recognition on page 15 item (j).
- 2.6. Include a listing of the upcoming projects incorporating the Thoroughbred, Harness and Greyhound projects listed by venue, project and associated code.
- 2.7. Expand on the explanation for borrowings on page 23 note 11.
- 2.8. To incorporate the information from item 2.6 into the note 19 on page 26 for post balance date events
- 2.9. To expand on race information fees on page 26 to include the retrospective deeds, current income and authorised licenses guaranteeing supply to 30 June 2012 along with referrals that have since been made to the Office of Racing.

BDO representatives entered the meeting at 2:40pm

Mr Damian Wright advised that Sunshine Coast Racing and Queensland Race Product Co Ltd had been finalised. The field work for RQL had been completed and minor issues are now being finalised prior to completion.

Based on the finalisation report the committee recommended:

- 2.10. The legal fees accrual of \$471K to be reversed as advised and agreed upon with BDO
- 2.11. BDO recommended the provision for doubtful debt expense be increased by \$438K due to 3 outstanding on course bookmakers. Due to the timing of legal outcomes and previous history of retrospective payments made for Race Information Fees the AFRC is confident that the debt will be repaid in the current financial year and there is no reason to add to the current provision for bad debt.
  - 2.11.1. Mr Tony Hanmer will provide a copy of the latest letter to BDO from the Office of Racing referring to the obligations of bookmakers to pay this fee.
- 2.12. As the impairment expense recommended by BDO of \$250K for Albion Park and \$149K for Rockhampton are considered immaterial by BDO, it is up to the RQL board whether they want to pass these unrecorded audit adjustments. Valuations will be considered at the end of FY1112.
- 2.13. It was considered by the audit committee that the impairment from the valuation for Rockhampton Racing Pty Ltd should be taken into account but not the impairment adjustment for Albion Park.
- 2.14. BDO and the AFRC agreed the presentation of accounts should meet the requirements of the latest accounting standards on the reduced disclosure regime.
  - 2.14.1. The additional inclusion to the standards is to be the information provided on Key Management Personnel as previously recommended by the AFRC.

The recommendations were **ENDORSED** by Mr Bob Lette and seconded by Mr Bradley Ryan

***Follow Up:***

1. Mr Adam Carter to work through the outstanding items for finalisation of the FY11/12 AFS for Racing Queensland Limited.
2. A flying minute is to be provided to the Board of RQL for consideration this week.

**3. AFS - Sunshine Coast Racing Pty Limited**

BDO **CONFIRMED** the Sunshine Coast Racing Pty Limited FY 11/12 AFS as finalised.

The Committee **NOTED** the Sunshine Coast Racing Pty Limited FY 11/12 AFS as finalised and noted the BDO Finalisation report with the financials to be tabled at the Sunshine Coast Racing committee.

#### **4. AFS – Rockhampton Racing Pty Limited**

BDO confirmed the Rockhampton Racing Pty Limited FY11/12 AFS were at completion with one remaining issue surrounding tax to be finalised.

The Committee queried the initial set up of the company as a Trust and recommended further consideration be given at set up of new entities taking into account the financial structure to support future arrangements entered into.

BDO recommended the committee to contact BDO Tax Partner Mr Mark Molesworth to provide further tax advice for the final adjustment for Rockhampton Racing Pty Limited.

The committee **NOTED** the FY11/12 AFS for Rockhampton Racing Pty Limited subsequent to the final tax adjustment.

#### ***Follow Up:***

1. Mr Bradley Ryan and Mr Adam Carter to work through the tax treatment for Rockhampton Racing Pty Limited to finalise the accounts.
2. A flying minute is to be provided to the committee and directors of Rockhampton Racing for consideration this week.

#### **5. AFS – Queensland Race Product Co. Limited**

BDO **CONFIRMED** the Queensland Race Product Co. Limited FY11/12 AFS as finalised.

The Committee **NOTED** Queensland Race Product Co. Limited FY 11/12 AFS as finalised.

#### ***Follow Up:***

1. A flying minute is to be provided to the committee and directors of Queensland Race Product Co. Limited for consideration this week.

Adam Carter, Ron Mathofer and Ali Wade exited the meeting at 3:45pm

BDO representatives Damian Wright and Sam Johnson exited the meeting at 4:00pm

Adam Carter, Ron Mathofer and Ali Wade re-entered the meeting at 4:00pm

#### **6. Directors Expenses**

The committee **NOTED** the RQL Board's and CEO's expenditure for the FY11/12.

The committee **RECOMMENDED:**

- 6.1. A summary of directors expenditure to be provided to the committee on an annual basis for review
- 6.2. Each director to be afforded the opportunity to review their individual expenditure as required.

## 7. Compliance – Management Certification Discussion

Mr Tony Hanmer to provide the committee relevant case studies in relation to D&O liability.

The committee **NOTED** the reporting options as tabled and **RECOMMENDED** the reports to be tabled at RQL Board level on a quarterly basis.

## 8. Risk Review Discussion

The committee discussed the increasing significance of Risk Management due to the upcoming Infrastructure plan projects in line with the infrastructure plan and **RECOMMENDED**

- 8.1. Templates for new suppliers be referred to the Office of Racing for review
- 8.2. Request Government input into the requirements for Risk Management and audit process in line with the infrastructure plan
- 8.3. Resurrection of the RQL Risk Management Register and Plan
- 8.4. A Risk Management Plan and procedure to be drafted for the next AFRC meeting on 19 December 2011 with consideration given as an overall view for the companies risk management as well as individually for each project.
- 8.5. The committee **ENDORSED** the RQL Infrastructure Plan – Internal Financial Process as an appropriate and suitable document to undertake the processes required for this project.
  - 8.5.1. Mr Adam Carter will update the committee of any required changes to the document as the Infrastructure Plan develops.

## **Cash Management and Investment Policy**

The committee **RECOMMENDED** the following considerations be undertaken in the tabled draft policy

- 8.6. To reassess the benchmark in 6.2.2 to an achievable rate of 2%
- 8.7. Remove the inflation reference in 6.2.2 and use CPI
- 8.8. Develop a benchmark index based on weightings or ranges to incorporate allowance for market movement.

Australian Shares	15-40%
Overseas Shares	15-30%
Direct Property	5-14%

- 8.9. The objectives, actions and implications on page 2 and 3 to be separated and clarified

### **Follow Up:**

1. With the exception of the above the committee **ENDORSED** the Cash Management and Investment Policy. The committee recommended that the cash management and investment policy to reviewed and approved by the RQL Board at the 4 November board meeting.

## 9. Charter Review

The committee **RECOMMENDED** further reference to the *Racing Act 2002* and Policies in the objectives of the charter to incorporate reference to compliance with the *Racing Act 2002* and section 81 of the subsequent policies.

The committee **RECOMMENDED** an inclusion in the Directors Report/Annual Report to include an overall percentage of return for the SKY TAB Thoroughbred Club Broadcast to the industry co-ordinated by RQL.



## **10. Debt Analysis Report**

The committee **NOTED** the status of debt at 31 August 2011 and the increased participation and communication within the organisation.

Mr Carter advised that significant focus has been placed on the debt recovery process which has been reflected in the reduced debt position in comparison to the same period last year. The process to restrict outstanding debtors on a national platform has also been undertaken.

The committee **RECOMMENDED**

- 10.1 Consideration be undertaken to integrate the licensing process under the 3 codes to provide benefits to stakeholders and reduce administration costs.
- 10.2 A review of the TMPC list to remove duplications

## **11. TAB workshop – draft letter**

The committee **RECOMMENDED**

- 11.1 The draft letter to be released and personalised to each invited individual CEO and/or head finance person
- 11.2 A draft agenda, venue and guest speaker be provided at the next AFRC meeting
- 11.3 All RQL board members to be included on the invitation list

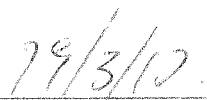
## **12 General Business from BDO**

The committee **RECOMMENDED** that BDO is extended the RQL internal audit plan for comment and co-ordinate the communication between external and internal auditors in conjunction with RQL.

The committee **RECOMMENDED** Mr Adam Carter to assess the resourcing for current and future RQL financial requirements to ensure that there are adequate resources to finalise end of financial year and provide a report to the RQL Board in due course.

*The meeting closed at 4:55pm.*

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Date

Minutes of the Audit, Finance and Risk Committee  
Meeting  
Monday, 19 March 2012

RACING  
QUEENSLAND

Racing Queensland Boardroom  
Racecourse Road, Deagon

Meeting commenced at 8:10am  
Meeting concluded at 9:10am

Committee Members	Bradley Ryan (Chairman) Tony Hanmer Wayne Milner Bob Lette
Also in Attendance:	Adam Carter – <i>Chief Financial Officer</i> Ron Mathofer – <i>Business Analyst</i>
Apologies:	Malcolm Tuttle – <i>Chief Executive Officer</i>
Minutes:	Ali Wade

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*The meeting commenced at 8:10am*

**1. Confirmation of Minutes 10 October 2012 2011**

The Committee **RESOLVED** that the RQL Audit, Finance and Risk Committee (AFRC) Meeting Minutes of 10 October 2011 be received and confirmed.

**MOVED** by Mr Wayne Milner  
**CONFIRMED** by Mr Bob Lette

**2. Compliance Report – Management Certification**

The AFRC **NOTED** and approved the compliance schedule and made the following recommendations:

- 2.1. The inclusion of a Club Compliance listing
- 2.2. The documentation to be signed and declared as accurate by the Chief Financial Officer and Management Accountant.
- 2.3. Ensure that there is adequate support to the compliance schedule i.e. printout of ATO portal submissions for BAS's

**3. Debt Analysis Report**

Mr Adam Carter advised the AFRC:

- 3.1. Of the concerted effort to adhere and enforce the credit policy to recover outstanding debt
- 3.2. Outstanding on-course bookmaker's debt is set to be finalised by the final audit in August 2012.
- 3.3. A listing of the provision for doubtful debt to be tabled at the next AFRC meeting
- 3.4. The increase in the intensity to enforce the credit policy to work towards the KPI of less than \$100K of outstanding debt in excess of 90 days.
- 3.5. RQL has significantly reduced outstanding debt in comparison to last financial year.

The committee **NOTED** the status of debt as at 29 February 2012.

**Follow Up:**

1. The committee recommended RQL to look at providing for the outstanding on-course bookmaker debt in this financial year
2. Provision for doubtful debt to be provided to the next AFRC

**4. Internal Audit Review – Fixed Assets**

Mr Adam Carter advised the AFRC:

- 4.1. A stock take of RQL assets is set to be completed by 30 April 2012
- 4.2. 50% of findings have been actioned to date with the remaining findings to be addressed and reported on by the next AFRC meeting
- 4.3. All findings to be completed by the interim audit by BDO on 21 May 2012

The Committee **NOTED** the internal audit review undertaken by Deloitte and recommended:

- 4.4. RQL to provide a detailed management summary in response to findings in terms of findings and risk versus cost/benefit analysis and expanding on any discrepancies.

**Follow Up:**

1. Update on status and actions taken on findings to be provided to the next AFRC meeting
2. Report to be provided to BDO for their interim audit on 21 May 2012

**5. Internal Audit Review – Licensing and Club Licensing**

The Committee **NOTED** the internal audit review undertaken by Deloitte and recommended:

- 5.1. Further review into the allocation of responsibilities in the licensing process across departments
- 5.2. Clarifying the requirements of a GRA licensing manual given the platform to a national licensing system for this code.
- 5.3. Address the practicality of KPI's to incorporate the requirements of a completed application before the timing is addressed as noted in item 2.6
- 5.4. From item 2.7 ensure the process encompasses all clubs and requirements are fulfilled as per policy.
- 5.5. The review of a single license system across codes (The committee recommended this be raised at Board level) to benefit the stakeholder and create efficiencies both in administrative and cost effectiveness.

**Follow Up:**

1. Update on status and actions taken on findings to be provided to the next AFRC meeting

**6. Internal Audit Review – Race Information Fees**

The Committee **NOTED** the internal audit review undertaken by Deloitte and recommended:

- 6.1. A review of the structure, process and fees to be incorporated into the revised conditions from 1 July 2012 inclusive of deeds that expire 30 June 2012.
- 6.2. Defer finalising any review of the calculation method for 30 days until further clarification is received on the NSW status.

- 6.3. Interest charges be incorporated into the automated system back dating to the initial due date once data is received similar to the General Interest Charge (GIC) charged by the ATO.
- 6.4. All findings to be considered and addressed in the new licensing structure from 1 July 2012

#### 7. Control Self-Assessment – Control Track Update

Mr Adam Carter proposed the Control Self-Assessment (CSA) tool be implemented both for Clubs and internally for RQL with the deployment set for late April early May initially for Thoroughbred TAB clubs then released on a broader platform to incorporate Harness Clubs, Greyhound Clubs and the 28 Strategic Non TAB Clubs at a later date.

The committee **NOTED** the progress of the CSA tool and **RECOMMENDED** the release of the tool in conjunction with the current club audit process and **RECOMMENDED** that the clubs are reviewed by an auditors for any compliance deficiencies every 2-3 years.

#### 8. External Audit – BDO – Annual Financial Statement Risks

Mr Adam Carter tabled the report and further advised:

- 8.1. The Redcliffe Harness Racing Club financials are yet to be finalised pursuant to the confirmation of ownership and Trustee status.
- 8.2. I-POS progress report to be tabled at next AFRC meeting
- 8.3. BDO has been provided access to the reports and working papers by RQL internal auditors Deloitte.
- 8.4. RQL will be required to confirm IIPL expenditure through to the Office of Racing by 30 June 2012
- 8.5. Revaluation of assets to be undertaken as at 30 June 2012 for RQL Assets noting that Rockhampton and Albion Park were revalued as at 30 June 2011

The committee **NOTED** the Annual Financial Statement (AFS) Risks report and **RECOMMENDED** the following:

- 8.6. Disclosure on the treatment of the IIPL and associated funding in the AFS

##### **Follow Up:**

1. Update to be provided at the next AFRC meeting following the BDO Interim audit on 21 May 2012

#### 9. EZY Bonds Payment System

Mr Wayne Milner declared a Conflict of Interest given his recommendation to assess the Ezy Bond system.

The committee **RECOMMENDED** due diligence and further investigation be undertaken to review the viability of the EZY BOND system as an organisation prior to commencing a full review and assessment of this system and any possible revenue generated and efficiency savings.

##### **Follow Up:**

1. Update to be provided at the next AFRC meeting on EZY Bond as an organisation with a report to go the RQL board in April 2012.

#### 10. Action Sheet

The committee **NOTED** the action sheet and **RECOMMENDED** a banking review and tender process to be undertaken. This should be considered due process every two to three years.

**Follow Up:**

1. Add the Banking Review and Tender Process to the Action Sheet with this to be tabled at the RQL board meeting

**The meeting closed at 9:10am.**

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Date



## **Finance and Wagering Report March 2010**

## Financial Outcomes – MTD Actual vs. Budget

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### Month-to-Date

Surplus \$1.86M compared to budget \$1.3M

Revenue up \$36K on budget due to;

- RIF \$731K above budget
- Interest on investments up \$80K
- Offset by reduction in P&P fee \$592K or 7.3% below budget and down \$417K on prior year (incl RIF deductions)

Expenditure down \$541K, or 5%, on budget due to;

- RIF up \$310K due to WA retrospective charges
- Prizemoney down \$685K due to weather related pool transfers
- QTIS down \$493K
- Jockey Riding fees \$32K over budget due greater number of starters and non declared riders
- Legal costs up \$170K due to director's selection dispute

## Financial Outcomes – Actual vs. Budget

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### Year-to-Date

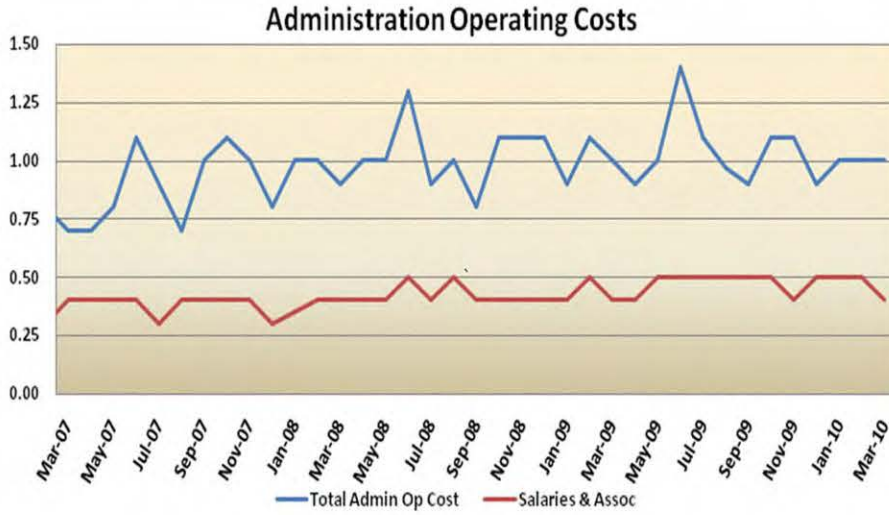
- Surplus \$12.1M down \$6M compared to budget \$18.1M
- Revenue down \$7.8M offset by a reduction in expenditure of \$2.4M
- P&P Fee down or 3% or \$2.5M on budget and up 0.45% on prior year
- RIF revenue down \$5.8M on budget due to pending review of corporate bookmakers Betfair, Sportsbet, Sporting Bet and Betchoice by QRL Board.

### Forecast FY0910

- Surplus \$14M vs. budget \$19.4M
- Not all corporate bookmakers revenue has been recognised since 1 Sept 08 to date
- Revenue \$5.8M down on budget due in large part to ongoing RIF issues
- Product and Program Fee revenue down \$4M, or 4% on budget
- Total expenses are below budget projections due to prizemoney, QTIS and club contributions.



# Financial Outcomes – Admin vs. Salaries Graph



## Wagering trend for TAB meetings held

### Results for March YTD QLD (Pari Mutuel)

- YTD ALL Thoroughbred wagering was down 6.14%
- YTD On-Course wagering was \$27.6M, down 10.6% on FY0809
- YTD Off-Course Wagering was \$266.2M, down 7.4% on FY0809
- All QLD Thoroughbred wagering was down 7.7% on FY0809 to \$293.9M

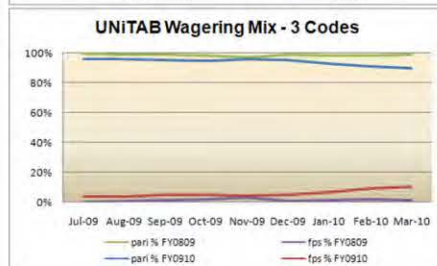
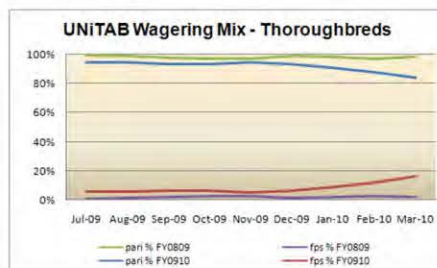
### Three codes share of wagering YTD to March - QLD

QLD PRODUCT	Mar-10	Mar-09	Mar-08	Mar-07	Mar-06
QRL % of All QLD	76.96%	78.09%	75.72%	78.60%	77.96%
HRQ % of All QLD	11.15%	10.85%	9.25%	10.75%	11.04%
GRQ % of All QLD	11.90%	11.05%	15.03%	10.65%	11.00%
	100.00%	100.00%	100.00%	100.00%	100.00%
<b>ALL PRODUCT</b>					
QLD T/B % of All T/B	25.21%	25.65%	22.29%	27.76%	28.07%
QLD HR % of All HR	23.75%	23.71%	18.83%	25.66%	26.29%
QLD GH % of All GH	18.81%	18.87%	19.36%	21.60%	21.74%

## Wagering Turnover through UNiTAB – Mar 2010

The growth in fixed odds betting is evident when compared to FY0809, growing from 1.6% to 5.9% YTD for the three codes.

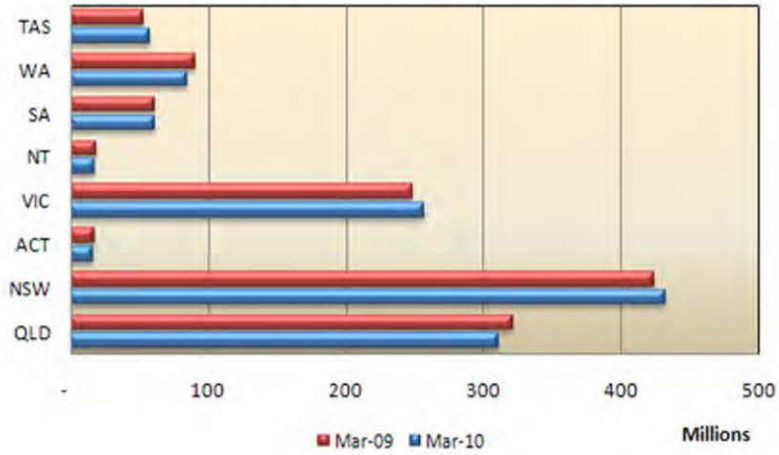
UNITAB WAGERING MIX	
	<b>YTD</b>
Total FY0910	1,685,584,099
Pari Mutuel FY0910	1,586,516,713
Pari Mutuel % FY0910	94.12%
Fixed Price Sales FY0910	99,067,386
FPS % FY0910	5.88%
	<b>YTD</b>
Total FY0809	1,697,795,460
Pari Mutuel FY0809	1,670,778,810
Pari Mutuel % FY0809	98.41%
Fixed Price Sales FY0809	27,016,650
FPS % FY0809	1.59%



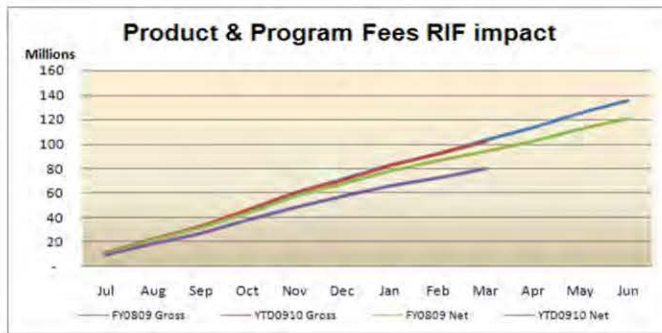
# Thoroughbred Turnover through TAB Operators March 2010



## YTD TAB Operators Wagering Turnover



## Product & Program Fees trend – Mar 2010



Product and program Fees Gross revenues (adding back Overseas Racing fees and Race Information fees on-charged by UNiTAB) is trending slightly below FY0809.

The impact of overseas racing and race information fees on revenue from UNiTAB is clearly evident in the above graph down approx \$21M for all codes.

# Turnover through UNiTAB – 31 March 2010



Queensland Calendar Turnover Report By Racing Code/Location (strictly confidential for internal use only by QR, QHRB & GRA)

	Period 1 Mar 2010 to 31 Mar 2010					Year to Date 31 Mar 2010				
	Meetings		This Year			Meetings		This Year		
	This Year	Last Year	\$	%	Growth	This Year	Last Year	\$	%	Growth
<b>Gallops</b>										
Queensland	25	35	21,337,279	20.44	-27.04	297	299	250,879,398	25.20	-7.74
New South Wales	50	51	20,157,852	26.97	+14.13	432	429	261,544,887	24.18	+1.98
Victoria	41	41	21,698,147	24.82	-14.82	371	364	348,459,064	29.81	-6.44
Northern Territory	8	8	303,276	0.29	-14.87	54	55	3,656,433	0.51	-3.23
South Australia	16	17	9,942,054	9.52	-8.56	127	127	82,634,463	7.08	-10.49
ACT	2	2	1,142,629	1.09	-8.89	16	15	7,388,645	0.63	-2.06
Western Australia	21	21	8,259,257	7.52	-6.50	165	165	73,922,812	6.77	-9.59
Tasmania	4	8	846,800	0.81	-43.42	42	41	11,422,250	0.97	-19.31
New Zealand	20	25	3,455,993	3.31	15.06	241	225	33,845,853	2.86	37.49
South Africa	24	23	899,599	0.64	1.09	156	141	3,662,594	0.31	+1.48
Japan	1	1	16,253	0.01	-45.83	11	9	522,318	0.04	-15.55
Sing	1	7	766,833	0.76	33.87	63	44	7,985,000	0.64	80.31
ENG	15	5	103,046	0.09	265.82	170	87	1,656,658	0.14	51.80
EUR	3	4	23,651	0.02	3.25	12	4	103,009	0.00	349.70
FRA	5	5	47,200	0.04	62.07	43	9	414,503	0.03	525.18
Hong Kong	9	8	1,511,048	1.44	-18.79	56	55	12,197,419	1.04	-8.35
UAE	1		47,654	0.04	0.00	1		47,654	0.00	0.00
USA				0.00	0.00	1		17,082	0.00	0.00
	<b>237</b>	<b>237</b>	<b>104,358,431</b>	<b>100.00</b>	<b>-15.48 %</b>	<b>2259</b>	<b>2069</b>	<b>1,185,762,421</b>	<b>100.00</b>	<b>-4.14 %</b>
<b>Trotting</b>										
Queensland	27	21	4,300,497	21.59	-21.42	220	191	42,568,059	23.75	-13.83
New South Wales	38	34	6,395,532	27.09	-3.60	337	322	47,942,651	26.78	-1.81
Victoria	45	42	5,746,034	26.89	-2.19	378	381	51,217,451	29.63	-6.43
South Australia	12	12	1,440,293	7.23	-8.50	117	116	13,311,087	7.51	-6.75
ACT	1	2	107,664	0.54	-44.47	10	11	806,269	0.44	0.24
Western Australia	16	17	1,505,252	6.05	-2.27	180	178	13,726,525	7.65	-6.83
Tasmania	5	9	899,352	2.90	-21.16	52	50	4,011,683	2.23	-7.23
New Zealand	14	9	754,216	3.78	71.88	119	79	15,672,152	3.14	20.70
FRA	2		7,042	0.03	0.00	28	2	151,666	0.08	2,454.53
	<b>167</b>	<b>146</b>	<b>19,916,474</b>	<b>100.00</b>	<b>-5.16 %</b>	<b>1438</b>	<b>1327</b>	<b>179,217,580</b>	<b>100.00</b>	<b>-4.01 %</b>
<b>Greyhounds</b>										
Queensland	32	31	4,713,665	18.57	-2.81	270	272	45,430,004	19.80	0.74
New South Wales	55	54	8,790,307	26.75	-2.71	475	473	64,044,796	26.51	0.22
Victoria	61	66	8,293,772	32.72	-2.89	583	590	80,826,909	33.80	-4.86
Northern Territory	4	4	63,423	0.25	4.57	35	35	629,950	0.26	7.47
South Australia	22	20	2,296,659	9.00	4.74	195	179	22,249,569	9.21	9.28
ACT	3	3	195,401	0.76	-21.46	24	20	1,955,331	0.80	7.27
Western Australia	22	21	1,397,810	5.80	7.62	209	205	10,836,067	4.36	10.62
Tasmania	14	14	1,210,749	4.77	-8.95	115	114	11,357,669	4.72	-1.77
New Zealand	16	16	425,296	1.67	13.87	122	117	4,493,968	1.86	-4.60
	<b>235</b>	<b>228</b>	<b>25,381,792</b>	<b>100.00</b>	<b>-8.90 %</b>	<b>2021</b>	<b>1998</b>	<b>241,536,291</b>	<b>100.00</b>	<b>1.09 %</b>

# Turnover through UNITAB – 30 April 2010



Queensland Calendar Turnover Report By Racing Code/Location (strictly confidential for internal use only by QR, QHRB & GRA)

	Period 1 Apr 2010 to 30 Apr 2010					Year to Date 30 Apr 2010				
	Meetings		This Year			Meetings		This Year		
	This Year	Last Year	\$	%	Growth	This Year	Last Year	\$	%	Growth
<b>Gallops</b>										
Queensland	33	29	24,539,300	22.61	-1.53	330	328	318,718,696	24.98	-7.31
New South Wales	47	42	38,794,591	32.84	-16.20	478	472	317,336,478	24.87	-2.49
Victoria	39	39	24,744,249	22.52	-18.27	410	402	371,203,313	29.15	-7.11
Northern Territory	8	7	316,315	0.29	-42.26	82	82	3,897,748	0.31	-2.48
South Australia	14	12	8,860,986	7.88	-18.54	141	139	91,206,452	7.18	-10.87
ACT	2	1	807,528	0.73	242.07	18	16	8,196,273	6.64	-9.62
Western Australia	21	22	7,192,353	6.54	-18.13	187	187	86,115,768	6.73	-10.52
Tasmania	7	5	1,940,631	0.99	-27.26	46	46	12,466,891	0.97	-20.29
New Zealand	29	23	3,449,690	3.14	-12.53	270	249	37,136,543	2.91	-30.65
South Africa	26	17	874,671	0.61	174.98	182	188	4,337,265	0.34	9.43
Japan	2	1	56,830	0.05	134.14	13	10	559,147	0.04	21.82
SING	8	6	877,197	0.81	-31.42	71	90	5,242,369	0.64	53.02
EMC	48	17	374,174	0.34	122.13	218	104	2,041,032	0.16	61.16
EUR	4	3	34,826	0.03	72.41	16	7	137,814	0.01	219.81
FRA	9	4	100,305	0.09	259.72	52	13	514,809	0.04	446.59
Hong Kong	7	7	1,075,221	0.97	-37.23	63	62	13,272,851	1.04	-12.36
UAE			0.00	0.00	0.00	1		47,654	0.00	0.00
USA			0.00	0.00	0.00	1		17,062	0.00	0.00
	<b>304</b>	<b>235</b>	<b>199,845,535</b>	<b>100.00</b>	<b>-12.31 %</b>	<b>2563</b>	<b>2304</b>	<b>1,275,807,956</b>	<b>100.00</b>	<b>-3.74 %</b>
<b>Trotting</b>										
Queensland	25	21	4,316,886	24.18	-2.24	245	212	48,687,075	23.79	-3.69
New South Wales	38	38	4,820,623	25.87	-17.47	376	366	52,573,274	26.67	-3.25
Victoria	42	42	4,796,551	26.94	-16.40	420	423	66,014,401	28.49	-7.38
South Australia	16	9	1,328,243	7.43	-37.87	132	128	14,438,329	7.32	-9.82
ACT	1	2	35,520	0.19	-33.20	11	13	841,799	0.42	-3.33
Western Australia	15	14	392,261	2.06	-5.56	198	192	14,719,290	7.46	-2.18
Tasmania	4	4	301,713	1.66	-23.11	56	54	4,313,397	2.18	-8.23
New Zealand	24	8	1,361,230	7.73	260.30	143	84	7,053,381	3.57	-38.77
DWE	8		33,576	0.18	0.00	8		33,576	0.01	0.00
EUR	1		1,366	0.00	0.00	1		1,366	0.00	0.00
FRA	4	1	44,313	0.24	843.44	29	3	195,991	0.09	1,754.55
	<b>174</b>	<b>137</b>	<b>17,855,382</b>	<b>100.00</b>	<b>-3.64 %</b>	<b>1612</b>	<b>1464</b>	<b>197,072,962</b>	<b>100.00</b>	<b>-3.57 %</b>
<b>Greyhounds</b>										
Queensland	29	30	4,059,245	17.02	-14.33	299	302	48,486,249	19.64	-0.88
New South Wales	67	50	6,770,548	28.42	4.55	542	523	70,615,343	28.69	0.61
Victoria	67	63	7,335,195	30.84	-2.74	660	645	88,164,104	33.28	-1.79
Northern Territory	5	4	74,148	0.31	14.21	43	42	704,098	0.28	8.14
South Australia	21	21	2,055,831	8.83	-8.46	206	200	24,305,420	9.15	7.40
ACT	4	1	244,917	1.02	195.69	26	21	2,200,248	0.82	-15.46
Western Australia	21	23	993,051	4.18	-26.67	230	228	11,536,117	4.34	-11.80
Tasmania	13	13	1,014,456	4.25	-23.59	128	127	12,382,145	4.68	-4.21
New Zealand	25	12	1,275,448	5.35	140.19	147	129	8,788,403	2.17	10.23
	<b>252</b>	<b>217</b>	<b>23,818,837</b>	<b>100.00</b>	<b>-3.48 %</b>	<b>2273</b>	<b>2215</b>	<b>285,355,128</b>	<b>100.00</b>	<b>0.66 %</b>



# **TAB CLUB FINANCIAL HALF YEAR UPDATE**



# TAB Clubs Half Year Position



## Profit/(Loss) before depreciation

TAB Club	FY0809	Budget FY0910	YTD 31 Dec 2009	Variance to Budget
Brisbane Racing Club	-	(489,000)	(259,153)	(229,847)
Queensland Turf Club	490,461	-	-	-
Brisbane Turf Club	424,988	-	-	-
Gold Coast Turf Club	295,997	617,442	120,198	(497,244)
Sunshine Coast Turf Club	51,823	144,208	92,667	(51,542)
Toowoomba Turf Club	76,395	112,474	100,052	(12,422)
Ipswich Turf Club	277,541	230,000	(137,078)	(367,079)
Rockhampton Jockey Club	149,649	28,189	(96,679)	(124,868)
Townsville Turf Club	(227,249)	133,092	(248,767)	(381,859)
Mackay Turf Club	172,565	190,702	49,069	(141,633)
	<b>1,712,170</b>	<b>967,107</b>	<b>(379,692)</b>	<b>(1,346,800)</b>

12

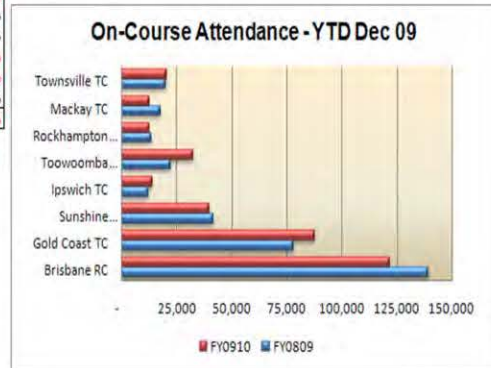
# TAB Clubs Attendances – Half Year



Attendance figures for Period 1 July to 31 December				
Club	FY0809	FY0910	Variance	Variance %
Brisbane TC	57,626	N/A		
Queensland TC	81,466	N/A		
Brisbane RC	139,092	121,855	-17,237	-12.39%
Gold Coast TC	77,887	87,780	9,893	12.70%
Sunshine Coast TC	41,763	40,030	-1,733	-4.15%
Ipswich TC	12,295	13,916	1,621	13.18%
Toowoomba TC*	22,527	32,455	9,928	44.07%
Rockhampton JC*	13,600	12,853	-747	-5.49%
Mackay TC	17,840	12,945	-4,895	-27.44%
Townsville TC	20,120	20,547	427	2.12%
<b>Total</b>	<b>345,124</b>	<b>342,381</b>	<b>-2,743</b>	<b>-0.79%</b>

\* No racing for a period during course upgrades

Data supplied by TAB clubs would suggest that, with the exception of BRC, attendances were only marginally down on or better than previous year with weather again causing the cancellation of some race meetings.



# On-course Wagering – Half Year

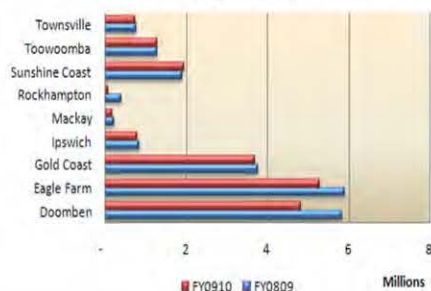


Club	FY0809	FY0910	Variance	Variance %	Races FY0809	Races FY0910	Var
Doomben	5,833,815	4,831,821	-1,001,993	-17.2%	26	25	-1
Eagle Farm	5,907,910	5,283,053	-624,857	-10.6%	25	23	-2
Gold Coast	3,761,326	3,708,315	-53,010	-1.4%	27	28	1
Ipswich	848,913	795,655	-53,257	-6.3%	21	22	1
Mackay	231,606	182,519	-49,087	-21.2%	7	8	1
Rockhampton	399,482	95,099	-304,383	-76.2%	16	5	-11
Sunshine Coast	1,898,507	1,948,080	49,573	2.6%	33	35	2
Toowoomba	1,282,852	1,296,829	13,977	1.1%	29	29	0
Townsville	778,907	752,380	-26,527	-3.4%	17	17	0
<b>Total</b>	<b>20,943,318</b>	<b>18,893,752</b>	<b>-2,049,566</b>	<b>-9.8%</b>	<b>201</b>	<b>192</b>	<b>-9</b>

On-course wagering data from UNITAB shows that FY0910 has seen a sizable decline in line with the lower race day attendance at the two Brisbane Metro racecourses and Mackay.

Other clubs have maintained or slightly declined from FY0809, with the exception of Rockhampton due to course upgrade and weather.

On-Course Wagering - YTD Dec 09



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End of Presentation



RACING  
QUEENSLAND

**Wagering & Racing  
YTD May 2012**

## Key Points – YTD May 2012

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- Wagering Turnover for Greyhounds up 1.5% or \$739K with 56 more TAB meetings held than in FY1011
- Wagering Turnover for Harness down 10.37% or \$4.6M with 45 less TAB meetings being held than in FY1011
- Wagering Turnover for Thoroughbreds up 5.81% or \$21.96M with 10 more TAB meeting held than in FY1011
- Fixed odds activity made up 27.3% YTD of overall wagering on QLD product through TattsBet as compared to FY1011 of 20.3%
- Revenue from All wagering turnover is up 2% on prior year with better fixed odds returns and extreme weather affecting FY1011

## Key Points – Product Fees YTD May 2012



Year to Date - May 2012			
Turnover	YTD1112	All	% Share
All		2,062,009,839	100.00%
Pari		1,567,731,748	76.03%
Domestic		1,479,819,301	71.77%
International		87,912,447	4.26%
FOS		494,278,091	23.97%
Revenue	15.83%	326,364,675	100.00%
Pari	16.38%	256,753,943	78.67%
FOS	14.08%	69,610,731	21.33%
P&P fees	39.00%	127,282,223	6.17%
Pari		100,134,038	6.39%
FOS		27,148,185	5.49%
O/S Product		(3,117,514)	2.45%
Sub Total		124,164,709	
Science Centre		(3,300,000)	2.59%
P&P Fees Distributed		120,864,709	
Fixed Odds Rev Variance			

Year to Date - May 2011				Increase/Decrease
T/O	YTD1011	All	% Share	
All		2,065,079,048	100.00%	-0.15%
Pari		1,676,664,793	81.19%	-6.50%
Domestic		1,566,799,756	75.87%	-5.55%
International		109,865,037	5.32%	-19.98%
FOS		388,414,255	18.81%	27.26%
Revenue	15.53%	320,609,338		1.8%
Pari	15.94%	267,326,922	83.38%	-3.96%
FOS	13.72%	53,282,416	16.62%	30.64%
P&P fees	39.0%	125,037,642	6.05%	1.80%
Pari		104,257,499	6.22%	-3.96%
FOS		20,780,142	5.35%	30.64%
O/S Product		(3,346,054)	2.68%	-6.83%
Sub Total		121,691,588		2.0%
Science Centre		(3,200,000)	2.56%	3.13%
P&P Fees Distributed		118,491,588		2.0%
		6,368,043		

- TattsBet data for all wagering for 3 Codes
- FOS – Fixed Odds Sales

## Key Points – Impact of Fixed Odds & Overseas product on Pari-Mutuel YTD May 2012



### Pari Mutuel Wagering Mix

Year to Date - May 2012			
Turnover	YTD1112	All	% Share
Pari		1,567,731,748	
Domestic		1,479,819,301	94.39%
International		87,912,447	5.61%
<b>Revenue</b>	(approx 15.9%)		
Pari		256,753,943	
Domestic		242,356,157	
International		14,397,787	
<b>P&amp;P fees</b>	39.0%		
Pari		100,134,038	
Domestic		94,518,901	
International		5,615,137	
International Charge		(3,117,514)	55.52%
<b>Net International</b>		2,497,623	
<b>Pari Mutuel fees</b>		97,016,524	
Variance			

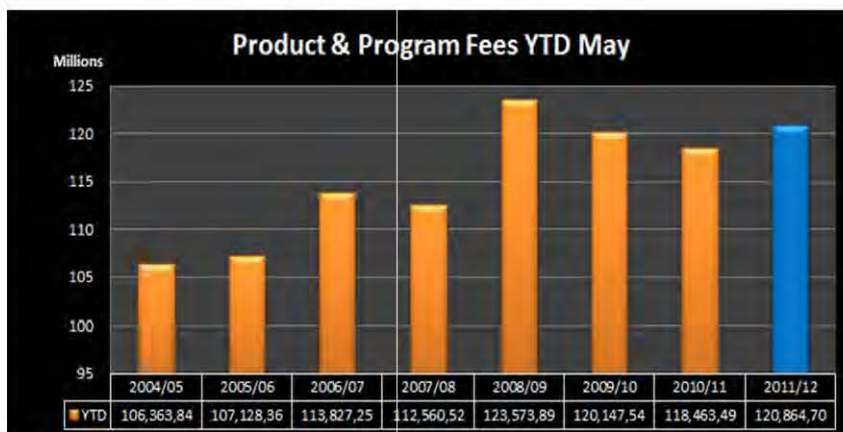
Year to Date - May 2011				Increase/Decrease
Turnover	YTD1011	All	% Share	
Pari		1,676,664,793		-6.50%
Domestic		1,566,799,756	93.45%	-5.55%
International		109,865,037	6.55%	-19.98%
<b>Revenue</b>	(approx 15.9%)			
Pari (approx 15.9%)		267,326,922		-3.96%
Domestic		249,810,074		-2.98%
International		17,516,848		-17.81%
<b>P&amp;P fees</b>	39.0%			
Pari		104,257,499		-3.96%
Domestic		97,425,929		-2.98%
International		6,831,571		-17.81%
International Charge		(3,346,054)	48.98%	-6.83%
<b>Net International</b>		3,485,517		-28.34%
<b>Pari Mutuel fees</b>		100,911,445		-3.9%
Variance		3,894,921		



## Revenue return to RQL on 3 Code Racing Product



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Product and program Fees gross revenue (adding back overseas racing fees on-charged by TattsBet) was above YTD May 2011 result by \$2.4M or 2% and below budget by \$476K or -0.4%. This is a result of lost BRC & Gold Coast meetings in January, February and April due to weather

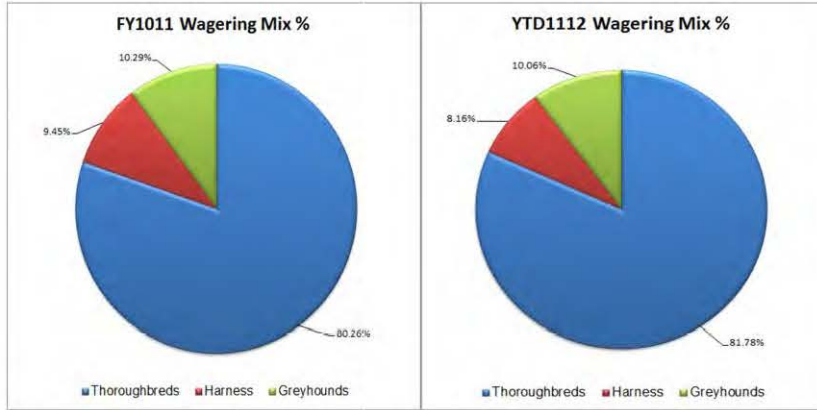
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## Wagering Shift on All Codes



April YTD has fixed odds at 27.3% compared to budgeted 30% Fixed odds achieved 20.3% for FY1011. The increase in Fixed Odds Betting is largely at the expense of Pari-Mutuel.

# Wagering trend for QLD TAB meetings held



TattsBet Actual Performance	FY1011	FY1011	FY1011	FY1112	FY1112	FY1112
	Thoroughbreds	Harness	Greyhounds	Thoroughbreds	Harness	Greyhounds
On-Course %	82.80%	8.18%	9.02%	82.22%	7.41%	10.37%
Off-Course %	75.12%	11.84%	13.04%	75.32%	10.61%	14.08%
Fixed Odds %	97.91%	1.28%	0.81%	97.67%	2.28%	0.05%
<b>Total %</b>	<b>80.26%</b>	<b>9.45%</b>	<b>10.29%</b>	<b>81.78%</b>	<b>8.16%</b>	<b>10.06%</b>

# QLD only Wagering Turnover through TattsBet YTD May 2012



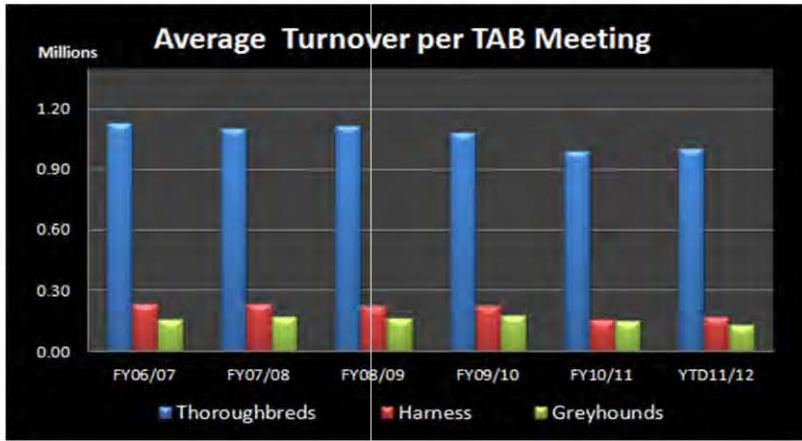
YTD Wagering distribution -Ytd May  
based on QLD wagering % (TattsBet Report)

Actual Performance	FY1011	FY1011	FY1011	FY1112	FY1112	FY1112
	Thoroughbreds	Harness	Greyhounds	Thoroughbreds	Harness	Greyhounds
On-Course	29,086,528	2,875,350	3,168,684	26,319,047	2,372,919	3,317,930
Off-Course	256,488,664	40,420,792	44,519,026	245,114,696	34,513,067	45,804,996
Fixed Odds	92,244,710	1,203,578	763,667	128,349,038	2,997,786	67,924
Sub-Total	377,819,902	44,499,720	48,451,377	399,782,780	39,883,772	49,190,851
				21,962,878	-4,615,948	739,473
% on FY1011				5.81%	(10.37%)	1.53%

YTD TAB Meetings Held	FY10/11	Budget 11/12	FY11/12	Var	% Var
Thoroughbreds	389	421	399	(22)	(5.2%)
Harness	280	238	235	(3)	(1.3%)
Greyhounds	319	379	375	(4)	(1.1%)
Total	988	1,038	1,009	(29)	(2.8%)

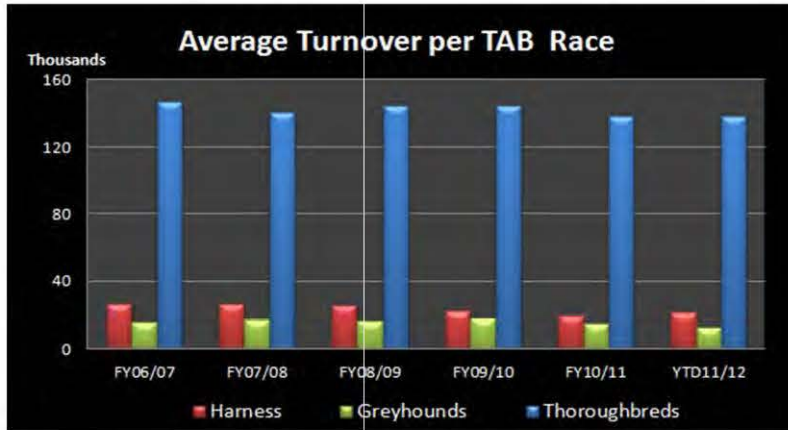
YTD TAB Races Held	FY10/11	Budget 11/12	FY11/12	Var	% Var
Thoroughbreds	2,794	2,947	2,889	(58)	(2.%)
Harness	2,230	1,904	1,844	(60)	(3.2%)
Greyhounds	3,164	3,790	3,743	(47)	(1.2%)
Total	8,188	8,641	8,476	(165)	(1.9%)

## Wagering Turnover through TattsBet – YTD May 2012



Wagering per meeting continues to slowly rebound  
from FY1011 result

## Wagering Turnover through TattsBet – YTD May 2012



Average wagering per race has slowly rebounded YTD from full year 2010/11.

# Wagering Turnover through TAB Clubs

## YTD May 2012



Harness									
FY1112		YTD May							
Venue	Meetings	Oncourse	Offcourse	Tote	FPS	Wagering	Return	Prizemoney	Prizemoney Ratio
Albion Park	97	1,114,789	16,218,403	17,333,192	2,911,417	20,244,609	1,294,151	6,544,968	5.06
Gold Coast	91	740,111	12,792,045	13,532,156	73,349	13,605,505	864,626	3,501,546	4.05
Redcliffe	47	518,019	5,502,619	6,020,638	13,020	6,033,658	382,905	1,233,291	3.22
	235	2,372,919	34,513,067	36,885,986	2,997,786	39,883,772	2,541,682	11,279,805	4.44
FY1011		YTD May							
Venue	Meetings	Oncourse	Offcourse	Tote	FPS	Wagering	Return	Prizemoney	Prizemoney Ratio
Albion Park	148	1,666,535	22,504,311	24,170,847	1,075,346	25,246,192	1,613,820	8,677,343	5.38
Gold Coast	91	701,340	12,919,862	13,621,202	115,986	13,737,189	867,575	2,851,426	3.29
Redcliffe	41	507,474	4,996,619	5,504,093	12,245	5,516,339	346,931	1,347,489	3.88
	280	2,875,350	40,420,792	43,296,142	1,203,578	44,499,720	2,828,326	12,876,258	4.55
Difference									
Venue	Meetings	Oncourse	Offcourse	Tote	FPS	Wagering	Return	Prizemoney	Prizemoney Ratio
Albion Park	-51	551,747	6,285,909	6,837,655	1,836,072	5,001,583	319,669	2,132,375	0.32
Gold Coast	0	38,770	127,817	89,046	42,637	131,684	2,949	650,120	0.76
Redcliffe	6	10,545	506,000	516,545	775	517,320	35,974	114,198	0.66
Variance	-45	-502,431	-5,907,725	-6,410,156	1,794,209	-4,615,948	-286,643	-1,596,453	0.22
%	-16.1%	-17.5%	-14.6%	-14.8%	149.1%	-10.4%	-10.1%	-12.4%	-4.82%

Prizemoney Ratio refers to number of \$ Prizemoney (excl bonus schemes) required to generate \$1 of wagering return

# Wagering Turnover through TAB Clubs



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## YTD May 2012

Greyhounds									
FY1112		YTD May							
Venue	Meetings	Oncourse	Offcourse	Tote	FPS	Wagering	Return	Prizemoney	Prizemoney Ratio
Albion Park	189	1,893,535	23,744,474	25,638,009	54,691	25,692,700	1,693,735	5,310,340	3.14
Ipswich	95	983,331	15,890,571	16,873,902	13,233	16,887,135	1,100,294	1,958,916	1.78
Rockhampton	46	188,732	3,121,793	3,310,525	-	3,310,525	211,462	427,740	2.02
Townsville	45	252,332	3,048,158	3,300,490	-	3,300,490	210,126	513,412	2.44
	375	3,317,930	45,804,996	49,122,927	67,924	49,190,851	3,215,616	8,210,408	2.55
FY1011									
Venue	Meetings	Oncourse	Offcourse	Tote	FPS	Wagering	Return	Prizemoney	Prizemoney Ratio
Albion Park	184	1,874,000	29,312,156	31,186,156	753,988	31,940,144	2,077,456	4,056,990	1.95
Ipswich	90	991,267	11,983,539	12,974,807	9,680	12,984,486	830,911	1,528,982	1.84
Rockhampton	2	8,933	120,909	129,842	-	129,842	8,146	26,299	3.23
Townsville	43	294,483	3,102,421	3,396,905	-	3,396,905	214,127	381,900	1.78
	319	3,168,684	44,519,026	47,687,710	763,667	48,451,377	3,130,639	5,994,171	1.91
Difference									
Venue	Meetings	Oncourse	Offcourse	Tote	FPS	Wagering	Return	Prizemoney	Prizemoney Ratio
Albion Park	5	19,535	5,567,683	5,548,147	699,296	6,247,444	383,721	1,253,350	1.18
Ipswich	5	7,936	3,907,032	3,899,096	3,553	3,902,649	269,383	429,934	0.06
Rockhampton	44	179,799	3,000,884	3,180,683	-	3,180,683	203,316	401,441	1.21
Townsville	2	42,151	54,263	96,414	-	96,414	4,001	131,512	0.66
Variance	56	149,247	1,285,970	1,435,217	-695,743	739,473	84,977	2,216,237	0.64
%	17.6%	4.7%	2.9%	3.0%	0.0%	1.5%	2.7%	37.0%	33.35%

Prizemoney Ratio refers to number of \$ Prizemoney (excl bonus schemes) required to generate \$1 of wagering return



# Wagering Turnover through TAB Clubs

## YTD May 2012



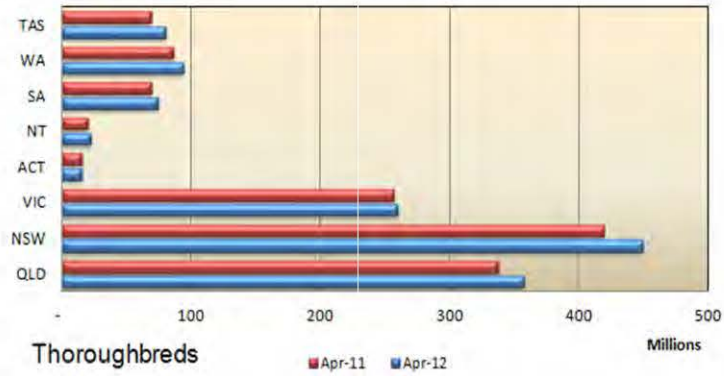
Thoroughbreds									
FY1112									
Venue	Meetings	Oncourse	Offcourse	Tote	FPS	Wagering	Return	Prizemoney	Prizemoney Ratio
Doomben	46	6,879,035	63,996,104	70,875,139	33,550,898	104,426,037	6,403,326	14,229,000	2.22
Eagle Farm	43	6,239,698	54,259,777	60,499,476	29,526,170	89,025,645	5,435,910	11,296,000	2.08
Gold Coast	50	6,234,957	33,832,621	40,067,578	17,684,940	57,752,518	3,500,361	6,486,000	1.85
Ipswich	46	1,038,208	19,659,212	20,697,420	11,022,014	31,719,434	1,928,154	3,604,000	1.87
Mackay	7	121,525	1,556,615	1,678,141	820,129	2,498,269	151,825	803,000	5.29
Rockhampton	41	439,371	12,848,313	13,287,684	7,398,268	20,685,952	1,265,340	3,097,500	2.45
Sunshine Coast	68	2,834,161	29,812,419	32,646,580	14,868,895	47,515,475	2,900,737	6,242,000	2.15
Toowoomba	53	1,371,052	15,853,750	17,224,803	8,385,724	25,610,526	1,543,699	6,242,000	4.04
Townsville	41	797,379	11,385,705	12,183,084	5,439,978	17,623,062	1,076,223	3,078,500	2.86
Yeppoon	0	-	-	-	-	-	-	-	-
Cairns	4	300,996	1,691,076	1,992,072	621,208	2,613,280	157,960	515,000	3.26
	399	26,256,385	244,895,592	271,151,977	128,318,222	399,470,199	24,363,533	55,593,000	2.28
FY1011									
Venue	Meetings	Oncourse	Offcourse	Tote	FPS	Wagering	Return	Prizemoney	Prizemoney Ratio
Doomben	43	8,086,203	67,134,943	75,221,147	24,071,048	99,292,195	5,846,882	14,724,000	2.52
Eagle Farm	44	6,590,668	57,566,007	64,156,676	20,442,001	84,598,677	5,023,033	11,206,500	2.23
Gold Coast	51	6,397,935	34,449,569	40,847,505	11,960,549	52,808,054	3,161,803	9,890,000	3.13
Ipswich	42	1,071,451	19,496,542	20,567,994	8,121,180	28,689,173	1,722,662	3,756,000	2.18
Mackay	22	305,410	5,071,858	5,377,268	1,770,345	7,147,613	432,202	1,772,500	4.10
Rockhampton	27	401,358	8,975,419	9,376,777	3,458,334	12,835,111	774,016	2,346,500	3.03
Sunshine Coast	70	3,357,079	33,054,402	36,411,480	11,335,375	47,746,855	2,883,068	7,101,000	2.46
Toowoomba	53	1,636,972	19,351,849	20,988,821	7,148,962	28,137,783	1,666,174	5,174,000	3.11
Townsville	33	876,344	9,671,698	10,548,042	3,449,018	13,997,060	843,509	2,940,500	3.49
Yeppoon	0	-	-	-	-	-	-	-	-
Cairns	4	279,818	1,716,377	1,996,196	487,898	2,484,094	149,117	523,000	3.51
	389	29,003,240	256,488,664	285,491,905	92,244,710	377,736,615	22,502,466	59,434,000	2.64
Variance	10	-2,746,856	-11,593,072	-14,339,928	36,073,512	21,733,584	1,861,067	-3,841,000	0.36
%	2.6%	-9.5%	-4.5%	-5.0%	39.1%	5.8%	8.3%	-6.5%	-13.6%

Prizemoney Ratio refers to number of \$ Prizemoney (excl bonus schemes) required to generate \$1 of wagering return

## Wagering Turnover on QLD product through TAB Operators YTD April 2011



### YTD TAB Operators Wagering Turnover

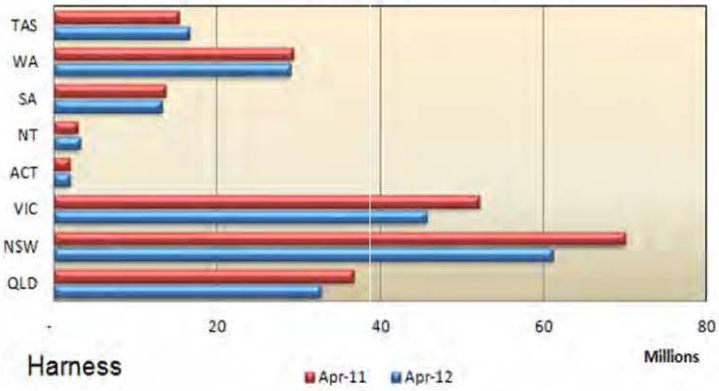


Wagering on Queensland Product has improved on YTD April 2011 in NSW 7% Victoria (1.3%) & QLD (5.8%).

## Wagering Turnover on QLD product through TAB Operators YTD April 2011



YTD TAB Operators Wagering Turnover

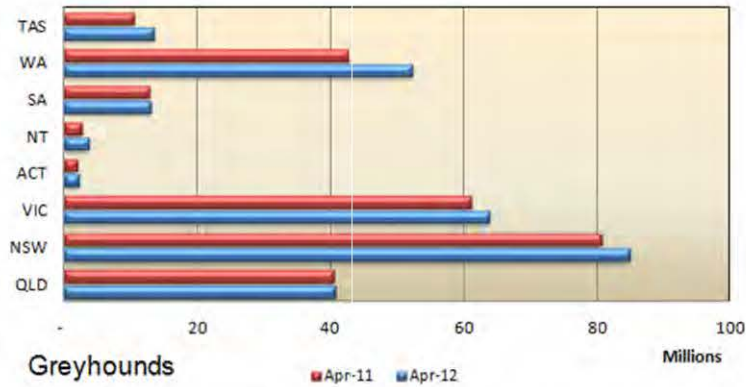


Wagering on Queensland Product is below YTD April 2011 in NSW (-12.7%)  
 Victoria (-12.5%) QLD (-10.6%).

## Wagering Turnover on QLD product through TAB Operators YTD April 2011



YTD TAB Operators Wagering Turnover



Wagering on Queensland Product is up compared to YTD April 2011 in NSW (+5.2%) Victoria (+4.4%) & QLD (+0.8%)

End of Presentation



Minutes of  
Queensland Racing Limited  
Board Meeting



Friday 9 May 2008

Board Room, Queensland Racing  
Racecourse Road, Deagon

Meeting Commenced at 8:00am  
Meeting Concluded at 12:10pm

**Board Directors Present:** Bob Bentley – *Chairman*  
Tony Hanmer  
Michael Lambert  
Bill Ludwig  
Bill Andrews

**In attendance:** Mal Tuttle – *Chief Operations Manager*  
Adam Carter – *Finance Manager*  
Ron Mathofer – *Business Analyst*  
Paul Brennan – *Racing Services Manager*  
Reid Sanders – *Chief Stipendiary Steward*  
Shara Murray – *Legal Compliance Counsel/ Company Secretary*

**Minutes:** Laura Hains – *Board Secretary*

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*The Chairman commenced the meeting at 8.00am.*

**SECTION 1 – STANDING ITEMS**

**1.1 Apologies**

There were no apologies.

**1.2 Declaration of Conflicts of Interest**

The Board NOTED Attachment “A”.

**1.3 Confirmation of Minutes of Queensland Racing Limited BM#20 on 4 April 2008**

The Board made the following amendments to the minutes:-

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**4.1 Performance Measurement for TAB clubs. Adam Carter & Ron Mathofer**

The second sentence in the first paragraph to read:

*“The system has the Financial and Key Performance indicator capabilities as well as the ability to compare the relative performance of clubs using various financial and non-financial metrics.”*

**4.5 Constitution of QRL -( In Camera) Chairman**

The second paragraph is to now read:

*“The Board discussed the matter and resolved to proceed with the Chairman, Tony Hanmer and Bill Andrews to brief designated Class “A” members on the proposal and to gauge their reactions. Subject to the feedback obtained the Chairman is to call an extraordinary meeting as soon as possible to change the constitution.”*

**4.7 Mount Isa Direction Shara Murray**

The second paragraph is to now read;

*“The Mount Isa situation is of concern to the Board and there appears to be little corporate governance implementation should Mt. Isa Club’s situation deteriorate in governance and financial viability the Board agreed that stronger action will be necessary.”*

**4.9 Country Racing Paul Brennan**

The first paragraph is to now read:

*“Mr Brennan outlined the meetings held with the CRC, with frequency and the amount of correspondence, demonstrating that QRL had consulted adequately with the CRC. Mr Brennan advised the Board that the outcomes achieved with the CRC were disappointing, the rationale of the decision taken, demonstrated that the objectives of non tab racing do not align with a commercial racing industry.”*

**4.16 Government Contribution to EI Marketing Initiative Tony Hanmer**

The word “marking” on the last line of the first paragraph to be changed to “marketing”.

**5.1 Letter from Mike Kelly re: proposed enhancements to policies or procedures due to integrity issues at RVL Chairman**

The second sentence in the third paragraph be removed.

*“The Board instructed the Acting Integrity Services Manager to write to Mr Mike Kelly setting out the Boards decision and noting that adequate safe guards are in place.”*

### **5.1a Matters Arising from 5.1**

The Chairman advised the Board that since the Board had taken the decision above the Parliament had passed the second reading in parliament of an amendment to the *Racing Act 2002* that it was now a legislative requirement for executive officers of a control body to declare any interest that they have in respect to the ownership of licensed animals.

The Board **MOVED** to rescind the minute under Item 5.1 of the April 2008 Board Meeting.

The Board to instruct the Director of Integrity Operations to keep an official register of all Betting accounts for executive officers of the Company and any interest in respect to ownership of any racing animals.

**MOVED** by Mr Tony Hanmer., **SECONDED** by Bill Andrews

The Board **RESOLVED** that the QRL Board Meeting Minutes of 4 April 2008 with the above amendments be received and confirmed.

**MOVED** by Mr Tony Hanmer., **SECONDED** by Bill Andrews

### **1.4 Action Sheet**

The Board **NOTED** the action sheet

### **1.5 Correspondence / Matters for Noting**

The Board noted the Correspondence in the Agenda.

## **SECTION 2 – DIRECTORS**

### **2.1 EI Marketing Initiative**

*Tony Hanmer*

Mr Hanmer provided a presentation to the Board titled ‘Media Considerations’ prepared by Mitchell Media.

Project timing was discussed with the Winter Carnival being ruled out due to time constraints, the Board agreed to commence the campaign to attract people back to the race course and incorporate a QTIS element leading in to the November - December - January Carnival .

Follow up meetings with Mitchell Media and QRL representatives will be arranged.

The Board **NOTED** the update provided.



## **2.2 2008 Yearling Sales Analysis**

*Chairman*

The Board noted a paper provided on sales result comparisons on Interstate and Queensland Thoroughbred horses and what appears to be diminishing returns on the QLD product. The Chairman advised that this needs to be carefully considered as it has an overall bearing on the QTIS scheme. The Board advised that they would appreciate some further analysis on previous sales. The Board secretary advised that it was a time consuming exercise and she would endeavour to produce the comparisons as soon as possible.

### **ACTION**

The Board Secretary to provide an analysis of 2005, 2006 & 2007 Yearling Sales & average service fee.

## **2.3 Palm Meadows Project**

*Michael Lambert*

Mr Lambert updated the Board on the Palm Meadows Project advising the Board of the actions and meetings undertaken in the last month.

Meetings held for the Month of April were as follows:

- ▶ Friday, April 11, 2008 – Gold Coast Council Officers
- ▶ Friday, April 11, 2008 – Dept. of Infrastructure & Co-ordinator General's Office
- ▶ Thursday, April 17, 2008 – Gold Coast Turf Club
- ▶ Friday, April 18, 2008 – Stockland
- ▶ Friday, April 18, 2008 – Treasury Department
- ▶ Tuesday, April 28, 2008 - Treasurer

Mr Lambert advised that the meeting held on April 11, 2008 with Dept. of Infrastructure & Co-ordinator General's Office indicated that the project would be marginal in terms of being designated a Project of State Significance. In terms of State Significance projects are required to demonstrate a level of complexity.

Mr Lambert also advised that at a meeting with the Chairman of Gold Coast Turf Club (GCTC) an alternative proposal was submitted. The proposal consisted of a full redevelopment of the Bundall site, involving the purchase of adjacent land, the development of racing facilities similar to that proposed for Palm Meadows and commercial development to help pay for the costs of new racing facilities. The Redevelopment proposal did not include oncourse stabling. Mr Lambert explained to the Board that PwC undertook an analysis on the two options which concluded that the GCTC redevelopment proposal was not financially feasible. Report attached as appendix "B".

The meeting with the Treasurer on April 28, 2008 went well with the Treasurer indicating support for the project and inviting QRL to write so that a mutual understanding could be documented of what was required to obtain QTC funding for the project. Mr Lambert advised that the Treasurer raised the matter of whether it was feasible to locate a harness racing track on the Palm Meadows site. The location of harness racing on the site is not financially feasible as it would substantially undermine

the ability to commercially develop the site. The presentation to the minister was tabled to the Board, also attached as appendix “B”.

Mr Lambert highlighted the next steps for the project:

1. Obtain the results of the market testing for commercial development at Palm Meadows
2. Obtain in principle support from GCTC for the Palm Meadows development and the application of the process of the sale of Bundall for the development
3. Treasury to complete its highest and best use valuation of Palm Meadows
4. Jointly undertake with Treasury a highest and best use valuation of Bundall which will also require a hydrology and geo technical surveys of the site
5. Market test the commercial development of Bundall
6. Update of the financial feasibility assessment for all the above matters
7. Seek Treasury/QTC loan funding.

The Board **NOTED** the update, and thanked Mr Lambert and Mr Tuttle for the comprehensive update.

#### **2.4 Ipswich Turf Club Submission**

*External*

The Chairman & CEO with their advisers Wingate & Babcock Brown presented to the Board a development proposal for Ipswich Turf Club (ITC) to make a commercial use of what would be otherwise surplus land.

The Chairman of Ipswich advised that they were not seeking funding from the Control Body and they expected the project would be self funded. They will advise in due course the structure and outcomes of the final option.

The Board noted the presentation as included Appendix “C” and thanked Ipswich Turf Club for their proactive action for the betterment of racing in the Ipswich area.

The Board **NOTED** the presentation.

#### **2.5 Change Resolution of Board Minute February 2008 Item 3.2**

*Chairman*

The Chairman sought approval from the Board to amend item 3.2 of the February 2008 Board minute in relation to the contributions to the Beaudesert Race Club concerning flood damage.

The Chairman advised that the minute should read;

#### **3.2 Contribution to Beaudesert Race Club – Flood Damage**

*Mr Brennan presented to the Board the preliminary advice received from Contour Consulting Engineers concerning the Sand Track at the Beaudesert Racecourse.*

*The Board approved an amount of up to \$200,000 for the repair of the Beaudesert Track. Mr Brennan outlined to the Board the strategic importance of Beaudesert and the contribution the Club is making to training.*

It was **RESOLVED** that Option 1(C) of the advice (see Attachment “D”) be adopted and the amount of \$200,000 be approved for the repair of the Beaudesert Track.

**MOVED** by Mr Bill Ludwig, **SECONDED** by Mr Michael Lambert

The Board **APPROVED** the amendment to Item 3.2 of the February 2008 Board Minute.

**MOVED** by Mr Bill Ludwig, **SECONDED** by Mr Michael Lambert

## **2.6 Toowoomba Synthetic Track**

*Chairman*

The Chairman advised the Board that he had a preliminary meeting with the Toowoomba Turf Club (TTC) in relation to the installation of a Synthetic Track at Clifford Park. TTC presented a number of options

- 1) A Greenfield site on the old Gainsborough lodge site of 400 acres with a residential development supporting the construction of a new racing facility for Toowoomba. This option incorporated the sale of Clifford Park
- 2) The full development of Clifford Park with the purchase of the stabling land on the western end to incorporate in the redevelopment, this option would need the realignment of the course proper and a lengthening of the home straight. The redevelopment would also include an upgrade of the member and public facility and installation of new lights.
- 3) The installation of the Synthetic Track as a course proper with an ambulance track associated facilities.

The Chairman advised the Board of the TTC that options 1 & 2 would need to be self funded or a grant from the Government obtained. In light of the tight budgetary situation with the Queensland Government, Government funding was extremely unlikely. To progress the project and bearing in mind the terrain difficulties at Toowoomba QRL will fund a master plan with a contribution of \$30K to ensure that the Synthetic Track does not impede any future development at Clifford Park.

Following discussions with the TTC the most likely course of action will be option 3. A further meeting has been scheduled for Wednesday 21 May, 2008.

The Chairman advised the Board that the costs of the synthetic surface have risen considerably in the last 6 months due to the increase in oil costs and freight. The Chairman also advised that the Board should be aware that the instillation of the synthetic track with associated works at Clifford Park would be in the vicinity of \$10M partly off-set by a \$4M Government contribution.

The Chairman undertook to advised the Board once the letter of offer was approved

The Board **APPROVED** the commissioning of a master plan for \$30K and the construction of the synthetic track and associated works at Clifford Park to an amount of \$10M

## **SECTION 3 – DEPARTMENTS**

### **3.1 Finance and Wagering Report – March 2008**

*Adam Carter*

March 2008 resulted in a surplus of \$639K compared to budget of \$1 million. QRL surplus is up \$7.7 million from \$12.5 million YTD in FY 06/07 to \$20.2 million YTD in FY 07/08. Whilst revenue is down 3.7 million, or 4.7%, on FY 06/07 expenditure is also down 17%, or \$11.4 million on FY 06/07. The reduction in expenditure is largely due to EI which has resulted in 1,005 fewer races than YTD March 2007.

UNiTAB's revised full year off-course wagering forecast for FY07/08 has it increasing 1% on FY 06/07. This coupled with on-course wagering for the same period UNiTAB believe they may better FY 06/07 by 0.2%.

According to UNiTAB wagering reports Queensland shows thoroughbreds increasing for March at a 16.58% increase on the same period last year. This compares favourably with Harness with a 2.2% decline and Greyhounds with a 7.3% decline.

EI costs to date were \$1.021 million excluding \$457k for Equine Influenza inoculations from the DPI

Rockhampton, Mackay and Townsville off-course wagering was up year-to-date on prior year as the clubs benefited from the EI outbreak and from additional race meetings held.

The Board **APPROVED** the March 2 008 Finance and Wagering report.

**MOVED** by Tony Hanmer, **SECONDED** by Bill Ludwig.

### **3.2 Mount Isa Race Club**

*Adam Carter*

Mr Carter updated the Board on the current financial position of the Mount Isa Race Club and reported on the Clubs compliance as per the Control Body Direction, which was issued on 7 March, 2008.

Deloitte has conducted a final review of the Club; the report communicates that the committee is in need to urgently review the policies and procedures currently in place. The report findings were that in all areas of assessment there were significant weaknesses in compliance and there was a distinct lack of control in place. Mr Carter conveyed Deloitte's opinion in that, the Club did not maintain effective control procedures in relation to their corporate governance and financial management.

Mr Carter detailed the options available to QRL should the Mount Isa Race Club be deemed to be unable or unwilling to comply with requirements.

- ▶ Revoke the Racing Licence of the Club
- ▶ Impose further deadlines for remedial actions to be undertaken.
- ▶ dissolve the current committee and elect a new committee
- ▶ Appoint an administrator to the club in order to implement necessary changes

- ▶ As a condition of issuing the licence for FY08/09 issue a temporary licence for 3 months and not renew the licence for the remainder FY08/09 unless all conditions are met by 30 September 2008
- ▶ Possibility of licensing Mr Isa City Council to run the club who should have the necessary paid in house expertise and not have the current volunteers.

Mr Carter asked the Board to bear in mind the options detailed above and should the Club not meet the following remedial actions then the Club license be suspended which will result in the removal of race dates and administration subsidy.

Remedial actions:

1. Rectify all Deloitte recommendations by 30 June 2008
2. Audited financials are completed by 15 August 2008
3. A business plan is completed by 30 June 2008 and
4. A budget and cash flow for FY2008/09 is completed by 30 June 2008.

The Board **AGREED** with the above actions 2-4 and suggested that action 1, the issues highlighted by Deloitte be filtered down to major issues.

### **3.3 Cairns Jockey Club**

*Ron Mathofer*

Ron Mathofer updated the Board on the Cairns Jockey Club's (CJC) current financial position. Mr Mathofer advised that following the Corporate Governance and Financial Management Assessment carried out by Deloitte on behalf of QRL in June 2007, it was found that the CJC has a number of issues to address.

Mr Mathofer advised that the CJC has incurred successive operating losses of \$110,415 in FY 2006 and \$338,532 in FY 2007 and there remains an outstanding loan amount as at 30 April 2008 of \$200,000 and prize money advances net of administration subsidies of \$114, 290 owed to Queensland Racing Ltd.

Mr Mathofer also advised the Board that the new treasurer Mr Bob Roberts has been very obliging with QRL. Mr Mathofer sought approval from the Board to give CJC an extension to 21 May 2008 to provide the following information:

- ▶ Forecasted income statement and cash flow statement to 30 June 2008.
- ▶ Budget income statement and cash flow statement for 2008/2009 financial year
- ▶ Detailed listing of debtors and creditors as at 31 March 2008
- ▶ Detailed trial balance as at 31 March 2008 as compared to 30 June 2007
- ▶ A revised and feasible payment proposal to repay the outstanding loan of \$200,000.

Mr Mathofer detailed the options available to QRL should the CJC be deemed to be unable or unwilling to comply with the requirements:

1. Revoke the Racing Licence of the Club
2. Impose further deadlines for remedial actions to be undertaken
3. Dissolve the current committee and elect a new committee

4. Appoint an administrator to the club in order to implement necessary changes
5. As a condition of issuing the licence for FY08/09 issue a temporary licence for 3 months and not renew the licence for the remainder FY 08/09 unless all conditions are met by 30 September 2008.
6. Possibility of licensing Cairns City Council or similar to run the club who should have the necessary paid in house expertise and not have the current volunteers.
7. Winding up the entity and transfer the assets to QRL and QRL leases the land and buildings to an approved management committee.

Mr Mathofer mentioned to the Board that in the absence of Tom Hedley, Bob Roberts and another committee person from CJC are willing to attend the June QRL Board meeting.

The Board **NOTED** the update and **APPROVED** the extension of the financial information to 21 May 2008. The Board also requested Mr Mathofer to have Bob Roberts and a member from CJC committee attend the June Board meeting.

#### **ACTION**

**Mr Ron Mathofer to co-ordinate the attendance of Bob Roberts the CJC Treasurer and a member of the CJC Committee at the June QRL Board Meeting.**

### **3.4 Commercial Horses Assistance Payment Update (CHAPS) *Adam Carter***

Mr Carter updated the Board on the Commercial Horses Assistant Payment Scheme (CHAPS). Mr Carter advised that both CHAPS I & II have provided financial support for approx 1,000 trainers with over 6,000 horses for each period. Approximately 450 trainers and 3,600 horses were paid for CHAPS III. The total CHAPS paid to date for the 3 periods is approximately \$55M.

Mr Carter advised that Deloitte have been selected to conduct the independent audit before the Department of Agriculture, Fisheries and Forestry send in an independent auditor. The Deloitte report will be made available at the June 6 2008 QRL audit committee meeting.

The Board **NOTED** the updated.

### **3.5 Risk Management Policy *Adam Carter***

Mr Carter discussed a generic guide for the establishment and implementation of the QRL Racing Industry Risk Management Policy and Process.

The objects of the policy are to ensure that:

- ▶ A consistent approach to the management of risk is adopted within racing clubs
- ▶ All significant risks to racing clubs are identified, evaluated and managed
- ▶ The process of management of risk enhances the performance of racing clubs.

The Board suggested that the policy should be broken into a two-part policy for smaller TAB & Non TAB clubs.

The Board requested Mr Carter to re submit the policy at the July meeting providing a revised version for the smaller TAB & Non TAB Clubs.

**ACTION**

Mr Adam Carter to provide a revised Risk Management Policy for smaller TAB & Non TAB Clubs.

**3.6 Event Management Policy**

*Adam Carter*

This item was deferred for further discussion at the June 2008 Audit Committee meeting. The Policy will then be presented at the July 2008 Board Meeting.

The Board **NOTED** the deferral of this item to the July 2008 Board Meeting.

**3.7 Strategic Plan**

*Adam Carter & Malcolm Tuttle*

Mr Carter and Mr Tuttle provided an overview of the Draft Strategic Plan for the period 1 July 2008 – 30 June 2012.

Mr Tuttle emphasised the importance of having an updated document highlighting the important strategies that QRL will pursue over the next 3 – 4 years.

Mr Carter advised that the Strategic Plan will be the document that will govern the development of the 2008/09 Business Plan.

The Board was asked to provide their comments on the draft Plan, a 2<sup>nd</sup> draft will be provided at the June 8 Board meeting with the final plan to be adopted at the 8 July 2008 Board Meeting.

Once the plan is adopted, it will be communicated to a wide range of industry stakeholders.

**ACTION**

The Board to provide comments on the draft Strategic Plan to Adam Carter by COB 26/05/08.

**4.1 Training Partnerships**

*Reid Sanders*

At the March 2008 Board meeting, the Board approved the introduction of Training Partnerships in Queensland from the next Licensing season – 2008/2009. To enable the Training Partnerships, it is essential that local Rule 47A and the associated 11 sub rules be approved.

The Board **APPROVED** the local Rule 47A and the associated 11 sub rules.

**MOVED** by Bill Andrews, **SECONDED** by Tony Hanmer

## **5.1 Sunshine Coast Stabling Project**

*Paul Brennan*

Mr Brennan advised that a Development Application has been lodged with Council and Contour Consulting Engineers have been engaged to manage a response to the information request received from the council.

Mr Brennan advised that he and Chief Operations Manger, Mr Malcolm Tuttle attended a meeting on 9 April 2008, at which a strategy was developed to manage the information request from the Sunshine Coast Council. Mr Brennan advised that the information request contained only items of a minor nature and did not pose any significant risk to the viability of the project.

### **Lighting – Sunshine Coast Turf Club**

Mr Brennan advised the Board that as the proposed Cushion Track installation on the course proper at Clifford Park was nearing approval there was an urgent need to install lighting at the Sunshine Coast in order to transfer Toowoomba programs to protect the Saturday twilight/evening broadcast slot.

Contour Consulting Engineers have been contacted for a quotation to act as project managers to install the lights at the Sunshine Coast and Mr Brennan sought Board approval to engage Contour at a maximum project rate of 2% of the project cost. The estimated cost of the lights is expected to range from approximately \$2.8M – \$3.6 M depending on whether both tracks are lit or just the Cushion track.

The Board approved the engagement of Contour Engineering at the above rate to install lights for the Cushion Track. The matter of lighting the Course Proper will be further considered by the Board.

**MOVED** by Tony Hanmer, **SECONDED** by Bill Andrews

## **5.2 Water Remediation Trial**

*Paul Brennan*

Queensland Racing Limited has been working with Gold Coast Company Cumminscorp Limited to conduct a Water Remediation trial at Deagon Training Complex.

Mr Brennan advised that Cumminscorp and QRL have developed a draft Heads of Agreement (see board papers item 5.2) that provides for a 12 month trial with the following critical timelines.

- ▶ 3 month satisfactory test results – 20% payment
- ▶ 6 month satisfactory test results – 60% payment
- ▶ 12 month satisfactory test results - 20% payment

Mr Brennan recommended to the Board that QRL enter into a 12 month contract with Cumminscorp. The total costs of this initiative is \$214,500 (GST inclusive) should it be successful.



The Heads of Agreement with Cumminscorp stipulate that in the event of the remediation trail not being successful the total costs to QRL will be \$63K with the

balance refundable. Mr Brennan advised that he and Shara Murray have conducted due diligence on Cumminscorp and there was a reasonable expectation that QRL could cover their initial payment less \$63K of expense.

The Board **APPROVED** QRL to enter into a Heads of Agreement for a 12 month remediation trail.

**MOVED** by Michael Lambert, **SECONDED** by Bill Ludwig

**6.1 WorkCover Queensland – Contract of Insurance** *Shara Murray*

Ms Murray provided an update on meetings held with the Australian Jockey Association (AJA) in relation to workcover of licensed jockeys in Queensland.

In essence, the AJA are seeking to have jockeys deemed as employees and that WorkCover Queensland were prepared to accept this going forward. Ms Murray advised that if jockeys were deemed as employees of Queensland Racing than it would open up QRL to common law damages claims, that in return would increase our premiums and in addition would require amendments to legislation to change relevant Acts.

Ms Murray recommended to the Board that in her opinion, the best course of action would be to incorporate as part of the licensing process for jockeys to have death and disability cover.

**7.1 Sunshine Coast Cushion Track Opening Day** *Claire Power*

The Board noted the paper provided by Claire Power, Senior Media Communication Officer detailing the final outcome of the Sunshine Coast Cushion Track Opening which took place on Sunday April 6, 2008.

The Board **NOTED** the report.

**8.1 Capital Works – Queensland Turf Club** *Malcolm Tuttle*

Mr Tuttle advised the Board of the Capital Works request from the Queensland Turf Club. The works are to ensure Eagle Farm Racecourse is at its best for the Winter Racing Carnival.

Mr Tuttle advised that the works will be funded by the QTC, with the exception of the running rail costs of \$98K which will be funded by QRL.

The Board **APPROVED** the capital works expenditure for the QTC and the \$98K for the costs of the running rail.

**ACTION**

Mr Malcolm Tuttle to respond to the Queensland Turf Club on behalf of the Board.

**8.2 Sky Channel Broadcast Rights Agreement***Malcolm Tuttle*

The Board noted the letter sent to all TAB clubs dated May 6, 2008.

Mr Tuttle advised that he had spoken with all the relevant major TAB clubs in relation to the aggregation and assignment of Broadcast Rights. Mr Tuttle further advised that a meeting would be held with all of the clubs during the month of May.

Mr Tuttle undertook to keep the Board briefed in relation to this matter.

The Board **NOTED** the update.

**9.1 Licensing Report***Peter Smith*

There were no issues with the Licensing Report.

The Board **APPROVED** the April 2008 Licensing Report

**MOVED** by Bill Ludwig, **SECONDED** by Michael Lambert

**9.2 457 Visas for Track Riders***Peter Smith*

The Board noted the paper provided regarding employment of foreign track riders under 457 visa arrangements.

The Board **RESOLVED** to be updated pending further investigation of the options provided.

**ACTION**

Mr Smith to keep the Board updated pending further investigations of 457 Visas for Track Riders.

**SECTION 10 – GENERAL BUSINESS****10.1 Revised Agenda - Feedback***Chairman*

The Board advised that the revised agenda format should be continued.

The Board **AGREED** to continue with new format until further notice.

**10.3 Crime and Misconduct Commission***Shara Murray / Reid Sanders*

Ms Murray and Mr Sanders advised the Board that recent conduct concerning Townsville Senior Steward, Mr Stephen Rowe and casual Steward, Mr Mark Rielly has been deemed to constitute official misconduct, and as such, their services will be terminated, effective as at 12 May 2008. The official misconduct arose out of fraudulently altering drug sample documentation.

As required, notification and a final report was provided to the CMC. A confidential report is available to Board members, if required.

#### **10.4 QTIS – 3YO**

*Paul Brennan*

Mr Brennan advised the Board that he had undertaken a review as to the impact of the shut down to racing caused by Equine Influenza had on three-year-old QTIS horses. Mr Brennan confirmed with the Board that these horses had significantly restricted opportunities to compete in QTIS races during the period from the end of August to the end of December.

Mr Brennan recommended that the Board extend QTIS races for this category of horse for the period 1 August to 31 December 2008 by way of providing a four-year-old QTIS bonus of \$30k at every Metropolitan Saturday and Public Holiday and the conduct of 40 x \$7,000 QTIS bonuses for four-year-olds at South-East corner Provincial meetings.

Mr Brennan advised the Board that this provided \$1M in additional bonuses and that he expected the rate of payout to be in the vicinity of 40%, which would come at a cost to QRL of \$400k

The Board approved Mr Brennan's proposal to extend the QTIS races for this category of horse for the period 1 August to 31 December 2008.

**MOVED** by Bill Ludwig, **SECONDED** by Bill Andrews

#### **10.5 Mackay Regional Events Centre – alternative site feasibility** *Malcolm Tuttle*

The Board agreed to provide it's 'in principle support for a relocation of racing in Mackay, subject to it approving the financial model, which would underpin the potential move. The Board also agreed that the relocation would need to be self funding.

**MOVED** by Bill Ludwig, **SECONDED** by Bill Andrews

MEETING CONCLUDED AT 12:10PM

CONFIRMED AS A TRUE RECORD.



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**R.G. Bentley**  
**Chairman**

Dated...../...../2008

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**ATTACHMENT “A”**

**Mr Bob Bentley**

Director of Tattersall’s Limited  
Director of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)  
Director of Australian Racing Board  
Chairman of the Australian National Racing Committee

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club

**Mr Michael Lambert**

Director of RISA

**Mr Bill Ludwig**

Secretary of the Australian Workers’ Union (including signing of all correspondence and Industrial Instruments)  
Member of the Brisbane Turf Club  
Member of the Queensland Turf Club  
Board Member of WorkCover Queensland

**Mr Bill Andrews**

Member of the Brisbane Turf Club  
Member of the Queensland Turf Club  
Member of the Thoroughbred Breeders Queensland Association.  
Member of the Racehorse Owners’ Association



Minutes of  
Queensland Racing Limited  
Board Meeting



Friday, 6 March 2009

Board Room, Queensland Racing  
Racecourse Road, Deagon

Meeting Commenced at 9:22 am  
Meeting Concluded at 2:11 pm

**Board Directors Present:** Bob Bentley - *Chairman*  
Tony Hanmer  
Bill Andrews  
Bill Ludwig  
Michael Lambert

**In attendance:** Malcolm Tuttle - *Chief Operations Manager*  
Jamie Orchard - *Director Integrity Operations*  
Adam Carter - *Finance Manager*  
Ron Mathofer - *Business Analyst*  
Paul Brennan - *Racing Services Manager*  
Shara Murray - *Corporate Counsel/  
Company Secretary*  
Peter Smith - *Licensing and Training Manager*  
David Rowan - *IT & Communications Manager*  
Keith Lambert - *Australian Bloodstock Exchange*

**Minutes:** Shara Murray

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**SECTION 1 – STANDING ITEMS**

**1.1 Apologies**

There were no apologies.

**1.2 Declaration of Conflicts of Interest**

The Board **NOTED** Attachment “A”.

**1.3 Confirmation of Minutes of Queensland Racing Limited BM#29 on 6 February 2009**

The Board made the following amendments to the minutes:-

**2.2 Stocklands Presentation**

Resolution to now read:

“The Stocklands presentation has now been deferred.”

### 3.4 Cairns Jockey Club

Condition (1) to now read:

“The CJC convene an EGM to resolve the transfer of the freehold land at Cannon Park to QR Limited.”

Condition (4) to now read:

“QRL is satisfied that the WH&S Report does not reveal that excessive expenditure will be required in rectifying the deficiencies.”

### Section 10 – General Business – Board Succession

Second paragraph to now read:

“Mr Bill Andrews agreed at the December 2008 QRL Board Meeting that he would retire at the 2009 AGM and offered himself for re-election. Messrs Ludwig, Hanmer and Lambert indicated that they were unwilling to contest the election of Directors through the current constitutional process.”

Third paragraph to now read:

“Clause 15.4 of the Constitution of QRL states that two (2) Directors **must** retire at the first and second AGM following the initial term. Therefore, in addition to Mr Andrews, one (1) more QRL Director must retire at the 2009 QRL AGM.”

Fourth paragraph to now read:

“Mr Hanmer advised that following discussion with Mr Lambert, agreement had been reached that should the Palm Meadows development not proceed, Mr Lambert would retire at the 2009 AGM and not seek re-election to the QRL Board. Mr Lambert would however continue to act until the conclusion of the 2009 AGM.

Mr Lambert advised that this statement was not a true reflection of his meeting with Mr Hanmer.

### Section 10 – General Business – Beaudesert Race Club

Second paragraph to now read:

“The Board acknowledged the contribution of the Beaudesert Race Club with the SE Queensland horse population. Mr Andrews commented that the Board needed to take steps to ensure that the Beaudesert Race Club remains viable. The Chairman advised that the Board should consider taking over the Beaudesert facility in a similar manner to Cairns and license the BRC to conduct the meetings.”

### Section 10 – General Business – Toowoomba Turf Club

Second paragraph, the word “launched” to be replaced with “launch.”

The Board **RESOLVED** that the QRL Board Meeting Minutes of 6 February 2009 with the above amendments be received and confirmed.

**MOVED** by Mr Hanmer **SECONDED** by Mr Ludwig

### 1.4 Action Sheet

The Board **NOTED** the action sheet.

### **1.5 Correspondence / Matters for Noting**

The Board **NOTED** the correspondence, including the tabled letters to industry stakeholders under the hand of the Chairman.

### **1.6 Confirmation of Flying Minutes**

The Board **CONFIRMED** the Flying Minutes.

**MOVED** by Mr Hanmer **SECONDED** by Mr Andrews

## **SECTION 2 – DIRECTORS**

### **2.1 Product Co Meeting Update**

The Chairman offered to retire from the meeting for this item; however, Mr Hanmer as Chair of Product Co advised Board Members that there was no conflict of interest in the Chairman remaining present for the Product Co Board Meeting update.

Mr Hanmer updated the Board of the Product Co Meeting which was held on Thursday, 5 March 2009.

This was **NOTED** by the Board.

### **2.2 Product & Strategy Committee Update**

Mr Hanmer updated the Board of the Product & Strategy Committee Meeting which was held on Tuesday, 17 February 2009.

This was **NOTED** by the Board.

### **2.3 Motor Vehicles**

The Chairman updated the Board regarding senior staff salary sacrificing their vehicles. The Chairman advised the Board that all management were fully committed to the vision of the Board and have contributed far in excess of the Board's capacity to reward. This proposition on motor vehicles is recommended strongly from the Chair as fair and reasonable. The Chairman proposed a table outlining the percentage of contribution towards a motor vehicle for the relevant positions within the organisation. To implement the schedule QRL will incur a cost of approximately \$81,000 per annum.

The Board **RESOLVED** to implement the Management / Company Contribution Schedule in relation to vehicles salary sacrificed by senior staff, and increase QRL's contribution to Mr Brennan's vehicle agreement to 75%, effective as at 1 March 2009.

**MOVED** by Mr Lambert **SECONDED** by Mr Andrews

### **2.4 Palm Meadows**

The Board **NOTED** the memorandum regarding Palm Meadows.

## **SECTION 3 – 9 DEPARTMENTS**

### **3.1 Finance and Wagering Report**

QRL recorded a deficit of \$738K down \$443K on the \$1.1M budgeted deficit for January 2009.

Revenue was up \$1M on budget due largely to race fees for Magic Millions \$734K. These Feature race fees were offset by unplaced starter's subsidies for Magic Millions in the expenses. Interest received resulted in a favourable variance of \$15K for January. QTIS paid out at 64% of scheduled TAB races during January.

**MOVED** by Mr Andrews **SECONDED** by Mr Hanmer

That the Board **NOTED** the January 2009 Finance and Wagering Report as presented.

### **3.2 Mt Isa Race Club**

Mr Ron Mathofer provided the Board with an update in relation to the current financial position of the Mt Isa Race Club (Club) since the Control Body Direction, issued on 7 March 2009.

Mr Mathofer informed the Board that the Club is currently showing a YTD surplus as at 31 January 2009 of \$6,363.00 with five (5) meetings still to be held, including the Mount Isa Cup Day in June 2009. Mr Mathofer advised that he currently has no ongoing concerns with the Club.

The Board **NOTED** the update.

### **3.3 Cairns Jockey Club – Ongoing Viability**

The Board **NOTED** the update of the Cairns racing situation and **NOTED** the report from Mr Brennan and Mr Carter following their visit to Cairns with the Chairman on 12 February 2009.

The Chairman advised that there was a strong desire by all parties during the meeting to co-operate with QRL on resolving the problems that have been deep seated over the past 20 years.

The Chairman advised the Board that he had received an e-mail from the Cairns Jockey Club (CJC) the previous evening seeking financial assistance in defending the Trafalgar statement of claim. The e-mail contained overtures of political blackmail and in response; the Chairman tabled his letter of reply advising the CJC that they should not be contemplating political action as a means of pressuring QRL.

Mr Andrews questioned Ms Murray on the case as to why the CJC had not previously sought advice from counsel. Ms Murray advised that the CJC had been instructed to seek counsel advice by their instructing solicitors in January 2009 but had chosen to ignore their solicitors' advice. Mr Ludwig informed the Board that this is just another example as to why clubs should not control the assets of racecourses, as this club has now jeopardised the future of racing in Cairns and left QRL to clean up the mess.

The Board **APPROVED** the funding of a S.C. opinion on strict terms as set out in the Chairman's letter, and any future involvement by the board of QRL will depend on the advice received from senior counsel.

The Board **APPROVED** the provision of \$100K to the CJC for ongoing cash flow.

The Board **RESOLVED** that any further options and/or recommendations concerning the CJC will be placed on hold until the Trafalgar legal action against the CJC has been finalised.

**MOVED** by Mr Andrews **SECONDED** by Mr Ludwig



### **3.4 Beaudesert Race Club – Ongoing Viability**

Mr Brennan tabled an extensive proposal on the future of the Beaudesert Race Club (Club) and the training potential that this racecourse can contribute to the SEQ training infrastructure. Currently the Beaudesert track is a major supplier of horses to TAB meetings.

Mr Brennan also discussed the meeting with the Beaudesert Council that was attended by he and the Chairman the previous day. The Board was advised that the Council are supportive of any infrastructure development that QRL may be contemplating and as promised at the meeting, Mr Brennan tabled a letter of support for the Beaudesert Racecourse upgrade and the asset transfer to QRL.

The physical inspection of the existing Beaudesert racecourse and fixed assets however was extremely disappointing. The proposed site for a stable complex would require extensive earth works and the final elevation would not clear the Logan River flood plain. The Logan River profile is deep and narrow and even in a moderate flood breaks its banks and spreads over a wide area with extremely fast flowing water. QRL recently spent \$200k on repairs to the sand track from a moderate flood.

The fixed assets are in poor condition and as an asset of QRL would be expected to be extensively upgraded. The upgrade was put on hold depending the discussion and outcome of the Wadham Park proposal.

#### *Wadham Park Proposal*

Following the Beaudesert racecourse inspection, the Chairman and Mr Brennan visited the private training complex of Wadham Park with the view to secure stables for the upcoming winter carnival visiting horses.

The visit as it turned out, became more of an inspection as to the potential to secure this asset as a QRL training centre. The situation became apparent that the two properties know as Wadham Park 1 and Wadham Park 2 were on the market for \$29 million.

Following detailed questioning of the manager, it became apparent that the vendor was financially distressed and extremely keen to sell.

The list of the property and major improvements were tabled for the Board and an overnight desktop valuation by a registered valuer had been sourced. The valuer attributed a value of between \$32 and \$34 million to the complex. The Chairman advised the Board that as he has had considerable experience in this aspect of the industry previously, in his opinion the replacement value would be in excess of \$35 million.

The Chairman advised that there had been offers of \$28 million and \$22 million late last year that had not proceeded due to a lack of finance. Mr Tuttle advised that on the instructions from the Chairman that he had telephoned the vendor's representative and he had advised that the owners had a sale price of \$29 million but were negotiable.

Mr Tuttle advised the Board on the financial dynamics of the proposal to develop Deagon as a training centre and the shortfall needed to develop this project was in the vicinity of \$40 million. The prospect to purchase and develop Wadham Park into two training units of 400 horses each represented a superior option and Mr Tuttle encouraged the Board to seriously consider investigating the proposal brought forward by the Chairman.

The Chairman cautioned the Board that this was early days and a full costing and feasibility would need to be undertaken, however, he strongly recommends that QRL should proceed with the feasibility. The purchase price should be keenly negotiated as this was not yet a 'must have'. The Chairman advised that the purchase price should not exceed \$20 million and with the shortage of finance available for assets of this type, a price of \$16 million to \$18 million should be achievable. This was noted as half the valuation.

The development of Wadham Park will need additional expenditure to change the dynamics of the operation to accommodate the strategic needs of QRL. Mr Andrews recommended that the contract be as firm as possible but be sufficiently wide to allow QRL time and manoeuvrability to fully investigate the proposal.

The Board **RESOLVED** that the Chairman and Mr Malcolm Tuttle negotiate the purchase of Wadham Park 1 and Wadham Park 2, subject to the conditions below:

- (a) Maximum purchase price - \$20 million, and
- (b) 90 day contract, subject to due diligence satisfactory to the buyer.

**MOVED** by Mr Hanmer **SECONDED** by Mr Andrews

The Board **APPROVED** a short term non-refundable grant of \$25,000.00 be made to the Beaudesert Race Club to enable them to continue to trade until 30 June 2009.

**MOVED** by Mr Hanmer **SECONDED** by Mr Lambert

### **3.5 Strategic Plan**

Mr Michael Lambert updated the Board in relation to the draft five (5) years Strategic Plan (Plan). Mr Lambert expressed that the Plan is a strategic plan for the industry, not a business plan for QRL.

Mr Hanmer highlighted his concerns in relation to the Plan being for a five (5) year period. Mr Hanmer stated that he felt the Plan should be for three (3) years, the remaining time of QRL's control body licence. Furthermore, Mr Hanmer stated that he would like the Plan to reflect a more precise vision.

Mr Lambert noted that the Plan was an industry plan, which would continue, regardless as to whether QRL held the control body licence for thoroughbred racing in Queensland.

The Board **RESOLVED** that:

- (a) Board Directors and Managers review the Plan and provide feedback within ten (10) days to Mr Adam Carter
- (b) The Plan to be finalised as a 'Draft for Consultation' at the April 2009 Board Meeting, and
- (c) Once finalised, the Plan to be released to the industry, as a 'Discussion Document', endorsed by the QRL Board.

**MOVED** by Mr Andrews **SECONDED** by Mr Lambert

### **4.1 Deagon Training Precinct**

Due to the proposed purchase of Wadham Park 1 and Wadham Park 2, the Board **RESOLVED** that the proposed development plans for the Deagon Training Precinct to be placed 'on hold', subject to further discussion and decisions on the possible purchase of Wadham Park.

**MOVED** by Mr Hanmer **SECONDED** by Mr Ludwig

#### **4.2 Broadcast Strategy**

Mr Tuttle updated the Board in relation to the broadcast strategy.

The Board **NOTED** the update.

#### **4.3 Industry Size and Scope Study**

Mr Tuttle requested that the Board consider and provide feedback to him within the next few days in relation to the draft IER Pty Ltd (IER) Report that discusses the size and scope of racing in Queensland.

Mr Tuttle noted that the project is being advanced in collaboration with both the Harness and Greyhound codes, which have each met 25% of the costs associated with the size and scope study.

The Board **RESOLVED** to provide feedback to Mr Tuttle in respect of the economic impact study so IER can review and finalise the report. The Board further **RESOLVED** that due to the fact that the State Election has been called for 21 March 2009, strategy discussions in relation to the use of the information contained in the size and scope study will be discussed at a future Board Meeting.

**MOVED** by Mr Hanmer **SECONDED** by Mr Lambert

#### **4.4 Race Information Legislation – RISA Nominated Arrangements**

Mr Carter and Ms Shara Murray provided the Board with an update in relation to Race Information Legislation.

Ms Murray confirmed that all documentation was currently being considered by Crown Law and that she should have a response by COB today.

Ms Murray further confirmed that she expected documentation to be sent to all licensed wagering operators within the next week.

The Board **NOTED** the update.

#### **4.5 Sky Channel Meeting**

Mr Tuttle provided the Board with an update in relation to his meeting with Sky Channel.

The Board **NOTED** the update.

#### **4.6 Australian Bloodstock Exchange**

Mr Keith Lambert, Chief Executive Officer of Australian Bloodstock Exchanges (ABX) presented to the Board an initiative of ABX.

In essence, the presentation covered the following areas:

- (a) a national system where owners must be registered via a secure website
- (b) a member's benefit program linked to owner registration
- (c) the establishment of an online bloodstock exchange whereby owners can buy and/or sell entire horses or shares in horses, including yearlings, racehorses, broodmares, foals, stallions etc.

Mr K Lambert advised the Board that ABX were currently building the software required to operate these systems. Furthermore, Mr K Lambert advised that ABX has had meetings with both Racing NSW and Racing Victoria Limited; however, RISA has not yet been approached regarding the initiative.

Mr K Lambert provided to the Board a Memorandum, in addition to a draft Heads of Agreement that ABX wishes to enter into with QRL.

The Chairman recommended to Mr K Lambert that he provide this presentation to the Australian Racing Board.

The Board **RESOLVED** to enter into the Heads of Agreements with ABX, to be finalised by Ms Murray and Mr Tuttle.

**MOVED** by Mr Hanmer **SECONDED** by Mr Andrews

### 5.1 Licensing Report

**MOVED** by Mr Bill Andrews **SECONDED** by Mr Tony Hanmer

That the Board **APPROVE** that the Licensing Report be adopted.

### 6.1 Integrity Report

Mr Jamie Orchard updated the Board on the current status of activities and programs in the Integrity Department.

The Board **NOTED** the update.

### 6.2 Clubs/Venue Audits

Mr Orchard advised the Board of QRL's requirements under the *Racing Act 2002*, the Licensing Policy and QRL's Business Plan in relation to the need to undertake an audit program in respect of clubs and the licensing of venues.

Mr Orchard outlined to the Board, as per his paper, the proposed audit approach in respect of clubs/venues.

The Board **APPROVED** the proposed audit approach in respect of clubs/venues. The Board requested that Mr Orchard keep the Board informed in relation to the audits.

**MOVED** by Mr Andrews **SECONDED** by Mr Ludwig

### 7.1 TAB Race Club Administration Subsidy Review for FY 09/10

Mr Carter and Mr Brennan outlined to the Board the methodology associated with a review of the TAB race club administration subsidy, which had been developed by the Racing and Finance Departments.

Mr Brennan informed the Board that in early 2005, the Board implemented a revised administration subsidy that removed the discretion of race clubs in relation to their retaining prize money allocations to fund race club operations. Although the revised subsidy satisfactorily addressed the declining return to Owners, it did not provide any recognition as to the cost centres this funding was provided to offset.

Mr Brennan confirmed that this subsidy has remained constant since its implementation at the commencement of the 2005/06 financial year, other than the removal of \$300K top up payment to the Gold Coast after the initial year.

Mr Carter advised the Board that although the revised operational subsidy provides increased returns to the majority of race clubs, the financial impact is cost neutral due to the removal of approximately \$820K from the Brisbane Racing Club. Furthermore, there is also an impact on the tenant race clubs who were not previously captured by the subsidy.

The Board **RESOLVED** to provide its 'in-principle' support for the proposed administration subsidy.

**MOVED** by Mr Hanmer **SECONDED** by Mr Lambert

## **7.2 Final Draft 2009/10 Race Date Schedule**

The Board **NOTED** and **APPROVED** the TAB, Non-TAB and Betting Meeting Schedule for the 2009/10 financial year.

**MOVED** by Mr Hanmer **SECONDED** by Mr Andrews

## **7.3 Rockhampton Tattersall's Racing Club Winding Up**

Mr Brennan advised the Board that the Rockhampton Tattersall's Racing Club wish to wind up its operations. The Club has approximately \$100K in assets, of which the majority is cash at bank. The Club wishes to transfer their assets to the Rockhampton Jockey Club, which they will place a proviso on the transfer of assets, whereby the Club requests that the assets are used to fund a public area and patio adjoining the Members/Committee area.

The Board **APPROVED** the winding up of the Rockhampton Tattersall's Racing Club and that the assets of the Club be utilised to upgrade facilities at Callaghan Park, Rockhampton.

**MOVED** by Mr Ludwig **SECONDED** by Mr Andrews

## **7.4 Rockhampton St Patrick's Day Race Club Donations**

The Board **NOTED** and **APPROVED** the Rockhampton St Patrick's Day Race Club's request to contribute 50% of their revenue, up to \$15K, to local schools with all remaining revenue to be retained for distribution across future meetings.

**MOVED** by Mr Andrews **SECONDED** by Mr Hanmer

## **7.5 Sunshine Coast Turf Club Stabling Project & Master Plan**

Mr Brennan and Mr Carter provided an update to the Board in relation to the Sunshine Coast Turf Club Stabling Project & Master Plan.

The Board **NOTED** the update and requested that Mr Brennan and Mr Carter provide costings of the Project to the Board at its next meeting.

## **7.6 Contribution to Assist Herbert River Race Club with Disaster Recovery**

Mr Brennan advised the Board that with the north of the State classified as a natural disaster zone due to recent flooding.

Mr Brennan requested that QRL provide \$20K towards the reconstruction of facilities at the Herbert River Race Club. The Chairman asked why there was the need to provide funding for a 2 day race date Non-TAB club. Mr Brennan advised that the amount of funding being directed out of Queensland to the fire disaster in Victoria by Queensland

clubs failed to recognise the hardship being encountered by flood ravaged North Queensland.

The Board **APPROVED** the provision of \$20K funding to assist the Herbert River Race Club with the remediation of their facility following the recent natural disaster.

**MOVED** by Mr Andrews **SECONDED** by Mr Lambert

### **8.1 Complaints Management Policy**

Mr Hanmer requested the following amendment to the policy:

#### **Clause 4 – Who Can Complain?**

Second paragraph, fourth dot point '*Industry Participants*' be deleted.

The Board **APPROVED** the policy – “Complaints Management System.”

**MOVED** by Mr Hanmer **SECONDED** by Mr Andrews

### **9.1 Media Unit**

Mr David Rowan updated the Board on the progress of the QRL Media Unit.

The Board **NOTED** the update.

## **SECTION 10 – GENERAL BUSINESS**

### **Sunshine Coast Turf Club – Path**

Ms Murray raised her concerns in relation to the path entrance to the Sunshine Coast Turf Club from the parking bays at the Club. Ms Murray informed the Board that the brick path was not level, and the Club has previously had a public liability claim in relation to an incident concerning the path. Ms Murray confirmed that QRL has previously requested that the Club level the path to satisfy WH&S, however, the Club has failed to comply.

The Board **RESOLVED** that Mr Orchard directs the Sunshine Turf Club to repair the pathways that are now a WH&S issue and that QRL will not issue any additional warnings.

**MOVED** by Mr Hanmer **SECONDED** by Mr Andrews

### **Asian Racing Federation and International Horse Racing Board**

The Chairman advised that there has been an approach from the Asian Racing Federation for him to nominate for the Vice Chairman position and in doing so will receive the votes and support of Japan and Hong Kong to accept the position.

The Chair canvassed the board members on their acceptance of nominating for this position that will also carry with it an executive position on the International Horse Racing Board.

The Chair advised that there would be some costs incurred for travel and accommodation that would be needed to be accepted by QRL. The majority of costs would however be paid by the Australian Racing Board (ARB).

The Board **AGREED** that the Chairman should nominate for both positions as there would be flow on benefits to Queensland racing, being represented at Asian and International racing meetings.

**MOVED** by Mr Hanmer **SECONDED** by Mr Ludwig

That the Chairman accepts the nomination to the Vice Chair of the Asian Racing Federation and the International Horse Racing Board and QRL will accept the costs of any expenses incurred not covered by the ARB in fulfilling his international duties.

### **Audit Committee**

Mr Lambert updated the Board in relation to the 6 March 2009 Audit Committee meeting.

Mr Lambert advised the Board of issues raised by Deloitte who recently conducted an internal audit of QRL. The key issue of concern were in relation to QRL's HR policies.

Mr Tuttle updated the Board in relation to the current engagement of HR Business Solutions who are currently conducting an HR audit and review of QRL's policies and methodologies. Mr Tuttle further advised the Board that at the completion of their consultancy, QRL intends to engage HR Business Solutions as QRL's HR Advisor, thereby removing the need to have an on-site HR Manager.

The Board **NOTED** the update.

### **Chief Steward Position**

The Board **NOTED** that Acting Chief Steward Mr Wade Birch is currently performing his duties to a high standard and a review by Mr Orchard and Mr Shreck will be conducted in the next 6 weeks to ascertain his suitability to elevation to the permanent position. The Board discussed the necessity to advertise externally, and it was **AGREED** that subject to the results of Mr Orchard's report, the Board was not compelled to advertise for this position.

### **Board Elections**

Mr Lambert advised that he had reconsidered his position and the circumstances surrounding the nomination process, and advised that he wished to continue on the Board of QRL.

The Chairman advised that under the circumstances of Mr Lambert's reconsideration as set out in the February 2009 Minutes, the selection of directors to face election will be made by himself in accordance with the Constitution of QRL.

### **Board Succession**

The chairman discussed the succession and Board composition and expressed the view that there should be an increase in Board numbers to seven (7) now the Board is contemplating an expanded role going forward.

The forthcoming elections are a distraction with the LNP expressing a desire to dismiss the Board and introduce a new governance model.

The Board **AGREED** that QRL should look to expand the Board following the Board elections in November 2009, and seek those potential Board Members with the skills required to compliment the Board.

Ms Murray updated the Board on the election procedures and it was **AGREED** that no changes to the composition of the Board was practical until QRL had proceeded with the first election.

The Chairman advised that should the Labour Government be returned, it was a distinct possibility that some changes to procedure at elections would be considered. The Board **AGREED** that Ms Murray be authorised to engage Northern Recruitment to conduct the election process. The fee to be renegotiated as the original fee quoted by Andrew Hedges of Northern Recruitment is excessive.

**MOVED** by Mr Lambert **SECONDED** by Mr Hanmer

The Board **RESOLVED** that:

- (a) the Board composition will be expanded to seven (7) from the commencement of the 2010 year and that potential Board Members with the skills required to compliment the Board, and
- (b) Northern Recruitment to be engaged as to conduct the 2009 election/selection of Directors. The previous fee provided by Mr Hedges to be renegotiated.

### **Government Elections**

The Chairman advised that he had corresponded with both the LNP and Labour seeking their election policy, but had received no reply to date. The Chairman advised that the LNP had leaked to the media that it is making an election commitment to remove the existing Board of QRL.

Mr Hanmer requested that should this be a formal plank in the LNP policy then QRL should seek advice as to the legal recourse that QRL could take, as it was his understanding from discussions with the Racing Department that the removal of the Board was not as easy as the LNP may think, and it may not be just a matter of legislation. QRL is a public company, limited by guarantee, governed by the *Corporations Act 2001*.

The Board **AGREED** that the Chairman be authorised to seek advice if and when he considered it necessary.

**MOVED** by Mr Hanmer **SECONDED** by Mr Andrews

### **Disaster and Charity Race Meetings**

Mr Hanmer advised that he had concerns at the amount of disaster and charity race meetings that are currently being planned or have proceeded. Mr Hanmer suggested that the Board should look closely at this escalation of donations in light of the constant call by clubs to increase the administration subsidy.

The Chairman directed that the Finance Department monitor this activity and report back as soon as possible. The report should detail the amount contributed and the disaster or charity.

### **Next Board Meeting**

The Chairman requested that the next Board meeting scheduled for Friday, 3 April 2009 be transferred to Thursday, 2 April 2009 at 9:00am.

Mr Ludwig advised the Board that he would be overseas for the next Board Meeting and gave his apologies.



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The Board **NOTED** Mr Ludwig's absence and excused his absence at the next meeting.

The Board **NOTED** that the next Board Meeting is scheduled for: ***Thursday, 2 April 2009 at 9:00am.***

Meeting concluded at 2:11 pm

**Confirmed as a true record.**



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**R G Bentley**

**Chairman**

**Dated...../...../2009**

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**ATTACHMENT “A”**

**Mr Bob Bentley**

Director of Tattersall's Limited  
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)  
Director/Chairman of Australian Racing Board  
Chairman of the Australian National Racing Committee

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club

**Mr Michael Lambert**

Director of RISA  
Director of the Trainers Service Centre

**Mr Bill Ludwig**

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)  
Member of the Brisbane Turf Club  
Member of the Queensland Turf Club  
Board Member of WorkCover Queensland

**Mr Bill Andrews**

Member of the Brisbane Turf Club  
Member of the Queensland Turf Club  
Member of the Thoroughbred Breeders Queensland Association.  
Member of the Racehorse Owners' Association



Minutes of  
Queensland Racing Limited  
Board Meeting



Friday, 1 May 2009

Board Room, Queensland Racing  
Racecourse Road, Deagon

Meeting Commenced at 9:40 am  
Meeting Concluded at 2:45 pm

Board  
Directors  
Present:

Bob Bentley - *Chairman*  
Tony Hanmer  
Bill Andrews  
Michael Lambert  
Bill Ludwig

In attendance:

Malcolm Tuttle - *Chief Operations Manager*  
Jamie Orchard - *Director Integrity Operations*  
Adam Carter - *Finance Manager*  
Shara Murray - *Corporate Counsel/  
Company Secretary*  
Peter Smith - *Licensing & Training Manager*  
David Rowan - *IT & T/Communications Manager*  
Ron Mathofer - *Business Analyst*  
David Grace - *CooperGraceWard Lawyers*  
Carl Gerrard - *Deloitte*

Minutes:

Debbie Toohey

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**SECTION 1 – STANDING ITEMS**

**1.1 Apologies**

There were no apologies.

**1.2 Declaration of Conflicts of Interest**

The following changes were made:

**Mr Bob Bentley**

Delete – Chairman of the Australian National Racing Committee.  
Insert – Vice President of the Asian Racing Federation.

**Mr Michael Lambert**

Delete – Director of the Trainers Service Centre.

The Board **NOTED** Attachment “A”

### **1.3 Confirmation of Minutes of Queensland Racing Limited BM#31 on 2 April 2009**

The Board made the following amendments to the minutes:-

#### **3.1 Finance and Wagering Report**

First sentence amend “budged” to “budgeted”.

Third paragraph to now read: “ Expenditure was \$784K below budget caused by four lost TAB meetings and numerous others affected by rain.”

#### **5.1 Licensing Report**

Delete “**SECONDED** by Mr Tony Lambert and replace with “**SECONDED** by Mr Tony Hanmer”.

#### **6.2 Mackay Turf Club**

First paragraph to now read: “ Mr Orchard updated the Board in relation to the current situation of the issues which arose during the Mackay race meeting on 19 March 2009.”

#### **10.4 Fees Policy**

Third Paragraph the word “grated” to be replaced with “granted”.

The Board **RESOLVED** that the QRL Board Meeting Minutes of 2 April 2009 with the above amendments.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Michael Lambert

#### **1.4 Action Sheet**

The Board **NOTED** the action sheet.

#### **1.5 Correspondence / Matters for Noting**

The Board **NOTED** the correspondence.

### **SECTION 2 – DIRECTORS**

#### **2.1 Audit Committee Meeting**

Mr Michael Lambert updated the Board of the Audit Committee meeting which was held on 1 May 2009 as below:

- Risk Management Policy has been endorsed by the Committee.
- Event Management Policy has been endorsed by the Committee.
- The Draft Financial Management Manual still needs work.
- QRL bank accounts to be switched from Westpac to NAB with the prospect of all TAB clubs also banking with NAB in the future.
- BDO Kendalls will be commencing an external audit on 15 June 2009 and reporting to the Audit Committee Meeting on the 28 August 2009.

The Board **NOTED** the update.

The Chairman exited the meeting at 10:05am for agenda items 2.2, 5.2 and 7.2. Mr Tony Hanmer assumed the role of Chairman. Mr David Grace of Cooper Grace Ward Lawyers entered the meeting.

## 2.2 **Betfair**

### ***Board Agenda Item 5.2 - Applications by Wagering Operators for Authority to Use Queensland Race Information (Thoroughbred)***

Mr Peter Smith outlined to the Board Chapter 3 Part 6 of the *Racing Act 2002* and the Racing Regulations 2003, which the Board was required to take into account when considering any application by wagering operators for authority to use Queensland race information.

Mr Smith advised the Board of the following:

In making a decision to grant the authority, the Board must have regard to:

- (a) the applicant's character or business reputation;
- (b) the applicant's current financial position and financial background; and
- (c) business associations with any other entity (*if any*);
- (d) (*Insert this only if the applicant is a corporation*) the character or business reputation of the corporation's executive officers and the current financial position and financial background of the corporation's executive officers; and
- (e) whether issuing a race information authority to the applicant would undermine the integrity of the conduct of the code of racing in Queensland.

The Board must not take into account:

- (a) (*only insert if applicant's principal place of residence is in another State*) that the applicant's principal place of residence is outside Queensland;
- (b) (*where the applicant is an individual who conducts a wagering business in another State*) that the applicant conducts a wagering business in another State;
- (c) (*where the applicant is a corporation that has its registered office or principal place of residency in another State*) that the applicant has its registered office under the *Corporations Act*, or principal place of business in another State;
- (d) (*where the applicant holds a licence or other authority under a law of another State*) authorising it to conduct a wagering business – that the licence or other authority is held under the law of another State; or
- (e) (*for an applicant that is a licensed wagering operator that holds a licence or other authority you should buy a principal racing authority of another State authorising it to conduct a wagering business*) that the licence or other authority is issued by a principal racing authority of another State.

The conditions upon which any authority maybe granted must be included for any authority and to include:

- (a) that the authority is for the duration commencing 1 September 2008 until 30 June 2010 or some other time;
- (b) that the authority will pay to Queensland Racing fees pursuant to section 113E(3) of the *Racing Act 2002* as follows: (*set out the provisions of clause 8.0 of the Guidelines to use Queensland Racing information verbatim this will include everything from the heading "Fees" to and including the paragraph headed "Wagering Turnover above \$4,000,000"*); and

- (c) the authority holder must pay to Queensland Racing the fee for the period from 1 September 2008 to the day of issue of the authority pursuant to section 113E(5) of the *Racing Act 2002*.

In light of the above information provided by Mr Smith, the Board considered and **APPROVED** the applications received by wagering operators to use Queensland race information (thoroughbreds).

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Bill Andrews

#### **Motion Carried**

Mr Hanmer moved that the Manager of Licensing and Training put in place procedures for monitoring those in the wagering business who do not hold a license so that the obligations created by the Act and Regulations are adequately enforced.

**MOVED** by Mr Michael Lambert **SECONDED** by Mr Bill Andrews

#### **Motion Carried**

#### ***Board Agenda Item 2.2 – Betfair Presentation by David Grace***

Mr David Grace provided the Board with an update in relation to the Betfair request for reasons for the determining of the amount of the fee set out in the Guidelines.

The Board **AGREED** in principle that it will provide to Betfair its reasons for selecting the 1.5% fee formula for publication in its Guidelines.

The Board **RESOLVED** that the reasons set out in Attachment “B” are confirmed by the Board as the reasons for the establishment of the fee set out in Note 8 of the Guidelines to apply under Section 113E of the *Racing Act 2002*.

**MOVED** by Mr Michael Lambert **SECONDED** by Mr Bill Andrews.

#### **Motion Carried**

Board Agenda item 7.2 was **NOTED** by the Board.

The Chairman returned to the meeting at 11:25am.

### **SECTION 3 –9 DEPARTMENTS**

#### **3.1 Finance and Wagering Report**

QRL recorded a deficit of \$1.7M up \$1.5M on the \$242K budgeted deficit for March 2009.

Revenue was on budget for the month of March after an adjustment for Race Fields Fees. Following adjustments for imported wagering products resulted in a nil effect for the March revenue.

Prizemoney was under budget due to pool transfers from lost TAB and non-TAB meetings affected by rain. Advertising costs for QTIS600 of \$60K pushed admin costs over budget.

YTD the surplus of \$5.4M is \$3.5M ahead of the budgeted surplus of \$1.8M. YTD total revenue is up \$5.6M on budget after adjustments for Race Fields Product Fees of \$5.9M.

That the Board **NOTED** the March 2009 Finance and Wagering Report as presented.

### **3.2 Donations Policy by Licensed Clubs**

Mr Adam Carter presented to the Board the Draft “Donations Policy by Licensed Clubs”.

The Board did not approve the Donations Policy by Licensed Clubs and decided that QRL should reinforce its current obligations under the *Racing Act 2002* in relation to donations.

### **3.3 Update on Mount Isa Race Club**

Mr Ron Mathofer updated the Board on the current financial position of the Mount Isa Race Club.

Mr Mathofer indicated that he was receiving timely information from the Club and that their profit position was good.

The Board **APPROVED**:

Options:

1. Require the Club to continue supply monthly financial statements by the 21<sup>st</sup> of the following month for the remainder of FY 08/09.
2. Require the club to enter into the supply evidence of a long term agreement with trustees of Buchanan Park complex at the earliest convenience.

The above Options of the recommendations and also that QRL performs a follow up assessment of the Club to ascertain the level of improvement in the policies and procedures that are in place and to monitor the future performance of the Club.

### **3.4 Strategic Plan**

Mr Jamie Orchard, Mr Peter Smith, Mr Adam Carter and Mr David Rowan were invited to attend the Board meeting discussion on the Strategic Plan.

Mr Michael Lambert provided the Board and QRL Managers with the Draft Strategic Plan Version 9. He indicated that this plan was for the whole of the industry.

The following was noted:

- The plan is a shared resource with the whole of the industry. QRL will allow the industry input into the plan. QRL will reserve the right to accept or not accept changes from the industry to the plan.
- The Funding Plan is a separate issue.
- QRL will work through a program for a series of workshops to be rolled out around late July early August 2009.
- The Issues Paper that Mr Malcolm Tuttle is compiling deals with certain strategies articulated in the Plan.

It was suggested that:

- Wadham Park to feature in the Strategic Plan.
- Looking at a 3 year plan instead of 5 years.
- Point 5.3, dot point 3 of the Strategic Plan - that a centralised CEO, CFO and Marketing Manager to cover the series of super clubs be incorporated in the discussion paper.

- Identify key racing facilities in the Strategic Plan and prioritise these facilities eg. Brisbane Racing Club.

The Board **NOTED** the update.

### **3.5 Disaster & Charity Race Meetings**

Mr Carter updated the Board on the Disaster and Charity Racing Meetings

The Board **SUGGESTED** that all Clubs are to account for their Disaster and Charity Racing Meetings and that Mr Carter to write to all clubs.

The Board **NOTED** the update.

### **3.6 Sunshine Coast Turf Club**

Mr Carl Gerrard updated the Board on the Corporate Governance and Financial Management Assessment of the Sunshine Coast Turf Club (SCTC).

Mr Gerrard brought to the Board's attention the major areas of concerns in the finance operations of the SCTC.

The Board were unanimous in their concern with the deficiencies identified in the Deloitte's report, in particular Board tenure, governance and financial accountability should be addressed as a matter of urgency.

The Board also expressed concern at the CEO's TRV being \$200,000 this being far in excess of any reasonable remuneration for business the size of the Sunshine Coast.

The Board **AGREED** that should the SCTC Committee not respond to the seriousness of the report and address the issues of CEO performance, Board tenure, Board performance and financial accountability then QRL should consider (a Show Cause Notice) and proceed to de-license the Club.

The Board **AGREED** that the Chairman and Mr Gerrard meet with the SCTC Board members (excluding the CEO) and outline the major issues and problems arising out of the Deloitte's report. The SCTC Board will then be given an opportunity to respond to the Report.

This was **NOTED** by the Board.

### **4.1 Wadham Park**

Mr Tuttle updated the Board in relation to the due diligence and preliminary planning work for Wadham Park 1 and Wadham Park 2.

Due diligence has commenced with the engagement of a consultants panel.

A funding model will be presented to the Board at the June Board meeting on the basis that the purchase is proceeded with.

Mr Tuttle advised that there has been no response from the Minister concerning the stamp duty exemption.

The Board **NOTED** the update.



## **2.1 Licensing Report**

**MOVED** by Mr Bill Andrews **SECONDED** by Mr Tony Hanmer

That the Board **APPROVE** that the Licensing Report be adopted.

## **5.2 Applications by Wagering Operators for Authority to Use Queensland Race Information (Thoroughbred)**

This item was considered in conjunction with agenda item 2.2.

### **5.1 Integrity Report – April 2009**

Mr Jamie Orchard updated the Board on the current status of activities and programs in the Integrity Department.

The Board **NOTED** the update.

### **6.2 Responsibility for Key Race Day Officials**

Mr Orchard sought the Board's approval to implement a plan for QRL to take direct responsibility for key race day officials.

The Board discussed the issue in detail following the in principal agreement following the Board meeting in April item 6.3. Mr Orchard expressed the view that this was one of the final integrity functions that QRL had not accepted responsibility. Mr Orchard advised the Board that all integrity functions should be a matter for QRL as there was a perception and some instances of practices especially at barriers that did not pass scrutiny and he recommended the Board that this function should be taken over forthwith.

Mr Lambert and Mr Andrews spoke against the motion.

Mr Orchard has revised the figures to **\$1,557,500** per year to fund the employment of key race day officials. Mr Orchard advised that he is currently working on cutting the travel expenses and the days required by part-time staff. Mr Orchard also indicated that this cost should be able to be recovered from the administration levy currently paid to clubs and the overall cost will be neutral to QRL.

The above will be progressively implemented from 1 August 2009, with Toowoomba expected to move to QRL barrier attendants for the July meeting.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

#### **For**

Mr Bentley, Mr Hanmer and Mr Ludwig

#### **Against**

Mr Andrews and Mr Lambert

**Motion carried**

### **6.3 Code of Conduct for Race Day Officials**

Mr Orchard sought the Board's approval for stewards to seek cooperation from Race clubs to ensure all race day officials comply with QRL's Code of Conduct.

The Code of Conduct to be amended as follows"

Page 5 – under the heading “**Discrimination**”, second sentence the word “disability” is to be added.

The Board **APPROVED** the Code of Conduct with the above amendment.

### **7.1 Review of Policy**

Mr Orchard advised the Board that the “Drug and Alcohol Policy” has been reviewed with only a small but significant change in light of the Mackay race meeting. As this amendment does not change the essence of the Policy no consultation is required.

The Board **NOTED** the Policy.

### **7.2 Betfair Update**

This item was **NOTED** at agenda item 2.2.

### **7.3 Toowoomba Synthetic Track – Update**

Ms Shara Murray updated the Board in relation to the installation of the synthetic track at Toowoomba and to seek the Board’s approval in relation to an additional estimated \$2M to complete the Project due to delays with the procurement of the surface material from Equestrian Surfaces and the unexpected technical issues with the existing lights upgrade.

The principal cause of the budget overrun was a previously unexpected necessity to replace the switch gear for the latest lights to be installed.

Ms Murray also informed the Board that \$500,000 will be recovered from the Toowoomba Turf Club for lighting and earthworks, this recovery is due to the associated costs and the Club’s desire to extend the 400M shute. In addition, there will be charge for ongoing maintenance material.

**MOVED** by Mr Michael Lambert **SECONDED** by Mr Bill Ludwig

That an additional \$2M be contributed by QRL to complete the installation of synthetic track at Clifford Park, Toowoomba.

**Motion carried**

### **8.1 History of Racing Update**

Mr David Rowan updated the Board in relation to the History of Racing project.

The Board **NOTED** the update

## **SECTION 9 – GENERAL BUSINESS**

### **9.1 QTIS 600 Media**

The Board **NOTED** the update.

## 9.2 Chief Steward Position

Mr Orchard requested the Board to confirm or otherwise the position of Chief Steward so that a positive decision can be formalised prior to the start of the winter carnival. Mr Orchard strongly recommended that Mr Birch be appointed the position. Mr Birch has been acting Chief Steward for some months and has been observed by Mr Orchard and Mr John Schreck over these months in this position.

The Board noted that Mr Birch had improved the morale of his fellow stewards and the general perception of the stewarding ranks by stakeholders. Mr Birch has developed a strong and respected relationship within the industry.

This was **APPROVED** by the Board.

Meeting concluded at 2:45 pm

**Confirmed as a true record.**



**R G Bentley**

**Chairman**

**Dated 26/1/2009**

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**ATTACHMENT “A”**

**Mr Bob Bentley**

Director of Tattersall's Limited  
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)  
Director/Chairman of Australian Racing Board  
Vice President of the Asian Racing Federation

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club

**Mr Michael Lambert**

Director of RISA

**Mr Bill Ludwig**

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)  
Member of the Brisbane Turf Club  
Member of the Queensland Turf Club  
Board Member of WorkCover Queensland

**Mr Bill Andrews**

Member of the Brisbane Turf Club  
Member of the Queensland Turf Club  
Member of the Thoroughbred Breeders Queensland Association.  
Member of the Racehorse Owners' Association

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**ATTACHMENT “B”**

1. Turnover is a measure that can be recorded with accuracy and is not subject to variation by the wagering operator. Conversely, gross wagering revenue can be determined by each wagering operator depending on the way the wagering business is structured and the model the wagering operator chooses to apply. For example a wagering operator may choose a high turnover low profit margin model or a lower turnover higher profit model. Wagering operators determine their own revenue models with no discussion/consultation with Queensland Racing Limited (QRL).
2. Alternative models were considered by the board, including gross wagering models. Gross wagering models were considered unreliable in that they were subject to variation by wagering operators over which QRL has no control. This creates risk and uncertainty with respect to revenue for the Queensland Thoroughbred racing industry.
3. QRL took account of its responsibilities under the *Racing Act 2002* and its functions and the purposes for which the *Racing Act 2002* was passed by Parliament.
4. The board had regard to the position in NSW where a turnover model had been adopted with a rate of 1.5% to apply with a threshold limit of \$5M.

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**ATTACHMENT “A”**

**Mr Bob Bentley**

Director of Tattersall's Limited  
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)  
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Member of the Brisbane Turf Club  
Member of the Queensland Turf Club  
Board Member of WorkCover Queensland

**Mr Bill Andrews**

Member of the Brisbane Turf Club  
Member of the Queensland Turf Club  
Member of the Thoroughbred Breeders Queensland Association.  
Member of the Racehorse Owners' Association

---

**ATTACHMENT “B”**

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2. Alternative models were considered by the board, including gross wagering models. Gross wagering models were considered unreliable in that they were subject to variation by wagering operators over which QRL has no control. This creates risk and uncertainty with respect to revenue for the Queensland Thoroughbred racing industry.
3. QRL took account of its responsibilities under the *Racing Act 2002* and its functions and the purposes for which the *Racing Act 2002* was passed by Parliament.
4. The board had regard to the position in NSW where a turnover model had been adopted with a rate of 1.5% to apply with a threshold limit of \$5M.



Minutes of  
Queensland Racing Limited  
Board Meeting



Friday, 7 August 2009

Board Room, Queensland Racing  
Racecourse Road, Deagon

Meeting Commenced at 9:43 am  
Meeting Concluded at 12:30 pm

**Board** Bob Bentley - *Chairman*  
**Directors** Tony Hanmer  
**Present:** Bill Andrews  
Michael Lambert

**Apologies:** Bill Ludwig

**In attendance:** Malcolm Tuttle - *Chief Operations Manager*  
Jamie Orchard - *Director Integrity Operations*  
Adam Carter - *Finance Manager*  
Shara Murray - *Corporate Counsel/  
Company Secretary*  
Peter Smith - *Licensing & Training Manager*  
Ron Mathofer - *Business Analyst*

**Minutes:** Debbie Toohey

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The Chairman opened the Meeting at 9:43 am.

**SECTION 1 – STANDING ITEMS**

**1.1 Apologies**

An apology was **NOTED** from Mr Bill Ludwig.

**1.2 Declaration of Conflicts of Interest**

The following changes were made:

**Mr Michael Lambert**

Delete – Director of RISA

**Mr Bill Ludwig**

Delete – Member of the Brisbane Turf Club

Delete – Member of the Queensland Turf Club

Insert – Member of the Brisbane Racing Club

**Mr Bill Andrews**

Delete – Member of the Brisbane Turf Club

Delete – Member of the Queensland Turf Club

Insert – Member of the Brisbane Racing Club

The Board **NOTED** Attachment “A”



### **1.3 Confirmation of Minutes of Queensland Racing Limited BM#33 on 26 June 2009**

The Board made the following amendments to the minutes:-

#### **Stabling arrangements for horses affected by Mr Maund's disqualification**

Delete – "Motion carried".

#### **Correspondence/Matters for Noting – 1.5**

First paragraph, last sentence to now read:

*"He went on to say that the submission was poorly constructed and contained various deficiencies."*

Second paragraph, third line to now read:

*"the issues paper was the collective views of the Board.".....*

Paragraph to be added as follows:

*"Mr Lambert was invited to circulate to the Board his views on the paper."*

#### **Audit Committee Meeting – 2.1**

First dot point, last sentence to now read:

*"Mr Lambert reported that the new RISA barcoding would improve procedures and capture the exact gate numbers; if adopted."*

Fourth dot point, last sentence to now read:

*"Mr Lambert suggested that QRL management bring to the Board a proposal for consolidation of the records of club correspondence."*

The Board **RESOLVED** that the QRL Board Meeting Minutes of 26 June 2009 be received and confirmed.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Michael Lambert

### **1.4 Action Sheet**

The Board **NOTED** the action sheet – no additions were made.

### **1.5 Correspondence / Matters for Noting**

The Board **NOTED** that there was no correspondence for noting.

## **1.6 Confirmation of Flying Minutes**

The Board **CONFIRMED** the following Flying Minutes:

1. That the Board reply to Mr Maund by letter under the hand of the Chairman in the terms set out in the attached draft as soon as possible
2. That in respect of providing raceday officials to meetings at TAB clubs, this be achieved through transitional period from 1 August 2009 to 30 September 2009 with the key raceday officials being provided by QRL to certain meetings and other meetings staffed by club part-time employees. From 1 October 2009, QRL will take responsibility for the supply of these staff to all meetings conducted by TAB clubs.
3. That the Board resolve to declare camel races which satisfy the following conditions as a sporting contingency pursuant to Section 255 of the *Racing Act 2002*:
  - Camel races must occur at a venue at which a betting meeting is being held;
  - There must be an appropriate and effective system that animal identification of animals involved in races;
  - There must be properly appointed stewards, starter and judges officiating at the races; and
  - The results of the races must be formally recorded and published.

## **SECTION 2 – DIRECTORS**

### **2.1 Audit Committee Meeting**

Mr Lambert updated the Board on the Audit Committee meeting, which was held on 7 August 2009.

External Auditors, BDO Kendalls conducted an interim audit review and highlighted the following:

- Notional Loans for the loans to be recorded in the balance sheet of QRL, there needs to be documentation indicating that there are loans in place and that the terms are commercial.
- Issues have been identified in the accuracy of Race Information revenue:
  - The amount being invoiced by QRL will not be equal to the amount that will be recognisable as revenue. This is caused by the variance in the percentage of wagering revenue QRL can invoice and the amount QRL will eventually receive.
  - Wagering Operators are only required to provide their audited annual statements within 60 days of the year end. Therefore these statements may not be received by QRL before the audit visit at the end of July.
  - Also auditors expressed concern at the lack of certainty of QRL being able to retain Race Information Fees given current court challenges and other jurisdiction and requested additional legal opinion in seeking comfort.

Ms Shara Murray to liaise with CooperGraceWard Lawyers and Mr Damian Wright that the total Race Information Authority Fee amount would be recoverable.

Deloitte provided the Audit Committee with a further report and draft letter setting out the issues and responses of both parties on the assessment of the corporate governance and financial operations of the Sunshine Coast Turf Club (SCTC) and the Townsville Turf Club (TTC).

A number of issues were raised. Both clubs have had a significant decline in performance, with TTC being the worst rated TAB club. This has been conveyed to the CEO of TTC by Deloitte.

It is suggested that the representatives of QRL and Deloitte meet with the SCTC committee to address the issues raised and follow up assessments of both Clubs be put in place.

The Board **NOTED** the update.

### **SECTION 3 –9 DEPARTMENTS**

#### **3.1 Finance and Wagering Report**

QRL recorded a YTD surplus of \$19.5M up \$28.4M on the \$8.9M budgeted deficit for the year ended 30 June 2009.

Revenue exceeded budget for the year by \$29.1M. The major contributor to revenue being over budget was Race Information Fee (RIF) \$22.2M for the period September 08 to June 09. This was not budgeted for.

Product and Program Fee, excluding RIF, was 3.7% or \$3.6M above budget for the year ended June 09.

YTD expenses were \$622K over budget for FY08/09; however there were major variances in Club Capital Expenditures and RIF.

QTIS registrations are \$1.2M up on budget due to the QTIS600 program which was not budgeted at the start of FY06/07.

Mr Adam Carter also updated the Board on the following:

- He is seeking from Contours the exact cost of the Toowoomba Synthetic Track.
- Mr David Rowan is researching websites that are using Queensland Race Information. Once these have been identified they will be sent a letter regarding authority to use Race Information.
- No further correspondence in relation to fees owing will be sent to Betfair, Sportsbet or SportingBet concerning Race Information at this stage.

Mr Ron Mathofer updated the Board concerning the Off-course Wagering YTD which was down 2.64%. On-course Wagering YTD was also down 15.17%. The monthly UNITAB figures for Queensland was up 5.2%. The Board requested that comparable monthly UNITAB figures from other states also be included if available.

The Board **NOTED** the Finance and Wagering Report as presented.

#### **3.2 Budget 2009-2010 Initiatives Version 2**

Mr Carter provided the Board with the Budget Version 2 for the year ended 30 June 2010 for approval.

The Board suggested that a Performance Service Agreement be placed on the agenda for further consideration.

The Board **APPROVED** the following:

1. Non-Tab Prizemoney increases. (BM#27)
2. The change in the name of Admin Subsidies to Operational Subsidies for TAB clubs subject to the timing of when integrity related staff are employed by QRL. QRL to recoup all additional costs. Implementation date to be 1 January 2010.
3. Jockey riding fee increase from \$140 to \$143 per ride from 1 September 2009 based on CPI as at 30 June 2009. (BM#27)
4. 2.5% increase as at 30 June 2009 in Total Salaries, final individual salaries will be determined after performance reviews in July and August by the Chief Operations Manager.
5. Casual Wage rates for stewards and swab attendant to be increased to 2.5% for FY09/10.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Michael Lambert

**Motion carried**

6. The change in the Operational Subsidy to Non Tab Clubs total \$555K.
7. System development improvements of \$200K up from \$169K in FY08/09 for items 1, 2 and 3.

These two items were **NOTED** by the Board.

### **3.3 Update Cents per Kilometre Rates for Cars**

Mr Carter updated the Board in relation to the increase in the mileage rate per kilometre by the Australian Taxation Office (ATO).

The ATO rate change is from 69 cents to 74 cents per kilometre.

This was **APPROVED** by the Board.

**MOVED** by Mr Michael Lambert **SECONDED** by Mr Bill Andrews

**Motion carried**

### **4.1 Broadcast Rights**

Mr Malcolm Tuttle sought the Board's approval to engage L.E.K Consulting for the negotiation phase of the broadcast strategy.

This was **APPROVED** by the Board.

**MOVED** by Mr Michael Lambert **SECONDED** by Mr Tony Hanmer

**Motion carried**

Due to the potential conflict of interest, the Chairman removed himself from the meeting. Mr Tony Hanmer assumed the Chair in the absence of the Chairman.

#### 4.2 Application of condition re Betfair's Authority to use Queensland Race Information

The Board discussed the application of the conditions to Betfair's authority to use Queensland Race Information. The Board agreed that correspondence be forwarded to Betfair inviting Betfair to make any further submissions in relation to this matter.

**MOVED** by Mr Bill Andrews **SECONDED** by Mr Michael Lambert

#### Motion carried

Mr Bentley returned to the Board meeting and resumed the role of Chairman.

#### 5.1 Licensing Report

**MOVED** by Mr Bill Andrews **SECONDED** by Mr Michael Lambert

That the Board **APPROVE** that the Licensing Report be adopted.

Due to the potential conflict of interests, the Chairman removed himself from the meeting. Mr Tony Hanmer assumed the Chair in the absence of the Chairman.

#### 5.2 Applications – Authority to use Race Information

Name	Accepted?		Conditions
	Yes	No	
Burswood Bookmaking	✓		See Appendix A
Owen Bradley	✓		See Appendix B
Barry Coonan	✓		See Appendix C
Kenny Elliott	✓		See Appendix D
Gee Gee Racing	✓		See Appendix E
Ronald Murphy	✓		See Appendix F
Eric Phillips		✓	Mr Phillips needs to reapply due to no expiry date completed and also signing off in 'Position Title' as "Sitting Bull". QRL also gives Mr Phillips the opportunity to meet with QRL to discuss his comments in relation to 6.2A (additional information). See Appendix G
Chris Picone	✓		See Appendix H
Dennis Picone	✓		See Appendix I
Terry Picone	✓		See Appendix J
Graeme Saunders	✓		See Appendix K
David Thompson	✓		See Appendix L

Mr Bill Andrews declared a conflict of interest in relation to Mr Eric Phillips and removed himself from the decision on Mr Phillips.

Mr Bentley returned to the Board meeting and resumed the role of Chairman.

## 6.1 Integrity Report – July 2009

Mr Jamie Orchard updated the Board on the current status of activities and programs in the Integrity Department and sought the Board's approval to reduce the number of farriers required at provincial TAB meetings to one.

This was **APPROVED** by the Board.

**MOVED** by Mr Bill Andrews **SECONDED** by Mr Tony Hanmer

It was **AGREED** by the Board that Mr Wade Birch be removed from judging the Brisbane Racing Club award.

### **Motion carried**

## 7.1 Directors Selection 2009

Ms Murray updated the Board in relation to the Director Selection 2009 process.

Mr Andrews and Mr Lambert inquired of Ms Murray the reason that the Independent Recruitment Agency (IRC) had prepared a minimum shortlist of 4 as advised in the letter dated 18 June 2009 from Northern Recruitment. Mr Andrews stated that according to the letter there were 7 qualified eligible candidates yet only 4 were sent to the shortlist. Ms Murray advised that the Constitution clearly states that to be compliant, the IRC is only required to put forward 2 candidates to fill the vacancy plus 2.

The Chair advised that the director candidates for selection were at the sole discretion of the IRC and because candidates met the eligibility this does not guarantee an interview or final short listing.

Ms Murray further confirmed that the decision of the IRC to shortlist the nominations to 4 candidates was a decision made by the IRC, and at no time was QRL involved in the decision process, nor had Ms Murray conveyed any instructions to any person at the IRC in relation to the decision process to be undertaken.

Mr Andrews strongly contested that the process followed in the director nomination process was flawed. Furthermore, Mr Lambert concurred and stated that '*there is an error in the process that has been followed by the IRC.*'

The Chairman advised that the process had commenced, the Board had made its decision on director's retirement and the process of director selection was in progress according to the Constitution.

The Chair advised the he had received today a copy of the 11 page letter written by Bill Carter addressed to the Minister and cc'd to all Class 'A' Members, alleging among other things, misconduct and legality in the director selection process. The letter was tabled; the Chair advised that he would reply as soon as possible.

This was **NOTED** by the Board.

## **7.2 2009 Constitutional Changes and Increase in Directors Fees**

Following the discussion on item 7.1, general dissatisfaction of all directors on the outcomes on the constitutional election process, the Board agreed that the issue of amendments to the constitution should again be raised.

Mr Bill Andrews and Mr Michael Lambert retired to consider the following motion as per agenda item 7.2.

### ***Motion:***

That the Annual General Meeting of the company be convened to be held at Racecourse Road, Deagon on Tuesday the 17<sup>th</sup> day of November 2009 at 10:30am to include the following:

*That the Constitution of the company be amended to include changes which extend the term of the office of the remaining Founding Directors, Messrs Bentley, Hanmer and Ludwig to the Annual General Meeting following the close of the 2012 financial year and to increase the Directors' fees from the sum of \$260,000 being paid to Directors at present to the sum of \$320,000 (subject to final Mercer Report) to be distributed to a number of Directors as decided by the Board which resolutions shall be in a form approved by the Company's Lawyers.*

**MOVED** by Mr Bill Andrews **SECONDED** by Mr Michael Lambert

Mr Bentley and Mr Hanmer abstained.

**Motion carried**

## **8.1 Media Accreditation Policy**

Mr Hanmer presented to the Board the draft Media Accreditation Policy for approval.

This was **APPROVED** by the Board.

**MOVED** by Mr Bill Andrews **SECONDED** by Mr Michael Lambert

**Motion carried**

Meeting concluded at 12:30pm

**Confirmed as a true record.**



**R G Bentley**  
**Chairman**

**Dated... 7... 10... /2009**

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**ATTACHMENT "A"**

**Mr Bob Bentley**

Director of Tattersall's Group  
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)  
Director/Chairman of Australian Racing Board  
Vice President of the Asian Racing Federation

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club

**Mr Bill Ludwig**

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)  
Board Member of WorkCover Queensland  
Member of the Brisbane Racing Club

**Mr Bill Andrews**

Member of the Thoroughbred Breeders Queensland Association.  
Member of the Racehorse Owners' Association  
Member of the Brisbane Racing Club



## Appendix A

### Race Information – List of Applicants

#### ***Burswood Bookmaking***

In considering this application by Burswood Bookmaking, the Board formally discussed, considered and were satisfied with:

1. Burswood Bookmaking's character and business reputation
2. Burswood Bookmaking's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Burswood Bookmaking's executive officers and the current financial position and financial background of Paul Barrett's executive officers; and
5. that issuing a race information authority to Burswood Bookmaking would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Burswood Bookmaking.

Conditions attached to this Authority to Burswood Bookmaking:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date).

## **Appendix B**

### ***Owen Bradley***

In considering this application by Owen Bradley, the Board formally discussed, considered and were satisfied with:

1. Owen Bradley's character and business reputation
2. Owen Bradley's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Owen Bradley's executive officers and the current financial position and financial background of Owen Bradley's executive officers; and
5. that issuing a race information authority to Owen Bradley would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Owen Bradley.

Conditions attached to this Authority to Owen Bradley:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date)

## Appendix C

### **Barry Coonan**

In considering this application by Barry Coonan, the Board formally discussed, considered and were satisfied with:

1. Barry Coonan's character and business reputation
2. Barry Coonan's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Barry Coonan's executive officers and the current financial position and financial background of Barry Coonan's executive officers; and
5. that issuing a race information authority to Barry Coonan would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Barry Coonan.

Conditions attached to this Authority to Barry Coonan:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date).

## **Appendix D**

### ***Kenny Elliott***

In considering this application by Kenny Elliott, the Board formally discussed, considered and were satisfied with:

1. Kenny Elliott's character and business reputation
2. Kenny Elliott's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Kenny Elliott's executive officers and the current financial position and financial background of Kenny Elliott's executive officers; and
5. that issuing a race information authority to Kenny Elliott's would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Kenny Elliott.

Conditions attached to this Authority to Kenny Elliott:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date)

## Appendix E

### ***Gee Gee Racing***

In considering this application by Gee Gee Racing, the Board formally discussed, considered and were satisfied with:

1. Gee Gee Racing's character and business reputation
2. Gee Gee Racing's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Gee Gee Racing's executive officers and the current financial position and financial background of Gee Gee Racing's executive officers; and
5. that issuing a race information authority to Gee Gee Racing would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Gee Gee Racing.

Conditions attached to this Authority Gee Gee Racing:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date)

## Appendix F

### ***Ronald Murphy***

In considering this application by Ronald Murphy, the Board formally discussed, considered and were satisfied with:

1. Ronald Murphy's character and business reputation
2. Ronald Murphy's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Ronald Murphy's executive officers and the current financial position and financial background of Ronald Murphy's executive officers; and
5. that issuing a race information authority to Ronald Murphy would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Ronald Murphy.

Conditions attached to this Authority to Ronald Murphy:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date)

## **Appendix G**

### ***Eric Phillips***

In considering this application by Lloyd Mitchell, the Board formally discussed, considered and decided that:

Mr Phillips needs to reapply due to no expiry date completed and also signing off in 'Position Title' as "Sitting Bull".

QRL also gives Mr Phillips the opportunity to meet with QRL to discuss his comments in relation to 6.2A (additional information).

## **Appendix H**

### ***Chris Picone***

In considering this application by Chris Picone, the Board formally discussed, considered and were satisfied with:

1. Chris Picone's character and business reputation
2. Chris Picone's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Chris Picone's executive officers and the current financial position and financial background of Chris Picone's executive officers; and
5. that issuing a race information authority to Chris Picone would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Chris Picone.

Conditions attached to this Authority to Chris Picone:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date).



## Appendix I

### ***Denis Picone***

In considering this application by Denis Picone, the Board formally discussed, considered and were satisfied with:

1. Denis Picone's character and business reputation
2. Denis Picone's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Denis Picone's executive officers and the current financial position and financial background of Denis Picone's executive officers; and
5. that issuing a race information authority to Denis Picone would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Denis Picone.

Conditions attached to this Authority to Denis Picone:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date).

## Appendix J

### ***Terry Picone***

In considering this application by Terry Picone, the Board formally discussed, considered and were satisfied with:

1. Terry Picone's character and business reputation
2. Terry Picone's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Terry Picone's executive officers and the current financial position and financial background of Terry Picone's executive officers; and
5. that issuing a race information authority to Terry Picone would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Terry Picone.

Conditions attached to this Authority to Terry Picone:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date).

## **Appendix K**

### ***Graeme Saunders***

In considering this application by Graeme Saunders, the Board formally discussed, considered and were satisfied with:

1. Graeme Saunders' character and business reputation
2. Graeme Saunders' current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Graeme Saunders' executive officers and the current financial position and financial background of Graeme Saunders' executive officers; and
5. that issuing a race information authority to Graeme Saunders would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Graeme Saunders.

Conditions attached to this Authority to Graeme Saunders:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date).

## Appendix L

### *David Thompson*

In considering this application by David Thompson, the Board formally discussed, considered and were satisfied with:

1. David Thompson's character and business reputation
2. David Thompson's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of David Thompson's executive officers and the current financial position and financial background of David Thompson's executive officers; and
5. that issuing a race information authority to David Thompson would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by David Thompson.

Conditions attached to this Authority to David Thompson:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date).



Minutes of  
Queensland Racing Limited  
Board Meeting



Friday, 4 September 2009

Board Room, Queensland Racing  
Racecourse Road, Deagon

Meeting Commenced at 9:30 am  
Meeting Concluded at 12:15 pm

**Board Directors Present:** Bob Bentley - *Chairman*  
Tony Hanmer  
Bill Andrews  
Michael Lambert  
Bill Ludwig

**In attendance:** Malcolm Tuttle - *Chief Operations Manager*  
Jamie Orchard - *Director Integrity Operations*  
Adam Carter - *Finance Manager*  
Shara Murray - *Corporate Counsel/  
Company Secretary*  
Peter Smith - *Licensing & Training Manager*  
Ron Mathofer - *Business Analyst*

**Minutes:** Debbie Toohey

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The Chairman opened the Meeting at 9:30 am.

**SECTION 1 – STANDING ITEMS**

**1.1 Apologies**

There were no apologies for this meeting.

**1.2 Declaration of Conflicts of Interest**

The Board **NOTED** Attachment “A”.

**1.3 Confirmation of Minutes of Queensland Racing Limited BM#34 on 7 August 2009**

The Board made the following amendments to the minutes:-

**Audit Committee Meeting – 2.1**

First dot point to read – “Notional Loans for the loans to be recorded in the balance sheet of QRL, there needs to be documentation indicating that there are loans in place and that the terms are commercial.

Second dot point is to be deleted.

Third dot point added which reads “ Also auditors expressed concern at the lack of certainty of QRL being able to retain race information fees given current court challenges in other jurisdiction and requested additional legal opinion in seeking comfort.

Third paragraph to now read: “Ms Shara Murray to liaise with Cooper Grace Ward Lawyers and Mr Damian Wright that the total Race Information Authority Fee amount would be recoverable”.

Fourth paragraph to now read: “Deloittes provided the Audit Committee with a further report and draft letter setting out the issues and responses of both parties.”

Last paragraph to now read: “It is suggested that representatives of QRL and Deloittes meet with the SCTC committee to address the issues raised and follow up assessments of both Clubs be put in place.

### **Budget 2009-2010 Initiatives Version 2 – 3.2**

Item 2 to now read: “The change in the name of Admin Subsidies to Operational Subsidies for TAB clubs subject to the timing occurring when integrity related staff are employed by QRL.” ....

Item 3 and 8 are to be noted.

### **Applications – Authority to use Race Information – 5.2**

Mr Eric Phillips is to be changed to “no”

### **Directors Selection 2009 – 7.1**

Mr Bill Andrews and Mr Michael Lambert requested that the meeting be adjourned so they could discuss the first sentence of paragraph 7:

*“Mr Andrews and Mr Lambert raised whether the process of the original selection of directors for retirement was reasonable and practicable and strongly suggested it should be revisited.”*

Mr Andrews and Mr Lambert left the meeting at 9:45am for a discussion. Mr Andrews and Mr Lambert returned to the meeting at 9:50am.

After returning to the meeting, Mr Andrews and Mr Lambert requested that this sentence be deleted from the minutes. The Chairman, Mr Hanmer and Mr Ludwig agreed to have this sentence deleted.

### **2009 Constitutional changes and Increase in Directors Fees – 7.2**

Mr Lambert raised his concern that paragraphs 2 and 3 of 7.1 were not recorded correctly and sought to have these paragraphs changed. The chair advised that the minutes were a true and accurate account of the proceedings of the meeting and he would not support any changes. Mr Hanmer concurred with the Chairman’s view that the minutes were both accurate and a true reflection of the meeting.

The Board **RESOLVED** that the QRL Board Meeting Minutes of 7 August 2009 be received and confirmed.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bill Andrews

#### **1.4 Action Sheet**

The Board **NOTED** the action sheet with the following changes:

Race Field Information: Liaise with Cooper Grace Ward Lawyers and Mr Damian Wright that the total Race Information Authority Fee amount would be recoverable.

Data Collection Centralisation: QRL Management bring to the Board a proposal for the consolidation of the records of club correspondence.

#### **1.5 Correspondence / Matters for Noting**

The Board **NOTED** that there was no correspondence for noting.

#### **1.6 Confirmation of Flying Minutes**

The Board **NOTED** that there were no flying minutes for noting.

### **SECTION 2 – DIRECTORS**

#### **2.1 Audit Committee Meeting**

There was no update on the Audit Committee Meeting as this meeting was cancelled.

#### **2.2 Product & Strategy Committee**

Mr Tony Hanmer updated the Board on Product & Strategy Committee meeting which was held on Tuesday, 18 August 2009.

The Board **NOTED** the update.

#### **2.3 QRIA Overview**

Mr Hanmer updated the Board on the 2009 Queensland Racing Industry Awards night.

The Board **NOTED** the update.

### **SECTION 3 – 7 DEPARTMENTS**

#### **3.1 Finance and Wagering Report**

QRL recorded a MTD surplus of \$1.69M down \$349K on the \$2.04M budgeted surplus for the month ended 31 July 2009..

Revenue exceeded budget for the month by \$111K, the major contributor being QTIS registrations.

Product and Program Fee was 0.46% or \$37K below budget for July 2009. This \$8.05M was 1.7% up on last year and 9.0% up on FY0607.

The Board **NOTED** the Finance and Wagering Report as presented.

### 3.2 Annual Financial Statements – June 2008

Mr Carter and Mr Ron Mathofer updated the Board with a powerpoint presentation on the Interim Annual Financial Statements and with discussion concerning the Race Information Fees.

The Board **NOTED** the update.

### 4.1 Employee Opinion Survey

Mr Malcolm Tuttle updated the Board on the results of the Employee Opinion Survey.

The Board **NOTED** the update.

### 5.1 Licensing Report

**MOVED** by Mr Michael Lambert **SECONDED** by Mr Bill Andrews

That the Board **APPROVE** that the Licensing Report be adopted.

Due to the potential conflict of interests, the Chairman removed himself from the meeting. Mr Tony Hanmer assumed the Chair in the absence of the Chairman.

### 5.2 Applications – Authority to use Race Information

Name	Accepted?		Conditions
	Yes	No	
Brian Ahern	✓		See Appendix A
Robert Duncan	✓		See Appendix B
Garry Hunt	✓		See Appendix C
Peter Mooney	✓		See Appendix D
David Murphy	✓		See Appendix E
Eric Phillips	✓		See Appendix F
Peter Shepherd	✓		See Appendix G
Typhoon Pools	✓		See Appendix H
Robert Willson	✓		See Appendix I

Mr Bentley returned to the Board meeting and resumed the role of Chairman.

### 6.1 Integrity Report – August 2009

Mr Jamie Orchard updated the Board on the current status of activities and programs in the Integrity Department and sought the Board's approval to allow Ipswich Turf Club to have a closed bookmakers ring.

This was **APPROVED** by the Board.

**MOVED** by Mr Michael Lambert **SECONDED** by Mr Tony Hanmer

**Motion carried**



## **6.2 Rules of Racing Policy**

Mr Orchard sought the Board's approval to have an urgent QRL "Rules of Racing" Policy made and the Australian Rules of Racing formally adopted.

**MOVED** by Mr Michael Lambert **SECONDED** by Mr Tony Hanmer

**Motion carried**

## **7.1 Update on Racing Departments Projects**

The Chairman updated the Board on a number of projects currently being undertaken by QRL.

The Board **NOTED** the update.

## **8.0 General Business**

### **8.1 Sunshine Coast Turf Club**

Mr Lambert updated the Board on the issues concerning the corporate governance and financial management of the Sunshine Coast Turf Club (SCTC) arising from the Deloitte review.

Mr Lambert reported that the SCTC in their response to Deloitte's did not respond to all items (approximately 27 not dealt with out of 47) which were asked of them. QRL would be seeking a response to all the outstanding issues, and have appointed Mr Tuttle and Mr Hanmer to oversee this.

### **8.2 SportingBet**

Ms Murray updated the Board in relation to SportingBet.

SportingBet has made a submission concerning the 1.5% authority fee. As per the court Order, QRL has 14 days to respond to this submission.

### **8.3 Constitution and QRL Directors Remuneration**

#### **Constitution**

Mr Lambert indicated that he wanted to rescind the previous Board Minute (additional Agenda item 7.2) concerning the Constitution and Directors Remuneration and wanted it replaced with a more general motion regarding the proposed changes to the constitution.

The Board agreed that the issue of constitutional changes to the QRL constitution would be discussed at a Special Board Meeting to be convened on Friday, 18 September 2009, subject to the final draft being available from Cooper Grace Ward Lawyers. The Chairman advised that Mr David Grace was on leave and there were some doubt if this date could be available. Should the meeting not proceed on the 18 September, 2009 a Special Board Meeting will be convened at a later date.

Ms Murray advised that the deadline for any constitutional changes would need to be approved by the Board prior to 30 September 2009, as Ms Murray would like to send all documentation out on 1 October 2009.

Ms Murray to liaise with Cooper Grace Ward Lawyers concerning the drafting of a new constitution.

## Directors Fees

Mr Lambert advised the Board that he was not objecting to the motion to put forward in relation to the increase in total Director's remuneration as set out in the August 2009 Board minutes. The Chairman advised that the right to seek an increase in directors remuneration already exists under clauses 15.14 and 15.15 of the QRL Constitution and the authority to seek an increase in Director's numbers is set out in clauses 15.1 and 15.9 of the Constitution.

The existing QRL Constitution under clauses 15.1 and 15.9 provides that a director appointed other than elected at an AGM holds office to the next AGM and would be required to stand for election to confirm their ongoing position on the Board. The director so appointed will then be up for election in future years in accordance with the constitution, as per clauses 15.9 and 17.

Mr Lambert and Mr Andrews agreed that they would support a motion to the annual meeting to increase the Directors' fees from the sum of \$260,000 being paid to Directors at present to the sum of \$320,000 (subject to final Mercer Report) to be distributed to a number of Directors as decided by the Board which resolution shall be in a form approved by the Company's Lawyers.

Ms Murray to liaise with Cooper Grace Ward Lawyers.

Meeting concluded at 12:15pm

**Confirmed as a true record.**



**R G Bentley**

**Chairman**

**Dated...16...1...12.../2009**

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**ATTACHMENT “A”**

**Mr Bob Bentley**

Director of Tattersall's Group  
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)  
Director/Chairman of Australian Racing Board  
Vice President of the Asian Racing Federation

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club

**Mr Bill Ludwig**

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)  
Board Member of WorkCover Queensland  
Member of the Brisbane Racing Club

**Mr Bill Andrews**

Member of the Thoroughbred Breeders Queensland Association.  
Member of the Racehorse Owners' Association  
Member of the Brisbane Racing Club

## **Appendix A**

### **Race Information – List of Applicants**

#### ***Brian Ahern***

In considering this application by Brian Ahern, the Board formally discussed, considered and were satisfied with:

1. Brian Ahern's character and business reputation
2. Brian Ahern's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Brian Ahern's executive officers and the current financial position and financial background of Brian Ahern's executive officers; and
5. that issuing a race information authority to Brian Ahern would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Brian Ahern.

Conditions attached to this Authority to Brian Ahern:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date).

## **Appendix B**

### ***Robert Duncan***

In considering this application by Robert Duncan, the Board formally discussed, considered and were satisfied with:

1. Robert Duncan's character and business reputation
2. Robert Duncan's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Robert Duncan's executive officers and the current financial position and financial background of Robert Duncan's executive officers; and
5. that issuing a race information authority to Robert Duncan would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Robert Duncan.

Conditions attached to this Authority to Robert Duncan:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date)

## **Appendix C**

### ***Garry Hunt***

In considering this application by Garry Hunt, the Board formally discussed, considered and were satisfied with:

1. Garry Hunt's character and business reputation
2. Garry Hunt's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Garry Hunt's executive officers and the current financial position and financial background of Garry Hunt's executive officers; and
5. that issuing a race information authority to Garry Hunt would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Garry Hunt.

Conditions attached to this Authority to Garry Hunt:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date).

## Appendix D

### ***Peter Mooney***

In considering this application by Peter Mooney, the Board formally discussed, considered and were satisfied with:

1. Peter Mooney's character and business reputation
2. Peter Mooney's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Peter Mooney's executive officers and the current financial position and financial background of Peter Mooney's executive officers; and
5. that issuing a race information authority to Peter Mooney's would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Peter Mooney.

Conditions attached to this Authority to Peter Mooney:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date)

## **Appendix E**

### ***David Murphy***

In considering this application by David Murphy, the Board formally discussed, considered and were satisfied with:

1. David Murphy's character and business reputation
2. David Murphy's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of David Murphy's executive officers and the current financial position and financial background of David Murphy's executive officers; and
5. that issuing a race information authority to David Murphy would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by David Murphy.

Conditions attached to this Authority David Murphy:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date)



## **Appendix F**

### ***Eric Phillips***

In considering this application by Eric Phillip, the Board formally discussed, considered and were satisfied with:

1. Eric Phillip's character and business reputation
2. Eric Phillip's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Eric Phillip's executive officers and the current financial position and financial background of Eric Phillip's executive officers; and
5. that issuing a race information authority to Eric Phillip would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Eric Phillip.

Conditions attached to this Authority to Eric Phillip:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date)

## **Appendix G**

### ***Peter Shepherd***

In considering this application by Peter Shepherd, the Board formally discussed, considered and were satisfied with:

1. Peter Shepherd's character and business reputation
2. Peter Shepherd's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Peter Shepherd's executive officers and the current financial position and financial background of Peter Shepherd's executive officers; and
5. that issuing a race information authority to Peter Shepherd would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Peter Shepherd.

Conditions attached to this Authority to Peter Shepherd:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date).

## Appendix I

### ***Typhoon Pools***

In considering this application by Typhoon Pools, the Board formally discussed, considered and were satisfied with:

1. Typhoon Pools' character and business reputation
2. Typhoon Pools' current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Typhoon Pools' executive officers and the current financial position and financial background of Typhoon Pools' executive officers; and
5. that issuing a race information authority to Typhoon Pools would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Typhoon Pools.

Conditions attached to this Authority to Typhoon Pools:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date).

## **Appendix J**

### ***Robert Wilson***

In considering this application by Robert Wilson, the Board formally discussed, considered and were satisfied with:

1. Robert Wilson's character and business reputation
2. Robert Wilson's current financial position and financial background;
3. business associations with any other entity;
4. the character and business reputation of Robert Wilson's executive officers and the current financial position and financial background of Robert Wilson's executive officers; and
5. that issuing a race information authority to Robert Wilson would not undermine the integrity of the conduct of the code of racing in Queensland.

The Board **NOTED** that no issues were raised by Robert Wilson.

Conditions attached to this Authority to Robert Wilson:

1. For the purposes of the Authority, the permitted use of Queensland Race Information is for wagering on the Approved Code according to the Authority issued by the Relevant Control Body to the Licensed Wagering Operator. This authority is for the use of Queensland thoroughbred racing information.
2. The Authority Holder is required to pay a Race Information Fee where combined wagering turnover on all 3 codes exceeds \$5 million annually as described in the Guidelines and Conditions.
3. The Race Information Fee payable by a Licensed Wagering Operator is the amount that is 1.5% of the Net Assessable Turnover of that Licensed Wagering Operator for the relevant Financial Year.
4. Where the Wagering Turnover of the Licensed Wagering Operator as described by the Guidelines and Conditions does not exceed \$5,000,000 annually, the Licensed Wagering Operator shall be exempt from payment of the Race Information Fee.
5. The Conditions and Guidelines as described shall apply including those relevant to the Race Information fees.
6. The Initial Authority Period is from 1 September 2008 (Effective Date) until 30 June 2010 (Expiration Date).



**Minutes of  
Queensland Racing Limited  
Board Meeting**



**Tuesday, 22 December 2009**

**Board Room, Queensland Racing  
Racecourse Road, Deagon**

**Meeting Commenced at 8:50 am  
Meeting Concluded at 2:55 pm**

**Board  
Directors  
Present:**                    **Bob Bentley - *Chairman***  
   **Tony Hanmer**  
   **Bill Ludwig**  
   **Wayne Milner**  
   **Bradley Ryan**

**In attendance:**            **Adam Carter**            - ***Finance Manager***  
   **Ron Mathofer**        - ***Business Analyst***  
   **Malcolm Tuttle**      - ***Chief Operations Manager***  
   **Paul Brennan**        - ***Racing Services Manager***  
   **Shara Murray**        - ***Corporate Counsel/Company Secretary***  
   **Jamie Orchard**      - ***Integrity Services Manger***  
   **Peter Smith**         - ***Licensing & Training Manager***  
   **David Rowan**        - ***IT & Communications Manager***

**Minutes:**                    **Debbie Toohey**

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Mr Bentley opened the Meeting at 8:50 am.

**Selection of Chairman**

In accordance with the Constitution the Company Secretary declared the position of Chairman vacate and called for nominations. Mr Hanmer nominated Mr Bentley and was duly seconded by Mr Ludwig as there was no further nominations the meeting unanimously declared Mr Bentley as Chairman.

Mr Bentley took the Chair

Mr Bentley nominated Mr Hanmer for the position of Vice Chairman seconded by Mr Ludwig and as there were no further nominations, Mr Hanmer was unanimously declared Vice Chairman.

**Motion carried**

**SECTION 1 – STANDING ITEMS**

**1.1 Apologies**

There were no apologies.

## **1.2 Declaration of Conflicts of Interest**

The Board **NOTED** Attachment “A”.

Mr Milner advised his son Bradley Milner was currently working at the Office of Racing on a consultative basis.

Mr Milner and Mr Ryan undertook to provide a list of any horses that they held a material interest to the next board meeting.

This was **NOTED** by the Board.

## **1.3 Confirmation of Minutes of Queensland Racing Limited BM#37 on 16 December 2009**

The Board made the following amendments to the minutes:-

### **Declaration of Conflicts of Interest 1.2**

Delete “Please note that” from the first paragraph.

### **Cost Recovery against Northern Recruitment 4.2**

The last paragraph to now read “The Chairman undertook to have Mr Tuttle discuss the matter with Northern Recruitment to negotiate a settlement”.

The Board **RESOLVED** that the QRL Board Meeting Minutes of 16 December 2009 be received and confirmed.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

The Board **CONFIRMED** the Minutes.

## **1.4 Action Sheet**

The Board **NOTED** the action sheet.

## **1.5 Correspondence / Matters for Noting**

The Board **NOTED** that there was no correspondence for noting.

## **1.6 Confirmation of Flying Minutes**

The Board **NOTED** that there was no Flying Minutes.

## **3.1 Finance and Wagering Report November 2009**

QRL recorded a MTD surplus of \$2.5M down \$2.04M on the \$5.4M budgeted surplus for the month ended 30 November 2009.

Revenue was below budget for the month by \$1.67M, the major contributor being Product & Program Fee \$905K.

Product and Program Fee of \$10.56M was 7.9% or \$905K below budget for November 2009. The P & P fee was 2.31% down on last year and 3.99% up on RY0607.

YTD QRL recorded a surplus of \$7.08M which is \$6.17M down on the budgeted surplus of \$13.2M. Revenue is \$6M down on budget with Race Information Fees not being taken into account as the major contributor to the variance.

Legal fees were over budget due in part to director's selection process of \$336K, general corporate work by Cooper Grace Ward \$44K and appeal fees \$43K. Consultancy Fees are over budget due to fees incurred during the broadcast rights negotiations \$164K.

The Board **NOTED** the Finance and Wagering Report as presented.

### **3.2 TAB and Non-TAB Club Analysis FY08/09**

Mr Adam Carter and Mr Ron Mathofer updated the Board with the TAB and Non-TAB Clubs financial results for year ended 30 June 2009.

Mr Carter will present to the Board at the February 2010 Board meeting a more detailed analysis of the financial and non financial performance.

The Board **ENDORSED** that the Clubs with outstanding financials are fined \$500 for non-compliance with the *Racing Act 2002* and that any Club with outstanding financial information on 31 January 2010 will have their 2010/11 race dates removed and reallocated to another Club from their region.

This decision was conveyed to the Country Racing Council meeting on Sunday 20 December 2009.

#### **Motion carried**

### **4.1 RISA**

Mr Malcolm Tuttle updated the Board on RISA and the National Business System being purchased from Racing Victoria. The IRIS system is being offered to the Australian industry at a depreciated value.

It was recommended that Mr Myles Foreman give a presentation to the Board at the 3 February 2010 Board meeting.

The update was **NOTED** by the Board.

### **4.2 Australian Racing Board**

Mr Tuttle updated the Board on the Australian Racing Board meeting held.

### **4.3 Brisbane Racing Club – Matters for consideration**

Mr Tuttle updated the Board on the applications from the Brisbane Racing Club's (BRC) expenditure of funds. They are not seeking any financial contributions from QRL.

The 3 applications are as follows:

1. The BRC own and operate a community, sports-based, licensed club as a division of the BRC and will purchase from the Hamilton Bowls Club its licenses, plant and equipment and gaming machines.
2. The BRC to upgrade of the Doomben racecourse.
3. The BRC to establish a polo ground at Doomben.

The Board **APPROVED** gave its 'in-principle' support for item 1 above subject to the due diligence report and financial model.

The Board **AGREED** further consideration will be given to items 2 and 3 above at the 3 February 2010 Board meeting following analysis of the entire master plan.

Mr Tuttle to write to BRC with QRL's decision.

#### **4.4 Broadcast update – LEK presentation**

Mr Colin Smith from LEK gave a presentation to the Board on the Broadcast Rights Project as follows:

Mr Smith gave the Board an in depth presentation on the difficulties that he had encountered with the BRC and in particular it's Chairman and CEO in progressing the media rights agreement. Mr Smith added that he had spent an inordinate amount of time with the BRC to achieve a result. However, their distrust for the process and in particular QRL was a real concern.

Mr Smith advised the Board that he had told the BRC that there was no confidentiality breaches with QRL and QRL had complied with every request made.

The BRC in Mr Smith's opinion did not show any goodwill or any desire to be part of an all of industry media rights agreement notwithstanding that all safeguards had been put in place.

Following further discussion the Board agreed that the issue needed to be brought to a head and Mr Smith should draft a firm letter to the Chairman and CEO of the BRC with a definite reply date as to their participation.

Mr Milner and Mr Ryan to seek the views of the other members of the BRC committee as soon as possible to ascertain if in fact they had been consulted on this issue.

#### **Action**

- Mr Smith to correspond with the BRC.
- Mr Tuttle to liaise with Cooper Grace and Ward concerning the 'Disposal of Assets' re: Broadcast Rights.

#### **5.1 Principles associated with 2010/11 TAB Race Date Schedule**

Mr Paul Brennan provided to the Board a revised 2010/11 TAB Race Date Schedule.

The Board gave its 'in-principle' support to the new Schedule.

The Board **NOTED** the report.

#### **5.2 Project updates – Rockhampton and Corbould Park**

Mr Brennan gave an update to the Board concerning the progress of two major projects currently underway at TAB venues throughout Queensland.

- The Rockhampton course proper
- Corbould Park stabling Project

Report **NOTED** by the Board.



### **5.3 Non-TAB Minimum venue and equipment standards**

Mr Brennan tabled a copy of the draft Non-TAB Minimum Venue and Equipment Standards to the Board.

The Board **APPROVED** the Standards and requested that these be displayed on the QRL website.

Mr Brennan also to provide a copy to the Australian Jockeys Association and the Australian Trainers Association.

### **6.1 Legal & Compliance**

QRL Directors are required to act as Directors of Qld Race Product Co.

The Chairman nominated Mr Ryan and Mr Milner as Directors of Qld Race Product Co.

#### **Audit committee**

The Chairman nominated Mr Ryan to Chair the Audit Committee this nomination was seconded by Mr Ludwig.

#### **Motion carried**

### **7.1 Integrity Report – December 2009**

Mr Jamie Orchard updated the Board on the current status of activities and programs in the Integrity Department.

The Board **NOTED** the report.

### **7.2 Local Rules of Racing Review**

Mr Orchard provided to the Board an updated second version of the draft Local Rules of Racing.

The Board **AGREED** that the Rules to be put on the website for consultation until the board meeting of 3 February 2010.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

### **7.3 On Course Bookmakers Issue**

Mr Bentley declared a conflict of interest and removed himself as Chairman from the meeting. Mr Hanmer took over as Chairman.

Mr Orchard provided to the Board a report on the current restrictions on Queensland bookmakers in relation to the use of personal telephones and access to internet at race meetings and also other matters which affect the Queensland bookmakers as follows:

The Board **AGREED** to:

1. Allow on course bookmakers to access the internet on course for the sole purpose of obtaining information on condition that monitoring software is installed on all relevant computers. This is on the condition that it will be reviewed in 3 months time.

2. Allow bookmakers to use personal telephones on course and that Local Rule 122A “A bet claimed to have been made by a bookmaker but which is denied by the bettor and which is not recorded in accordance with the requirements of Local Rules 122A is void”. This is on the condition that it will be reviewed in 3 months time and tamper stickers to be put on registered phones.
3. Mr Orchard to provide to the Government a submission concerning the bet back through the internet.
4. Mr Orchard to liaise with the Racing Department on the regulatory issues.
5. Mr Orchard to write a submission and bring back to the 3 February Board meeting.

#### **7.4 Minimum betting limits at Brisbane Racing Club**

Mr Orchard updated the Board on the proposal by the BRC for the increase of minimum betting limits at both Eagle Farm and Doomben.

The Board **AGREED** to the proposal for a trial period of 2 months.

Mr Bentley returned to the meeting and resumed the role of Chairman.

#### **7.5 Biosecurity Policy**

Mr Orchard tabled the final Biosecurity Policy.

The Board **APPROVED** the Biosecurity Policy.

#### **7.6 Trial and Trackwork Standards**

Mr Orchard sought the Board approval for the following:

- At TAB and Strategic Non TAB clubs, all jumpouts with more than 8 runners and all Official Trials must be serviced by two paramedics and one ambulance appliance capable of transporting the patient off course if necessary.
- At TAB clubs, trackwork supervisors are required to be present at all trackwork, jumpouts and trials.
- At Strategic Non TAB clubs, trackwork supervisors are required to be present at all trackwork, jumpouts and trials unless:
  - the club has undertaken a full risk assessment in respect of trackwork, jumpouts and trials;
  - appropriate strategies have been developed and implemented to address the risks; and
  - on the basis of the risk assessment and mitigation strategies, QRL has provided written dispensation from the requirement to have a trackwork supervisor present.

The Board **APPROVED** the above recommendations.

### 8.1 Licensing Report

Mr Peter Smith updated the Board on the recommendation of the QRL Licensing Committee to cancel Mr Bobby El-issa's jockey licence.

Mr Smith detailed to the Board the history of Mr Bobby El-issa's record as a licensee over the last 3 years and his complete lack of cooperation or respect for authority. The Board questioned Mr Smith on the process adopted in arriving at this decision.

The Board **AGREED** that B. El-issa's licence be cancelled.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Tony Hanmer

That the Board **APPROVED** that the Licensing Report as presented be adopted.

**MOVED** by Wayne Milner **SECONDED** by Mr Tony Hanmer

### 8.2 Licensing Committee Charter

Mr Smith tabled the Licensing Committee Charter to the Board for approval.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Bill Ludwig that the licensing committee charter be approved.

### 8.3 Licensing Committee Delegations

Mr Smith tabled the Licensing Committee Delegations to the Board for approval.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Bill Ludwig

The Board **APPROVED** the Licensing Committee Charter

### 8.4 Applications – Authority to use Race Information

Mr Bentley declared a conflict of interest and removed himself from the meeting. Mr Hanmer took the Chair.

Name	Accepted?		Conditions
	Yes	No	
Peter Bartlett	✓		See Appendix A
Bruno Musolino	✓		See Appendix B
John Cramp	✓		See Appendix C
Jeffrey Pendlebury	✓		See Appendix D
Donald Newell	✓		See Appendix E
John Rope	✓		See Appendix F
Matthew Palmer	✓		See Appendix G
Barry Cook	✓		See Appendix H
GF & MD Ford	✓		See Appendix I
Stephen Rose	✓		See Appendix J
Robert Cook	✓		See Appendix K
Peter-John Carey	✓		See Appendix L
Paul Holmes	✓		See Appendix M
Brook Pendlebury	✓		See Appendix N

Robert Blacker	✓		See Appendix O
Norman Kelly	✓		See Appendix P
John Smith	✓		See Appendix Q
Frederick Studte	✓		See Appendix R
Harry Barrett	✓		See Appendix S
Kenneth Simpson	✓		See Appendix T
Donald Cook	✓		See Appendix U
Louis Cox	✓		See Appendix V
Charles Gall	✓		See Appendix W
Hillary Cohen	✓		See Appendix X
Woodcock Racing P/L		✓	See Appendix Y – resubmit figures
Matt Dougherty	✓		See Appendix Z
Patrick Kilkelly	✓		See Appendix AA
Maurice Rolfe	✓		See Appendix AB
Daniel Wright	✓		See Appendix AC
Powerbet	✓		See Appendix AD
Kerrie Borger	✓		See Appendix AE
Robert McDonald	✓		See Appendix AF

Mr Bentley returned to the meeting and resumed the role of Chairman.

### 9.1 Magazine Development

Mr Tony Hanmer updated the board on the development of the Queensland Racing Magazine.

This was **NOTED** by the Board.

### 10.1 General Business

#### 2010 QRL Board Dates

This was **NOTED** by the Board. The April Board meeting will now be held on Thursday, 1 April 2010.

Mr Milner raised concerns about the BRC disposing of the Owners Card. It was suggested the Mr Simon Quinn of the Queensland Racehorse Owner's Association be invited to attend the 3 February 2010 board meeting to discuss his concerns.

Meeting concluded at 2:55pm

**Confirmed as a true record.**

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**R G Bentley**

**Chairman**

**Dated...../...../2010**

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**ATTACHMENT “A”**

**Mr Bob Bentley**

Director of Tattersall's Group  
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)  
Director/Chairman of Australian Racing Board  
Vice President of the Asian Racing Federation

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club

**Mr Bill Ludwig**

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)  
Board Member of WorkCover Queensland  
Member of the Brisbane Racing Club



Minutes of  
Queensland Racing Limited  
Board Meeting



Thursday, 4 March 2010

Board Room, Queensland Racing  
Racecourse Road, Deagon

Meeting Commenced at 9:05 am  
Meeting Concluded at 3:20 pm

**Board Directors Present:** Bob Bentley - *Chairman*  
Tony Hanmer – *Deputy Chairman*  
Bill Ludwig  
Wayne Milner  
Bradley Ryan

**In attendance:** Malcolm Tuttle - *Chief Operations Manager*  
Adam Carter - *Finance Manager*  
Ron Mathofer - *Business Analyst*  
Shara Murray - *Corporate Counsel/Company Secretary*  
Peter Smith - *Licensing & Training Manager*  
Jamie Orchard - *Integrity Services Manager*  
Paul Brennan - *Racing Services Manager*  
David Rowan - *IT & Communications Manager*  
Tony Clark - *Centrebet*  
David Grace - *Cooper Grace Ward Lawyers*  
Michael Paramor - *CEO, Tattersalls Racing Club*

**Minutes:** Debbie Toohey Board Secretary

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The Chairman opened the Meeting at 9:05 am.

1.1 **Apologies**

Nil.

1.2 **Declaration of Conflicts of Interest**

The Board **NOTED** Attachment “A”.

1.3 **Confirmation of Minutes of Queensland Racing Limited BM#40 on 3 February 2010**

The Board **RESOLVED** that the QRL Board Meeting Minutes of 3 February 2010 be received and confirmed.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Wayne Milner

1.4 **Action Sheet**

The Board **NOTED** the action sheet.

## **1.5 Correspondence / Matters for Noting**

The Board **CONFIRMED** the following correspondence:

1. Gold Coast Turf Club Correspondence.
2. Briefing Note from Mr Bob Bentley to the Honourable Anna Bligh, the Honourable Andrew Fraser and the Honourable Peter Lawlor concerning the Magic Millions and Gold Coast Turf Club dated 26 February 2010.

## **1.6 Confirmation of Flying Minutes**

The Board **CONFIRMED** the following Flying Minute:

- Corbould Park dated 18 February 2010

## **2.1 Organisational and Sub Committees Structure**

The Chairman tabled the proposed Three Code Organisational Structure and Organisational and Sub-Committee Structures.

This was reviewed by the Board with amendments. Mr Malcolm Tuttle to make the amendments and bring back to the 1 April 2010 Board meeting.

## **2.2 3 Code Amalgamation update**

Mr Tony Hanmer tabled the draft minutes of the Three Code Meeting held on Thursday, 18 February 2010 and the Agenda for the Implementation Committee, which was held on Friday, 26 February 2010.

This was **NOTED** by the Board.

## **2.3 Tattersall's Racing Club**

Mr Michael Paramor from Tattersall's Racing Club gave an oral presentation to the Board seeking an allocation of an annual administration subsidy of \$60,000 plus GST.

*The Board **AGREED** that \$30,000 plus GST would be paid to Tattersalls for the first year and that this amount would be reviewed after the first year. QRL and Tattersall's should look at reducing their meetings from 4 to 3. A transfer of the less profitable meeting to the Sunshine Coast Turf Club should be considered. Tony Hanmer to discuss with Tattersalls how to leverage off Tattersalls membership base.*

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Tony Hanmer

**Motion carried**

## **3.1 Finance and Wagering Report**

QRL recorded a MTD surplus of \$1.8M up \$9K on the \$1.79M budgeted surplus for the month ended 31 January 2010.

Revenue was below budget for the month by \$840K, the major contributor being Race Information Fee (RIF) \$1M.

Product & Program Fee of \$8.77M was 0.87% or \$76K above budget for January 2010. The Product & Program fee was 11.8% up on last year and 18.1% up on FY0607.

YTD QRL recorded a surplus of \$10.5M which is \$6.4M down on the budgeted surplus of \$16.9M.

### **Budgets**

The chairman advised that he required the Finance Department to prepare budgets for all QRL projects or activities currently in progress and the progress of all projects, to be tabled at future Board meetings.

The Chairman advised that the organisation is considerably larger and intends embarking on numerous projects and fiscal responsibility is to be practiced by all concerned.

**MOVED** by Wayne Milner **SECONDED** by Bradley Ryan

### **Motion carried**

#### **3.2 Directors & Officers Insurance**

Mr Adam Carter updated the Board on whether QRL had adequate Directors and Officers Insurance.

*The Board **AGREED** to remain at the existing \$10M and review after 1 July 2010 on the proviso that the limit of \$10M stays for any one claim, regardless of its number of claims..*

#### **4.1 Broadcast Strategy**

Mr Malcolm Tuttle updated the Board in relation to the Broadcast Strategy.

This was **NOTED** by the Board.

#### **5.1 Non-TAB Issues**

Mr Paul Brennan updated the Board in relation to the following two country racing issues:

1. North West Region response to Non-TAB Minimum Venue and Equipment Standards.
2. Application from the Queensland Country Racing Committee (QCRC) for the provision of an administration subsidy to Non-Strategic Clubs.

Mr Brennan informed the Board that McKinlay Race Club has not provided to QRL any financials for 07/08 and 08/09 and therefore is non-compliant.

The Board **RESOLVED** that Mr Brennan write to McKinlay Race Club informing them that their race dates will be removed because of non-compliance and these will be transferred to Mt Isa Race Club. Mr Brennan will communicate with Mt Isa Race Club the situation and possibility of extra race dates.

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Bradley Ryan

### **Motion carried**

*The Board **APPROVED** that:*

1. *Failure of Race Clubs to provide the annual self assessment to their respective Country Racing Association by 1 May 2010, will result in the removal of their race dates from the 2010/11 racing calendar, and*



2. *Failure of Country Racing Associations to provide acknowledgement of receipt of each Race Club annual self assessment and undertake the relevant functions by 1 June 2010, will result in the removal of race dates from the 2010/11 racing calendar for all outstanding Race Clubs.*
3. *The application from the QCRC for the provision of an administration subsidy to Non-Strategic Clubs be refused.*

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Tony Hanmer

**Motion carried**

Mr Bentley declared a conflict of interest and left the room. Mr Hanmer took the Chair.

**6.1 Betfair Integrity Deed**

*The Board **RESOLVED** that the Betfair Integrity Deed be confirmed.*

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

**Motion carried**

Mr Tony Hanmer informed the Board the following:

*The purpose of the receipt of written submissions and the hearing of oral submissions is to afford the applicant / holder every reasonable opportunity to present its/his/her thoughts to the Board. Any discussion between QRL and those appearing should be along the lines of clarifying issues raised so that as Board Directors you are satisfied, to the extent you can be, about what is being said. The Board should properly and formally consider the material submitted on its merits, make a decision and at the time record the reasons for the decision.*

Centrebet joined the meeting at 10:30am.

Mr David Grace from Cooper Grace Ward Lawyers joined the meeting at 10:30am.

**6.2 Centrebet.com**

Mr Tony Clark from Centrebet gave an oral submission to the Board in relation to Centrebet's application for Authority to use Queensland Race Information in a follow up of their letter dated 24 February 2010.

Centrebet would like QRL to reconsider the fee imposed and feels that the 1.5% fee on turnover is excessive and discriminatory, Centrebet would like this fee imposed on profit.

Centrebet would also like QRL to reconsider the period to which QRL is to impose the fee as a matter of fairness, and with a reasonable period of retrospectivity.

The Board noted the oral submission by Centrebet.

Mr David Grace and Mr Tony Clark both left the meeting at 11:35am.

### 6.3 NZ Racing

Ms Shara Murray updated the Board in relation to an application for Authorisation to use Queensland race information from New Zealand Racing Board (NZ Racing).

The Board suggested that Ms Murray and Mr Ron Mathofer write to NZ Racing asking for further submissions and to clarify their figures before the 15 March 2010 Special Board meeting.

### 6.4 UNiTAB

Ms Murray updated the Board in relation to the recent Supreme Court of Victoria decision concerning TAB Limited against Racing Victoria Limited (RVL) and Greyhound Racing Victoria.

Due to the significant amount of fees that UNiTAB may seek repayment of, Ms Murray recommended to the Board that UNiTAB seek repayment of the fees charged by RVL during the period that the Court determined that RVL imposed an unlawful fee.

*The Board **RESOLVED** for Ms Murray to review the current Victorian legislation and update the Board at its 1 April 2010 Board meeting.*

### 6.5 Betezy

Ms Murray updated the Board in relation to an application for Authorisation to use Queensland race Information from Betezy.

The Board suggested that this application be available for 15 March 2010 Special Board meeting.

## 8.2 Applications – Authority to use Race Information

Name	Accepted?		Conditions
	Yes	No	
Terry Rae	✓		See Appendix A
Conway Searle	✓		See Appendix B
Daniel Whelan	✓		See Appendix C
Jeff Beasley	✓		See Appendix D
Winbet (Aust) Pty Ltd	✓		See Appendix E
Shane Filpek Bookmaking Pty Ltd	✓		See Appendix F
Tom Bingle	✓		See Appendix G
Stephen Alvos	✓		See Appendix H
Henry Noonan	✓		Approved, subject to confirming with Vikki Hooper that all boxes are checked and confirmed. See Appendix I
Robert Sweeney	✓		See Appendix J
Maxwell Robertson	✓		See Appendix K
Michael Clingly	✓		See Appendix L
Vince Aspinall	✓		See Appendix M
John Mullinger	✓		See Appendix N

*Mr Bentley returned to the meeting and resumed the role of Chairman.*

## **6.6 Confidentiality Deeds**

Ms Murray tabled an article to be placed in the April QRL Magazine in relation to Confidentiality Agreements.

*The Board **APPROVED** the article to be placed in the April QRL Magazine.*

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bob Bentley

**Motion carried**

## **6.7 Review of Policies**

Ms Murray updated the Board in relation to the review of the following draft Policies.

1. Code of Racing Policy Development
2. Website Policy
3. Policy for Decision-making on matters relating to industry integrity.

The essence of these policies did not change, therefore consultation is not required.

*The Board **APPROVED** these policies.*

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Bradley Ryan

**Motion carried**

### **7.1 Integrity Report – February 2010**

*That the Board **APPROVED** that the Integrity Report as presented be adopted.*

The Board **NOTED** the report.

### **7.2 Review of the Minimum Betting Levels at BRC**

Mr Jamie Orchard updated the Board in relation to the review of the current minimum betting limits in operation at the Brisbane Racing Club.

In light of new information just received by Mr Orchard, he would like extend the trial period for another 2 months.

This was **APPROVED** by the Board.

**Motion carried**

### **7.3 Local Rules**

Mr Orchard tabled a draft copy of the Local Rules.

This was **NOTED** by the Board.

### **7.4 Animal Welfare Policy**

Mr Orchard updated the Board in relation to the review of the Animal Welfare Policy. As there were significant changes to the Policy, it will need to go for consultation for a period of no less than 28 days.

The Board **APPROVED** the draft Policy for consultation.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

**Motion carried**

### 8.1 Licensing Report

That the Board **APPROVED** that the Licensing Report as presented be adopted.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

**Motion carried**

### 8.3 Licensing Scheme Policy

Mr Peter Smith updated the Board in relation to the review of the Licensing Scheme Policy.

The essence of this Policy did not change, therefore consultation is not required.

The Board **APPROVED** this Policy.

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Bradley Ryan

**Motion carried**

### 9.1 History of Racing

Mr David Rowan updated the Board in relation to the progress of the History of Racing Project.

This was **NOTED** by the Board.

### 10.1 General Business

#### **Cairns Jockey Club**

The chairman reported on his meeting with the Cairns Jockey Club (CJC) and subsequently Qld Events and State Government on the future of Cairns Turf Club and the Cairns Amateurs, Mr Carter gave the Board a detailed summary of the position of Cairns and the quality management job done by the current committee to stem the losses of Cairns, the Chairman sought the Boards consideration for Cairns to enter into an arrangement similar to Sunshine Coast Turf Club.

The Board discussed the outcome and resolved after previous detailed analysis by the Racing Manager, Mr Brennan that the following would be offered to the CJC, subject to a successful meeting with both clubs on Wednesday, 10 March 2010.

Proposed QRL draft race dates for FY11/12 if agreement reached with CJC:

- Cairns Jockey Club – 20 TAB Race Dates and 1 Non-TAB Melbourne Cup Day
- 13 Tuesday TAB Dates
- Weeks 4,8,12,16 etc (every 4<sup>th</sup> Tuesday)
- 7 Saturday TAB Dates
- Weeks 2,10,18,26,34,42,50 (every 8<sup>th</sup> Saturday)
- Propose to move Cairns Cup meeting to early June.

## Amateurs

- Far North Queensland Amateur Turf Club – 2 TAB Race Dates
- 1 – Friday and 1 – Saturday

## Financial Overview of Proposal

- QRL to leave the CJC with \$100K after transactions as follows:-
  - QRL to purchase stables from CJC for \$190K in exchange for the pay out of the loans (QRL assets)
  - QRL to pay out loans and leases and forgive debt of approx. \$1M (QRL to convert to units)
  - QRL to purchase track repairs and management machinery \$100K – subject to valuation (QRL asset)
- QRL to position the CJC to return a surplus after depreciation of \$50K, this is based on previous years financial results and doesn't include any upside as per slide 20 of QRL's presentation.
- CJC liquidity will improve from negative \$500K at 31 January 2010 to \$100K, improving borrowing capacity.
- If required QRL will assist CJC in securing a loan to assist with capital development within the CJC leased area.

## Conversion of Assets to Company Equity - See Attachment "B"

### Townsville Turf Club

#### **(a) Financials/Corporate Governance**

Mr Hanmer tabled a report that was presented to the Townsville Turf Club (TTC) Board in conjunction with Mr Mathofer at a meeting convened on Tuesday, 2 March 2010. The Report highlighted the lack of fiscal responsibility practiced by the TTC and Board members expressed their concerns as to the solvency of the TTC. Mr Hanmer responded that he had conveyed the Boards concern to the committee of the TTC that a number of suppliers were overdue payment by as much as 90 days.

It was **RESOLVED** that Mr Adam Carter visits the TTC and ascertain an up to date financial position and report to the Board.

The Board **NOTED** the outstanding issues in the Deloittes report on the TTC are required to be answered within 90 days.

#### **(b) Fairfield Constructions - Dam**

The Board requires Ms Murray to review the evidence with Mr David Grace of Cooper Grace and Ward and assess the chances of a successful court action to have the contractor rectify the 'lake' and discuss the outcome with Mr Barry Taylor of Emanate Lawyers in due course. Should QRL decide to proceed to court litigation then QRL would use Mr Taylor to run the case if held in Townsville.

### The Right to Use

Mr Wayne Milner tabled a letter from Mullins Lawyers in relation to a meeting which was held between Mullins Lawyers, Mr Milner and Mr Tuttle concerning the best procedures if QRL was to own racing venues.

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Mullins Lawyers suggested that 'Right of Use' agreements are the way forward for QRL.

### **Corbould Park – Stables update**

Mr Brennan updated the Board in relation to the Stables at Corbould Park.

- The stables are 3 weeks behind due to the rain received at the Sunshine Coast.
- Roofs are on and electricians to start work
- Each stable will be named after Hall of Fame horse.
- Stables will be ready by 30 June 2010.

The Board suggested that a staff race day be organised for 1 July 2010 with the introduction of the new Control Body coinciding with the opening of the stables.

### **Commonwealth Bank – Finance Proposal**

Mr Bradley Ryan tabled documentation from the Commonwealth Bank concerning other alternative financing options for the ongoing capital expenditure requirements for the upgrade of regional and country racing venues.

Mr Ryan will be liaising with other banks for their proposals.

This was **NOTED** by the Board.

Meeting concluded at 3:20pm

**Confirmed as a true record.**

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**R G Bentley**  
**Chairman**  
**Dated...../...../2010**

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**ATTACHMENT “A”**

**Mr Bob Bentley**

Director of Tatts Group  
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)  
Director/Chairman of Australian Racing Board

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club

**Mr Bill Ludwig**

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)  
Board Member of WorkCover Queensland

**Mr Bradley Ryan**

Member of the Brisbane Racing Club  
Member of Tattersalls Club

**Mr Wayne Milner**

Member of the Brisbane Racing Club  
Member of the Sunshine Coast Turf Club  
Member of the Ipswich Turf Club  
Member of the Victoria Racing Club  
Life Member of QROA  
Member of Queensland Breeders Association  
Holder of Victoria Owners Gold Card



Minutes of  
Queensland Racing Limited  
Board Meeting



Friday, 7 May 2010

Board Room, Queensland Racing  
Racecourse Road, Deagon

Meeting Commenced at 9:05 am  
Meeting Concluded at 2:00 pm

**Board**  
**Directors**  
**Present:**                    **Bob Bentley - Chairman**  
                                     **Tony Hanmer**  
                                     **Bill Ludwig**  
                                     **Wayne Milner**  
                                     **Bradley Ryan**

**In attendance:**            **Malcolm Tuttle**            - *Chief Operations Manager*  
                                     **Adam Carter**            - *Finance Manager*  
                                     **Ron Mathofer**           - *Business Analyst*  
                                     **Shara Murray**           - *Corporate Counsel/Company Secretary*  
                                     **Jamie Orchard**        - *Integrity Services Manager*  
                                     **Paul Brennan**         - *Racing Services Manager*  
                                     **David Rowan**          - *IT & Communications Manager*  
                                     **Peter Smith**            - *Licensing & Training Manager*

**Minutes:**                    **Debbie Toohey**            **Board Secretary**

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The Chairman opened the Meeting at 9:05 am.

**1.1**    **Apologies**

Nil.

**1.2**    **Declaration of Conflicts of Interest**

The Board **NOTED** Attachment "A".

**1.3**    **Confirmation of Minutes of Queensland Racing Limited BM#43 on 1 April 2010**

The Board **RESOLVED** that the QRL Board Meeting Minutes of 1 April 2010 be received and confirmed.

**MOVED** by Mr Tony Hanmer    **SECONDED** by Mr Bill Ludwig

**Motion carried**



#### 1.4 Action Sheet

The Board **NOTED** the action sheet.

#### 1.5 Correspondence / Matters for Noting

The Board **CONFIRMED** the following correspondence:

##### **Media Releases**

- |   |               |
|---|---------------|
| 1. Further full TAB coverage for North Queensland race meetings | 26 March 2010 |
| 2. Rockhampton Jockey Club membership vote                      | 30 March 2010 |
| 3. QRL and Sunshine Coast Turf Club complete partnership        | 22 April 2010 |

#### 1.6 Confirmation of Flying Minutes

The Board **CONFIRMED** the following Flying Minutes:

- |   |               |
|---|---------------|
| 1. Minimum Betting Limits   | 24 March 2010 |
| 2. TAB and Non-TAB race date schedule for the 2010/11 racing season | 26 March 2010 |
| 3. Amendment of Local Rule  | 20 April 2010 |

#### 2.1 Awards Budget

Mr Tony Hanmer updated the Board in relation to the Queensland Racing Horse of the Year and Industry Awards (QRHOTA) budget for 2010.

- \$130,000 in sponsorship already committed.
- 480 seats sold, with a waiting list of a table for 10 people.

The cost to QRL will be neutral. However, QRL will provide additional table extras as complimentary gifts to guests.

Currently, the budget for QRHOTA is cost neutral, but to facilitate the 2 race days, golf day and nominations night, the Board **APPROVED** the presented budget.

QRL will host the ARB Directors on Stradbroke Day following the Friday ARB meeting in June.

This was **APPROVED** by the Board

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bill Ludwig

**Motion carried**

#### 2.2 Update of Product & Strategy Committee Meeting

Mr Hanmer updated the Board in relation to the Product & Strategy Committee Meeting held on 23 March 2010.

This was **NOTED** by the Board.

### **2.3 Gold Coast Turf Club**

The Chairman updated the Board in relation to the Gold Coast Turf Club.

The Board **NOTED** that further talks will commence after Legislation is approved by the Government.

### **3.1 Finance and Wagering Report**

Mr Adam Carter advised the Board of the following:

QRL recorded a MTD surplus of \$1.86M up \$577K on the \$1.3M budgeted surplus for the month ended 31 March 2010.

Revenue was above budget for the month by \$36K, the major contributor being Race Information Fee (RIF) \$731K.

Product & Program Fee of \$7.57M was 7.25% or \$592K down on budget for March 2010. The Product & Program fee was 25.7% down on last year and 6.83% down on the FY0607 due to weather related cancelled meetings.

YTD 2010 QRL recorded a surplus of \$14M which is \$5.4M down on the budgeted surplus of \$19.4M.

As from June QRL Board meeting, Mr Ron Mathofer and Mr Paul Brennan to present a separate board paper on wagering.

This was **NOTED** by the Board.

### **3.2 RISA Ticketing**

Mr Carter and Mr Brennan sought the Board's approval in relation to the proposal for QRL to fund the costs associated with the implementation of a comprehensive access control system and ticketing solution for TAB race clubs throughout Queensland.

The program will provide:

- Better integrity of records
- Ability to use accurate records on attendance race days
- Integration with Owner's card, and
- Consistent Business Rules across TAB Clubs

For the Board to approve the recommendations as outlined below:

1. The Board to approve a \$1.4M capital investment into an industry wide access control and ticketing solution to be implemented at all TAB race clubs.
  - a. Phase 1 of this initiative would see a \$130K investment at Corbould Park, Caloundra.
  - b. Phase 2 of this initiative will see this system rolled out at each venue where QRL partners with the respective race club in the management of the facility.
  - c. Phase 3 of this initiative will see this system rolled out at all other TAB venues.

2. QRL to fund this initiative through the funds saved on the reduction of the BRC administration subsidy (\$950K per annum), and link this initiative to the Owner's Card and advise race clubs that this expenditure is dependant upon the provision of benefits to Owner's Card holders for a period of not less than 10 years. Under this proposal the infrastructure would be gifted to the race clubs and they would be responsible for maintenance and ongoing costs.

It was suggested that Mr Carter and Mr Brennan present their proposal to the Sunshine Coast Turf Club Committee for their consideration and review.

This was **APPROVED** by the Board.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

**Motion carried**

### **3.3 TAB Club's Financial Performance update**

Mr Carter updated the Board in relation to the financial position of each TAB Club as at 31 December 2009.

This was **NOTED** by the Board.

### **3.4 QRL Projects and Budgets**

Mr Carter updated the Board in relation to the current position of the various projects currently engaged by QRL on behalf of both Clubs, Industry and internally for the period ending 31 March 2010.

Mr Malcolm Tuttle indicated that the Broadcast Rights Project will go over budget bearing in mind that the initial amount was indicative only.

This was **NOTED** by the Board.

### **4.1 Broadcast update**

Mr Tuttle updated the Board on the Broadcast Progress Report provided by Mr David Ferrarin from LEK consulting.

Mr Tuttle confirmed the he and the Chairman were meeting with Mr Colin Smith of LEK on Monday, 10 May 2010 to discuss the project further.

This was **NOTED** by the Board.

### 5.1 2010/11 Thoroughbred Prizemoney Budget

Mr Brennan sought the Board's approval for the minimum prizemoney budgets for TAB and Non-TAB thoroughbred meetings for the 2010/11 financial year.

Meeting Status	Base Prizemoney
Metropolitan Saturday and Public Holiday	\$50,000 (2 & 3 yo) \$45,000 (other)
Midweek Metropolitan	\$13,000
Provincial Full TAB and Sky Channel	\$10,000
<i>Provincial (Channel 2 Sky Coverage)</i>	<i>\$7,500</i>
Provincial Non-TAB	\$6,000
Non-TAB Strategic	\$6,000
Non-TAB	\$4,000

This was **APPROVED** by the Board.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bill Ludwig

**Motion carried**

### 6.1 Townsville Turf Club

Ms Shara Murray updated the Board in relation to the issues at the Townsville Turf Club (TTC):

- (a) That the grounds of the Show cause Notice are now satisfied
- (b) That at its Committee Meeting on 7 April 2010, the TTC did not accept QRL's proposal and formally rejected the QRL proposal as stated in QRL's letter dated 29 March 2010
- (c) That the TTC has agreed to accept funding from individual Committee Members to satisfy its solvency, and
- (d) That the TTC warrants that it is now trading solvent.

This was **NOTED** by the Board.

### 7.1 Integrity Report – April 2010

Mr Jamie Orchard updated the Board in relation to the following:

- Mr Lindsay Gallagher was fined \$4,000 for bringing a non-compliant laptop to the racecourse other than one approved by QRL. Stewards will continue to monitor Mr Gallagher.
- Mr Orchard intends to appeal the decision from the Queensland Civil and Administrative Tribunal (QCAT) concerning Jockey Ric McMahon (AR 137(a)). As this will be a test case, QRL intends to make a contribution to Jockey McMahon to assist with his costs. This contribution will be capped at \$10,000.

*That the Board **APPROVED** that the Integrity Report as presented be adopted.*

The Board **NOTED** the report.

## 7.2 Local Rules Review

Mr Orchard sought the Board to resolve to make the new Local Rules.

The Board **RESOLVED** to:

1. make the Local Rules of Racing, and
2. adopt the Australian Rules of Racing as currently published by the ARB along with any amendments thereto as may be made in the future.

The Board suggested that in the “Definitions” under “Principal Racing Authority” to be added “and or its successors”.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

**Motion carried**

## 8.1 Licensing Report

*That the Board **APPROVED** that the Licensing Report as presented be adopted.*

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

**Motion carried**

## 8.2 Applications – Authority to use Race Information

Please see separate board minutes.

## 9.1 The Marquee Project

Mr David Rowan updated the Board in relation to the Marquee Project:

- There will be a stock of marquees for SEQ and QLD
- They will be transported by flat bed truck or rail
- \$350,000 for the total cost of marquees
- Clubs will be responsible to assemble themselves, however, there will be adequate training.
- There is to be a checklist in place of pulling down and packing away. It was suggested that Warren Williams’s team could take responsibility of supervising.
- Gold Coast Turf Club already have an existing arrangement for marquees with Moreton Hire.
- Mr Rowan to talk to each club on a face to face basis.

This was **NOTED** by the Board.

## 10.1 General Business

### **Cairns Jockey Club**

Ms Murray updated the Board in relation to the Cairns Jockey Club (CJC) with the following:

- An amended defence has been lodged on behalf of the CJC and the 2 remaining Committee Members joined to the action.
- CJC are pursuing the disclosure of documents – there is alleged to be a document that states that the Chairman of Trafalgar will receive a \$500,000 success fee if Trafalgar successfully sues the CJC – this document was in place prior to the CJC terminating its contract with Trafalgar.
- No trial dates have yet been set.

This was **NOTED** by the Board.

### **Integration – General Population**

Ms Susannah McAuliff of Latitude Lawyers updated the Board in relation to the employee's contracts on less than \$100,000.

### **Issues Paper**

The Chair asked Mr Tuttle to outline the contribution made by Harness and Greyhounds to the issues paper.

Mr Tuttle informed the Board that during the preparation of the Issues Paper for government, both the CEO of Harness and the CEO of Greyhounds were asked to provide material relevant to each respective code. HRQ provided a little over one page and GRQ did not provide any material. The document consisted of approximately 60 pages of material.

This was **NOTED** by the Board.

### **Brisbane Racing Club (BRC)**

Ms Murray updated the Board in relation to the Hamilton Bowls Club. Ms Murray received a response from BRC concerning the issues of concerns that were raised by Mr Carter and Ms Murray in a letter dated 28 April which was sent to Mr Stephen Ferguson of the BRC.

Ms Murray and Mr Carter were satisfied with the BRC response in relation to the issues raised.

This was **NOTED** by the Board.

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Meeting concluded at 2:00pm

**Confirmed as a true record.**



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**R G Bentley**

**Chairman**

**Dated.. 21 / 5 / 2010**

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**ATTACHMENT “A”**

**Mr Bob Bentley**

Director of Tatts Group  
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)  
Director/Chairman of Australian Racing Board

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club

**Mr Bill Ludwig**

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)  
Board Member of WorkCover Queensland  
Member of the Brisbane Racing Club

**Mr Bradley Ryan**

Member of the Brisbane Racing Club  
Member of Tattersalls Club

**Mr Wayne Milner**

Member of the Brisbane Racing Club  
Member of the Sunshine Coast Turf Club  
Member of the Ipswich Turf Club  
Member of the Victoria Racing Club  
Life Member of QROA  
Member of Queensland Breeders Association  
Holder of Victoria Owners Gold Card





Minutes of  
Queensland Racing Limited  
Board Meeting



Tuesday, 15 June 2010

Board Room, Queensland Racing  
Racecourse Road, Deagon

Meeting Commenced at 10:17am  
Meeting Concluded at 2:05pm

Board  
Directors  
Present:

Bob Bentley - *Chairman*  
Tony Hanmer  
Bill Ludwig  
Wayne Milner  
Bradley Ryan

In attendance:

Malcolm Tuttle - *Chief Operations Manager*  
Adam Carter - *Finance Manager*  
Ron Mathofer - *Business Analyst*  
Shara Murray - *Corporate Counsel/Company Secretary*  
Jamie Orchard - *Integrity Services Manager*  
Paul Brennan - *Racing Services Manager*

Minutes:

Debbie Toohey Board Secretary

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The Chairman opened the Meeting at 10:17am.

1.1 Apologies

Nil.

1.2 Declaration of Conflicts of Interest

The Board **NOTED** Attachment "A".

1.3 Confirmation of Minutes of Queensland Racing Limited BM#44 on 7 May 2010

The Board **RESOLVED** that the QRL Board Meeting Minutes of 7 May 2010 be received and confirmed.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

**Motion carried**

#### 1.4 Action Sheet

The Board **NOTED** the action sheet.

#### 1.5 Correspondence / Matters for Noting

The Board **CONFIRMED** the following correspondence:

##### **Media Releases**

- |   |               |
|---|---------------|
| 1. Vision for Gold Coast racing unveiled                                      | 27 April 2010 |
| 2. Independent review for Townsville Turf Club                                | 30 April 2010 |
| 3. Rockhampton Jockey Club signs up for partnership<br>With Queensland Racing | 14 May 2010   |

##### **Letters**

Date of Letter	From / To	Subject
13 May 2010	From: ARB To: ARB Chairman & Directors	AI Litigation
14 May 2010	From: Gold Coast Turf Club To: Owners and Trainers	Increase training fees
25 May 2010	From: Mr Bob Bentley, QRL To: Mr Kevin Dixon, BRC	Subsidies to Clubs
31 May 2010	From: Mr Mike Godber, Harness Racing Qld To: Mr Mike Kelly, Office of Racing	Harness Racing Qld's appeal on the Whitaker case
31 May 2010	From: Mr Bob Lette, Chairman, Harness Racing Qld To: Hon. Peter Lawlor MP	Future of Harness Racing facility at Parklands
1 June 2010	From: Mr Bob Bentley, QRL To: Mr Andrew Eggleston, Chairman, GCTC	Increase in trainer's fees.
1 June 2010	From: Mr Bob Bentley, QRL To: Mr Bob Lette and Ms Kerry Watson	Prizemoney increases
1 June 2010	From: Mr Bob Bentley, QRL To: Mr Bob Lette	Vacant office space
1 June 2010	From: Mr Bob Bentley, QRL To: Ms Kerry Watson	Vacant office space
1 June 2010	From: Mr Bob Bentley, QRL To: Ms Kerry Watson	Review of operations
7 June 2010	From: Mr Andrew Eggleston, GCTC To: Mr Grant Morgan, Qld Racehorse Owners Association	QROA and ATA meeting

## **1.6 Confirmation of Flying Minute**

The Board **CONFIRMED** the following Flying Minute dated 8 June 2010:

- Approval of recommendations made from the 3CIC regarding Applications for Voluntary Separation.

## **2.1 Industry Servicing**

Mr Wayne Milner and Mr Paul Brennan sought the Board's approval in relation to providing administration support to the Owners, Trainers, Jockey Association etc and sought an allocation of \$40,000 per annum to carry out this support.

The Board **AGREED** in principle with the provision that Mr Brennan further investigate the role of support person and to liaise with Mr David Rowan, QRL's IT and Communications Manager. The matter of \$40,000 be deferred pending the discussion with management on a suitable format and personnel.

## **3.1 Finance and Wagering Report**

Mr Adam Carter and Mr Ron Mathofer updated the Board in relation to the financial and wagering performance for the month ended 30 April 2010.

The Chairman advised that from 1 July 2010, the following matters need to be set out in the wagering reports.

The Chairman discussed at length the need for correct information and presentation of the Finance Report. The reporting of cash flow statement and reasons, to be reported in a simplified form.

- Tote turnover on Qld Product by code in Queensland (including fixed odds)
- Turnover on all totes on Qld product by code (including fixed odds)
- Turnover all sources on Qld product by code (tote/fixed odds/corporates)
- Turnover by codes on total wagering all sources on UNiTAB
- Oncourse and offcourse wagering (Qld product) by code
- All wagering by codes
- RIF fees on totes received by code (Qld product)
- RIF fees paid on totes by code (Qld product)
- Net return on RIF on totes by code (Qld product), and
- Corporate bookmakers fees billed by code (Qld product).

The Board **AGREED** that Mr Mathofer and Mr Brennan to present a separate board paper on wagering as at 1 July 2010.

The Board **NOTED** the report.

### **3.2 Directors and Officers Insurance**

Mr Carter sought the Board's approval for the increase of Directors and Officers Insurance cover to \$20million at an additional cost of approximately \$10K from 1 July 2010 and the Board to approve a run off Directors and Officers Insurance from 30 June 2010 for 7 years at a cost of \$40,100.45, including charges.

Mr Milner queried the total value of the policy and how many claims can be made for \$20m under this Policy. Mr Carter to investigate prior to 1 July 2010.

This was **APPROVED** by the board.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

**Motion carried**

### **3.3 QRL Contribution to the Trust**

Mr Carter sought the Board's approval to transfer the costs incurred on behalf of Sunshine Coast Racing Pty Ltd (SCRC) to equity in SCRUT. The details in the approval sought had been agreed but not minuted.

The Board **APPROVED**:

1. QRL to forgive the loan of \$9,197,290 to SCRC, which is made up of the synthetic track and light costs incurred by QRL and convert the loan into equity in the trust and for QRL to maintain their unit holding of 84.6%.
2. SCTC to contribute \$1,676,575.29 to ensure that transfer duty is minimised and to maintain their 15.4% they have in cash into the trust.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

**Motion carried**

### **3.4 Budget FY 10/11**

Mr Carter updated the Board in relation to the reporting of the Budget after 1 July 2010.

Mr Carter indicated that RQL would adopt each codes budget for the first 3 months. As a consolidated budget could not be adopted from 1 July.

This was **NOTED** by the Board.

### **3.5 QRL Projects and Budgets – April 2010**

Mr Carter updated the Board in relation to the current position of the various projects currently engaged by QRL on behalf of both Clubs, Industry and internally for the period ending April 2010.

This was **NOTED** by the Board.

### **3.6 TAB Club Financials Update YTD March 2010**

Mr Carter and Mr Mathofer updated the Board in relation to the financial position of TAB Clubs as at 31 March 2010.

This was **NOTED** by the Board.

### **4.1 Broadcast update**

Mr Malcolm Tuttle updated the Board in relation to the Broadcast Strategy.

This was **NOTED** by the Board.

### **5.1 Racing Services**

No reports provided.

### **6.1 Legal & Compliance**

Ms Shara Murray updated the Board in relation to Sportingbet's court action.

- Documents have been lodged in the Northern Territory Federal Court
- Incorrect information throughout the Sportingbet claim
- QRL needs to lodge their defence by 30 June 2010, and
- Cooper Grace Ward have been engaged.

This was **NOTED** by the Board.

### **7.1 Integrity Report – May 2010**

Mr Jamie Orchard updated the Board in relation to the following:

- McMahon appeal will be held at Queensland Civil and Administrative Tribunal before Justice Wilson
- On Friday, 18 June 2010, an application is being made by the Crown to have Mr Winchester's bail rescinded and if that is successful, Mr Winchester will be held in custody until his trial commences.
- Mr Jim Murdoch will be working with Mr Orchard in relation to the Show Cause Notice to be issued to Mr John Nikolic.

*That the Board **APPROVED** that the Integrity Report as presented be adopted.*

The Board **NOTED** the report.

### **8.1 Licensing Report**

*That the Board **APPROVED** that the Licensing Report as presented be adopted.*

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Tony Hanmer

**Motion carried**

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**9.1 IT & Communications**

No reports provided.

**10.1 General Business**

**QRL Audit meeting**

Mr Hanmer updated the Board in relation to the QRL Audit meeting held on Tuesday, 15 June 2010.

This was **NOTED** by the Board

**Mackay Turf Club**

Mr Brennan updated the Board in relation to the concerns from the Deliottes Report at the Mackay Turf Club. Mr Brennan, Mr Carter and Mr Mathofer will meet with Mr Ian Joblin, Chairman of the Mackay Turf Club in response to these concerns.

**Toowoomba Turf Club**

The Chairman to write to the Chairman of the Toowoomba Turf Club (TTC) requesting a meeting with all committee members in relation to the outcome of the Deliottes Report.

**Board Dates**

The RQL Board Meeting on 1 October 2010 has been changed to 24 September 2010.

Meeting concluded at 2:05pm

**Confirmed as a true record.**

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**R G Bentley**  
**Chairman**  
**Dated...../...../2010**

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**ATTACHMENT “A”**

**Mr Bob Bentley**

Director of Tatts Group  
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)  
Director/Chairman of Australian Racing Board

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club

**Mr Bill Ludwig**

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)  
Board Member of WorkCover Queensland  
Member of the Brisbane Racing Club

**Mr Bradley Ryan**

Member of the Brisbane Racing Club  
Member of Tattersalls Club

**Mr Wayne Milner**

Member of the Brisbane Racing Club  
Member of the Sunshine Coast Turf Club  
Member of the Ipswich Turf Club  
Member of the Victoria Racing Club  
Life Member of QROA  
Member of Queensland Breeders Association  
Holder of Victoria Owners Gold Card

Thursday, 1 July 2010

Board Room, Racing Queensland  
Racecourse Road, Deagon

Meeting Commenced at 8:15am  
Meeting Concluded at 3:05pm

**Board Directors Present:** Bob Bentley - *Chairman*  
Tony Hanmer – *Deputy Chairman*  
Bob Lette  
Bill Ludwig  
Wayne Milner  
Bradley Ryan  
Kerry Watson

**In attendance:** Malcolm Tuttle - *Chief Executive Officer*  
Shara Murray - *Senior Corporate Counsel*  
Adam Carter - *Chief Financial Officer*  
Tracey Harris - *Finance and Business Manager*  
Ron Mathofer - *Business Analyst*  
Paul Brennan - *Director, Product Development*  
Jamie Orchard - *Director, Integrity Operations*

**Minutes:** Debbie Toohey - *Board Secretary*

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The Chairman opened the Meeting at 8:15am.

1.1 **Apologies**

Nil.

1.2 **Declaration of Conflicts of Interest**

A conflict of interest form was received by each Board Director and updated. The Board **NOTED** Attachment "A".

1.3 **Confirmation of Minutes of Informal Racing Queensland Limited Board meeting of 1 April 2010**

The Board **RESOLVED** that the Informal RQL Board Meeting Minutes of 1 April 2010 be received and confirmed.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Wayne Milner

**Motion carried**

**Confirmation of Minutes of Informal Racing Queensland Limited Board meeting of 7 May 2010**

The Board **RESOLVED** that the Informal RQL Board Meeting Minutes of 7 May 2010 be received and confirmed.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Tony Hanmer

**Motion carried**



**Confirmation of Minutes of Informal Racing Queensland Limited Board meeting of 15 June 2010**

The Board **RESOLVED** that the Informal RQL Board Meeting Minutes of 15 June 2010 be received and confirmed.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Wayne Milner

**Motion carried**

**1.4 Confirmation of Resolutions made at Informal RQL Board meetings dated 1 April 2010, 7 May 2010 and 15 June 2010**

The Board **RESOLVED** that the Informal RQL Board Meeting Resolutions of 1 April 2010 and 7 May 2010 be received and confirmed.

The Board noted that there were no resolutions made at the Informal RQL Board meeting of 15 June 2010.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Tony Hanmer

**Motion carried**

**1.5 Action Sheet**

The Board **NOTED** the action sheet.

**1.6 Media Releases / Correspondence / Matters for Noting**

The Board **noted** the following media releases and correspondence:

***Media Releases***

- Setting the record straight about country racing 28 May 2010

***Other Correspondence***

- Explanatory brief on the judgment – Betfair Pty Ltd v Racing New South Wales and Sportsbet Pty Ltd v New South Wales – Federal Court of Australia

16 June 2010

**1.7 Confirmation of Flying Minute**

The Board **CONFIRMED** the following Flying Minute dated 8 June 2010:

- Application by Shara Louise Murray for membership of Racing Queensland Limited ACN 142 786 874.

**1.8 Strategic Asset Plan**

The Chairman updated the Board in relation to the Strategic Asset Plan with the following:

1. The Strategic Asset Plan is required a result of the Issues Paper prepared by Queensland Racing Limited, which was debated with the Queensland Government late last year (2009) and subsequently approved early 2010.

2. The Issues Paper identified a range of projects that collectively would need funding in excess of \$150M. The final outcome resulted in a redirection of wagering tax to RQL of 50%, and as such, projects will need to be prioritised. The Issues Paper identified various projects that were specific to securing the funding.
3. The Queensland Government has advised that the rebate of taxation revenue funding will be held by Government and paid into an account on a monthly basis. The Queensland Government will allow for draw-downs, only against those projects specified against the Strategic Asset Plan. Each project will be supported by a cash flow analysis and a construction timetable.
4. The Strategic Asset Plan will consider the assets of the 3 racing codes, to secure the best economic outcomes.
5. Plans for some projects have been under investigation for some time; however, this does not automatically give these projects the right to continue as they were initiated when the 3 Control Bodies administered each code in isolation. In addition, a submission of a DA does not necessarily mean that a project will be approved by the Board.
6. Prior to the merger of the 3 codes, QRL had engaged the services of a consultant to carry out the due diligence analysis and prepare costings and cash flows for the Strategic Asset Plan. In particular, the BRC's Master Plan and the Ipswich / Logan greyhounds are currently under investigation and the results will be available at a future Board Meeting.
7. The draft strategic projects that are under consideration should be available for the August 2010 Board Meeting.

The Board **NOTED** the Chairman's update.

### **1.9 Albion Park**

The Albion Park redevelopment proposal was tabled for Board Directors consideration and review.

Mr Milner advised the Board, that in future, in order for any papers to receive due consideration, they should be presented on time, not provided on the day. Mr Milner further noted that the presented paper was dated 15 June 2010; however, it was not received by the QRL Board Secretary until 25 June 2010 for distribution to the RQL Board.

The Chairman advised that he would be discussing with Board Directors the protocol for future submissions for Board consideration.

The Board considered the proposal which outlined that the Harness Racing Queensland Board, at its final Board meeting on 22 June 2010 had proceeded to lodge a DA on the proposed reconstruction of the Albion Park grandstand prior to this Board meeting.

Ms Kerry Watson advised that the Greyhound Harness Limited Board had not seen the DA and she was concerned that this had been lodged without the Greyhound Board's permission or knowledge. The DA, by law, should have been co-signed by the Greyhound Board as a joint 50% owner of Albion Park.

Mr Bob Lette advised that the outgoing Harness Board were keen to see the project progress and they considered that by lodging a DA this would save time.

The Chairman advised that the Albion Park project would be assessed along with the other potential capital works projects, and the lodgement of the DA with or without the outgoing Boards' approval was now academic.

### **1.10 Operations of the RQL Board**

The Chairman advised Board members of additional protocols that he wishes to see adopted for the smooth operation of RQL:

1. Staff interaction – Directors have full access to all staff for the purpose of ascertaining information to assist them to fulfil their Director duties.
2. Board Directors wishing to have a project advanced will contact the Chairman in the first instance and if thought worthy, the CEO will proceed to have the proposal advanced. Under no circumstances are Board Directors to engage staff to work on projects or seek to have projects advanced outside these guidelines.
3. Legal advice: Directors need permission from the Chairman to seek independent legal advice outside of advice sought from RQL's Senior Corporate Counsel. There is to be no outside engagements or advice sought of Legal Counsel without Board and CEO approval on any matter.
4. Media – all media statements and interviews will be undertaken by the Chairman or whoever the Chair designates.
5. Board papers – Directors wishing to submit a board paper will first discuss with Chair.
6. Travel Entitlements – Directors need to be aware of their travel entitlements, and as such, previous resolutions of the QRL Board in relation to travel entitlements of Directors is tabled, for confirmation.
7. Any Board Director expenditure must adhere to RQL's Spending Policy.
8. All Director expenses are to be approved by RQL's Senior Corporate Counsel on the production of receipts.
9. The expenses of the Chairman are to be approved by the CEO.
10. Invitations – Local invitations to functions and race meetings are the responsibility of the individual Director, with any exceptional expenditure to be approved by the Chairman. Interstate invitations to functions and race meetings will need to be approved by the Chairman and RQL's Expenses Policy will apply. All gifts and benefits received by Directors are to be included on the RQL Gifts and Benefits Register.
11. Confidentiality of Board deliberations must be strictly adhered to.

That the above operations of the RQL Board be confirmed by the Board.

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Wayne Milner

**Motion carried**

### **1.11 Industry Representation**

The representation on industry associations is to be discussed at the August 2010 Board Meeting.

The Chairman requested that the CEO prepare a summary of all code industry commitments.

The Board **APPROVED** Ms Watson to represent RQL at the Adelaide Greyhound 2010 Annual Meeting. The Company will meet economy airfares and three (3) nights' accommodation and expenses.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

**Motion carried**

### **1.12 Confirmation of RQL Board Dates**

The Board **NOTED** the change in Board dates, these being:

- 6 August 2010
- 3 September 2010
- 27 September 2010
- 5 November 2010
- 9 December 2010

### **2.1 Chief Executive Officer Report**

Mr Malcolm Tuttle updated the Board in relation to the following:

The Chairman advised the Board that in relation to discussion on race information legislation, it could be seen as a conflict with his position as a Director of Tatts Group, and as such, offered to stand down and leave the meeting on this subject.

Mr Hanmer advised that he considered that there was no conflict in the detail to be discussed and requested the Chairman to remain. The Board Directors other than the Chairman confirmed Mr Hanmer's statement for the Chairman to remain.

- *Race Information Legislation*

Mr Tuttle advised the Board of the situation to date with the progress of the race information deliberations and accepted comment from the Senior Corporate Counsel on the subject.

Ms Shara Murray updated the Board on the Sportingbet matter.

Following a detailed discussion, Mr Tuttle put to the Board a number of options for consideration as a means of moving forward:

1. Change nothing - continue with the legislation and conditions currently in force
2. Consider the recent NSW judgements - make minor adjustments
3. Consider the recent NSW judgments - make significant changes
4. Seek further advice

Mr Ludwig suggested that Mr David Jackson SC be approached to give advice on this matter.

The Board **RESOLVED** to seek further legal advice before proceeding to make any amendments to race information approvals. Ms Murray to prepare a brief to Counsel, rather than engage outside legal advisors. The Board considered this as their preferred action.

The Board **APPROVED** the engagement of David Jackson QC.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bob Lette

Mr Bentley abstained from voting.

#### **Motion carried**

- *Broadcast Negotiations*

Mr Tuttle advised the Board as to the latest situation with the thoroughbred television media rights negotiations:

- (a) LEK had finalised the negotiations with both TVN and SKY and had presented to the Clubs their recommendations as set out and attached.
- (b) The Clubs, LEK and QRL had participated in a telephone conference on Monday, 28 June 2010. The purpose of that meeting was for the Clubs to discuss and finalise their preferred broadcaster to enter into a 10 year media agreement.
- (c) The telephone conference was chaired by Mr Tuttle and in attendance the Chairman, Mr Bentley. The Chairman advised the Clubs that he was a director of the Tatts Group and would remove himself from the meeting if there was any party that considered there was a conflict of interest. There were no dissenters.
- (d) The Chairman had advised the Clubs prior to the discussion and voting that both broadcasters had submitted their offers on the basis of the total Queensland rights only, and they, the Clubs would be considering their position as '*a whole of Queensland offer*'.
- (e) The Chairman advised the Clubs that the QRL Board would not seek to influence their decision, but would only approve a whole of industry outcome, not a fragmented decision.
- (f) The Chairman advised the Clubs of QRL's offer to provide a broadcast subsidy of \$1M to the Clubs. This subsidy would be applicable to either offer made by TVN or SKY.
- (g) The Chairman advised the Clubs of the additional incentive offered by SKY of an additional payment of \$1.5M once only year 1 on signing of the Heads of Agreement, which had not been factored in to the SKY offer currently before the Clubs. QRL advised the Clubs that should they (the Clubs) determine to enter into the SKY arrangement, QRL would retain a minimum of \$500k towards the costs of these negotiations. The Chairman noted that the associated costs of negotiation through delays and legals had almost doubled the original estimate and QRL would seek to recover an equal amount from the TVN offer, if successful. This recovery would be through the administration subsidy in the case of TVN.

Following the acceptance of the preferred broadcaster's collective offer, the Clubs will need to authorise QRL to enter into a Heads of Agreement to finalise the terms and conditions for the individual Club contracts with the successful tenderer.

Mr Tuttle advised the Board that he had called on all Club representatives to speak to the offer tabled and to finish their discussion with a decision. Mr Tuttle confirmed that all Clubs were represented and all spoke at the meeting.

The decision was unanimous that the SKY Racing offer be accepted and QRL seek to proceed to exclusive negotiations and finalisation.

Mr Tuttle advised the clubs that this was their decision as the owners of the rights.

The Board **NOTED** the Clubs' decision and discussed the protections needed in the Heads of Agreement and any subsequent contracts. Mr Hanmer sought clarification on the \$1M commitment annually to the Clubs as a broadcast subsidy in the event that the individual distribution to Clubs was excessive and not reflective of their overall contribution.

The Chairman advised that RQL should seek to have a clause in the Heads of Agreement to cover this situation and the Board would need to rescind its previous offer to subsidise broadcast costs if this was to be the situation.

The Chairman advised that the Heads of Agreement needed to specifically include the following clauses:

1. A clause seeking UNiTAB's permission under the Product and Program Agreement
2. RQL being in a position to accept equity in the broadcaster in the case of sale or amalgamation.
3. Protection that the Queensland Programme is telecast and not in a less favourable position that it currently occupies.

That the Board ratify the following:

1. The Chairman and the CEO to negotiate with SKY Racing in order to complete the Heads of Agreement, which is to include the above clauses
2. The CEO, Senior Corporate Counsel and the Chairman to negotiate the split of media rights fees between Clubs and approve the individual Club contracts, and
3. That a broadcast subsidy be paid to the Clubs of \$1M annually, subject to Clause 1 (The split of the fees payable to each Club so as to reflect their true contribution and not a reflection of the position they occupy because of favourable race dates).

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Wayne Milner

#### **Motion carried**

- *Joint Standing Committee on the review of the Racing & Wagering Western Australia Acts*

The Chairman and Mr Tuttle attended a video conference with the Committee and updated the committee on changes that have occurred in racing in Queensland and the amalgamation of the 3 codes to form RQL.

- *Three code amalgamation of RQL*

The Board acknowledged their appreciation on the excellent effort of all staff in completing the amalgamation.

- *Ipswich Development*

Mr Tuttle advised the Board that there is a meeting arranged with the Chair of the Ipswich Turf Club (Club) on Friday, 2 July 2010 to discuss:

- (a) the future of the Club
- (b) the Club's participation in the Strategic Asset Plan, and
- (c) the progress of the Club's development with Wingate Developments.

This was **NOTED** by the Board

- *Brisbane Racing Club development at Doomben and Eagle Farm*

Mr Tuttle has written to Mr Stephen Ferguson, CEO of the Brisbane Racing Club requesting updated information.

This report was **NOTED** by the Board.

## 2.2 Legal & Compliance

Ms Murray tabled the following resolutions to be approved by the Board:

### 1. Resolutions - Administration

1. That the Board of Racing Queensland Limited accepts the resignation of Shara Louise Murray as the sole Member of the Company, as at 1 July 2010.
2. That the following Directors of Racing Queensland Limited be admitted as Members of the Company and their names be entered into the Register of Members, effective 1 July 2010:
  - a. Robert Geoffrey Bentley
  - b. Anthony John Hanmer
  - c. William Patrick Ludwig
  - d. Wayne Norman Milner
  - e. Bradley John Ryan
  - f. Kerry Lee Watson, and
  - g. Robert James Lette.
3. That the Board of Racing Queensland Limited resolves that Shara Louise Murray be ratified as the Public Officer of the Company.
4. That the Board of Racing Queensland Limited confirms that the registered address of the Company is at Racecourse Road, Deagon, in the State of Queensland 4017.
5. That the Board of Racing Queensland Limited adopts the Company's Organisational Chart tabled at the meeting and its allocated positions.

**MOVED** by Ms Kerry Watson **SECONDED** by Mr Bill Ludwig

**Motion carried**

### 2. Resolutions - Financial

1. That the Board of Racing Queensland Limited authorises the Company to operate the following Racing Queensland Limited bank accounts:

Name Of Account	Bank	Account	Purpose	Authorised Users
Racing Queensland Limited	NAB	084-004 173211930	Current Thoroughbred Greyhounds Albion Park Harness	Any of two of the following:- CEO CFO Finance and Business Manager Company Secretary Accountant
Racing Queensland Limited	Westpac	034-050 208112	Harness Business Account – One	CEO CFO Finance and Business Manager

1. That BDO Kendalls Queensland is appointed as the Auditor of Racing Queensland Limited until the Company's first Annual General Meeting.
2. That the Board of Racing Queensland Limited authorises the Company to operate the following Racing Queensland Limited investment funds:

<b>Name Of Account</b>	<b>Bank</b>	<b>Account</b>	<b>Purpose</b>	<b>Authorised Users</b>
Racing Queensland Limited	Queensland Treasury Corporation	Thoroughbred, Greyhounds Harness	11am Account	Any of two of the following:- Director CEO CFO Finance and Business Manager Company Secretary Accountant
Racing Queensland Limited	Westpac	Harness 034050 208120	Maxi Reserve Account	Director CEO CFO Finance and Business Manager Company Secretary Accountant

3. That the Board of Racing Queensland Limited authorises the following Executives of the Company to have the following spending levels:

<b>Delegate</b>	<b>Financial Authority Limit</b>
RQL Board	Unlimited
Chief Executive Officer	<\$150,000 In line with Budget
Chief Financial Officer	\$50,000
Director Product Development	\$50,000
Director of Integrity Operations	\$20,000
Finance and Business Manager	\$20,000
Senior Corporate Counsel/Company Secretary	\$20,000
Accountant – Corporate Services	\$20,000
Facility Maintenance and Development Manager	\$10,000
Information Technology and Communication Manager	\$5,000
Racing Managers	
Dividing Races	\$10,000
Procurement	\$2,000
Licensing and Training Manager	\$5,000
Chief Steward	\$2,000
Executive Assistants	\$2,000
Racecourse/Facility Managers	\$5,000
Racecourse Supervisor	\$2,000



4. That the Board of Racing Queensland Limited authorises the following Executives of the Company to hold Company credit cards with the following credit limits:

<b>Name</b>	<b>Name</b>	<b>Limit on Card</b>
Chairman	Robert Bentley	\$20,000
Chief Executive Officer	Malcolm Tuttle	\$10,000
Chief Financial Officer	Adam Carter	\$20,000
Director Product Development	Paul Brennan	\$20,000
Director of Integrity Operations	Jamie Orchard	\$10,000
Finance and Business Manager	Tracey Harris	\$10,000
Senior Corporate Counsel/Company Secretary	Shara Murray	\$10,000
Facility Maintenance and Development Manager	Warren Williams	\$5,000
Information Technology and Communication Manager	David Rowan	\$2,000
Licensing and Training Manager	Peter Smith	\$2,000
Chief Steward	Wade Birch	\$5,000
Executive Assistants		\$2,000
Racecourse/Facility Managers		\$2,000
Racecourse Supervisor		\$1,000
Stewards		\$300

#### Detailed Listing of RQL

<b>Surname</b>	<b>First Name</b>	<b>Credit Limit</b>	<b>Bank</b>
Alexander	Tegan	300.00	NAB
Aurisch	Daniel P	300.00	NAB
Bentley	Robert	20,000.00	NAB
Birch	Wade	5,000.00	NAB
Brennan	Paul	20,000.00	NAB
Brown	Ian D	2,000.00	NAB
Carter	Adam	20,000.00	NAB
Christensen	Kearra	10,000.00	NAB

Collins	Luke	1,000.00	NAB
Dart	James	1,000.00	NAB
Fletcher	Simon	300.00	NAB
Gillard	Paul	300.00	NAB
Haigh	Matthew	300.00	NAB
Henderson	Matthew S	1,000.00	NAB
Hitchener	Rion	1,000.00	NAB
Jasprizza	Chris	300.00	NAB
Kelly	Scott	300.00	NAB
Knight (Pick)	Jaime	20,000.00	NAB
Leisemann	Brent	1,000.00	NAB
Lenz	Martin	300.00	NAB
Mawhinney	George S	2,000.00	NAB
Murray	Shara	2,000.00	NAB
Orchard	Jamie	10,000.00	NAB
Quick	Travis C	300.00	NAB
Reid	Darryl	1,000.00	NAB
Richards	Paul	5,000.00	NAB
Rowan	David	3,000.00	NAB
Smith	Peter	5,000.00	NAB
Sweeney	Mark	300.00	NAB
Toohey	Debbie L	2,000.00	NAB
Torpey	Norman	300.00	NAB
Truscott	Colin	300.00	NAB
Turner	Bevan	3,500.00	NAB
Tuttle	Malcolm	10,000.00	NAB
Whitchurch	Renee	10,000.00	NAB
Williams	Warren J	5,000.00	NAB

Williamson	James	300.00	NAB
Wolsey	Kwan	300.00	NAB
Woodham	Trevor	1,000.00	NAB
	<b>Total</b>	<b>166,000.00</b>	
	<b>CORPORATE FACILITY LIMIT</b>	<b>200,000.00</b>	
	<b>Balance</b>	<b>34,000.00</b>	

6. That approvals given by the Board of Queensland Racing Limited in relation to the Projects listed below, including budgets are approved by the Board of Racing Queensland:

Project description	Detail	Actual	Budget	Variance
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#### CLUB CONTRIBUTION PROJECTS

Beaudesert Race Club	Track supplies and surveys	\$40,120	\$100,000	\$59,880
Bowen Turf Club	Subdivision costs	\$2,530	\$10,000	\$7,470
Barrier Stalls Various Clubs	Barrier Stalls GCTC, Ipswich & TTC	\$418,677	\$726,000	\$307,323
Eagle Farm	Running Rails, Camera, Towers	\$9,589	\$300,000	\$290,411
Mackay Turf Club	Engineering services and survey	\$82,788	\$100,000	\$17,212
Rockhampton Master Plan	Redevelopment	\$5,732,255	\$6,500,000	\$767,745
Toowoomba Turf Club Synthetic Track	Synthetic track, lights	\$11,650,001	\$12,000,000	\$349,999
QRL Stabling Facilities Sunshine Coast	Construction Stabling facilities	\$10,048,528	\$12,084,421	\$2,035,893
RISA Ticketing	TAB Clubs	\$-	\$1,400,000	\$1,400,000
		<b>\$27,984,488</b>	<b>\$33,220,421</b>	<b>\$5,235,933</b>

#### QLD RACING, INDUSTRY PROJECTS

Deagon Development	Engineering services and survey	\$66,209	\$100,000	\$33,791
History of Racing	Film Production History over 3 years	\$263,097	\$500,000	\$236,903
		<b>\$1,586,042</b>	<b>\$ 2,162,457</b>	<b>\$576,415</b>

## 7. Bank Charges:

	<b>QRL</b>	<b>QHRL / GQL</b>
Principal Amount	\$12,000,000.00	\$ 4,000,000.00
Financier	NAB	Westpac
Finance Term – Start	13 Jan 2010	9 June 2009
Account		034002 573756
Finance Term – End	exp 31 Oct 2015	3 year exp June 2012
Purpose of Loan	256 Stables	Demolition of Russ Hinze Grandstand
Security Held	Corbould Park Racecourse, 170 Pierce Ave, Caloundra.	All property located at 29 Amy St, Albion
Interest Rate Cover	10 Times of EBITDA plus demolition expenses / Interest Paid	2.75 Times of EBITDA plus demolition expenses / Interest Paid

**QRL Bank Charge**

That the Board notes that the existing charge with the National Australia Bank Limited remains and is transferred under the transitional provisions of the *Racing Act 2002* (Qld).

**QHRL / GQL Bank Charge**

That the Board of Racing Queensland Limited approves and authorises one Director and the Company Secretary to execute the necessary forms with the Westpac Banking Corporation.

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Tony Hanmer

**Motion carried**

**3. Resolutions - Code of Conduct and Compliance Officers**

1. That the Board of Racing Queensland Limited adopts as Racing Queensland Limited's *Code of Conduct and Ethics*, the Code tabled at the meeting which applies to all Racing Queensland Limited officials, including Board members, in the performance of their functions and duties.
2. That the Board of Racing Queensland Limited appoints Jamie Orchard (Integrity Compliance) and Shara Murray (all other Compliance) as Company Compliance Officers.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

**Motion carried**

**4. Resolutions - Board Committees**

That the Board of Racing Queensland Limited establishes the following Committees, appoints the following persons as its Members and adopts as their respective Charters, of the Board of Racing Queensland Limited, as at 1 July 2010 those tabled at the meeting

**Remuneration and Nomination Committee**

Members:

- (a) Robert Bentley – Chair
- (b) William Ludwig, and
- (c) Kerry Watson.

**Audit, Finance and Risk Committee**

Members:

- (a) Bradley Ryan – Chair
- (b) Robert Lette
- (c) Anthony Hanmer, and
- (d) Wayne Milner.

**Marketing Committee**

Members:

- (a) Anthony Hanmer – Chair
- (b) Kerry Watson, and
- (c) Wayne Milner.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Bob Lette**Motion carried****5. Resolutions - Licensing Committee**

1. That the Board of Racing Queensland Limited adopts the Licensing Committee.
2. That the Directors of Racing Queensland Limited delegate their powers under:
  - (a) AR 7 iii (b) Rules of Racing (including Australian Rules of Racing and Local Rules of Racing - Thoroughbred)
  - (b) AHR 90(1) Australian Harness Racing Rules
  - (c) R 15 Greyhounds Australasia Rules (GAR)

to the Licensing Committee of Racing Queensland Limited under the authority of section 198 D(1)(c) of the *Corporations Act 2001* (Cth).

3. That the Board of Racing Queensland Limited approves that the Licensing Committee consists of:
  - (a) Peter Smith – Chairman
  - (b) Jamie Orchard – Director of Integrity Operations
  - (c) Vikki Hooper – Senior Licensing Officer
  - (d) Shara Murray – Senior Corporate Counsel/Company Secretary, and
  - (e) A Senior Representative of the Stewards, as approved by the Director of Integrity Operations.
4. That the Board of Racing Queensland Limited adopts the Licensing Committee Charter tabled at the meeting.

**MOVED** by Mr Bill Ludwig **SECONDED** by Ms Kerry Watson**Motion carried**

## 6. Resolutions - Evidence Evaluation Committee

1. That the Board of Racing Queensland Limited establishes the Evidence Evaluation Committee.
2. That the Board of Racing Queensland Limited approves that the Evidence Evaluation Committee consists of the following members:
  - (a) Jamie Orchard – Chairman
  - (b) Shara Murray – Senior Corporate Counsel/Company Secretary, and
  - (c) A Senior Representative of the Stewards, as approved by the Director of Integrity Operations.
3. That the Board of Racing Queensland Limited notes that the protocols of the Evidence Evaluation Committee are referred to in the Integrity Department's following procedures:
  - (a) Complaints Procedures, and
  - (b) Procedures for handling appeals to the RQL Appeal Committee and Queensland Civil and Administrative Tribunal

**MOVED** by Mr Bob Lette **SECONDED** by Mr Wayne Milner

**Motion carried**

## 7. Resolutions - Country Racing

1. That the Board of Racing Queensland Limited establishes the Country Racing Committee and the Associations for the provision of advice to the Board of the Company in relation to country thoroughbred races:
  - (a) the Capricornia Country Racing Association;
  - (b) the Central West Country Racing Association;
  - (c) the Downs Country Racing Association;
  - (d) the Eastern Downs Country Racing Association;
  - (e) the Far North Country Racing Association;
  - (f) the Leichardt Country Racing Association;
  - (g) the North West Country Racing Association; and
  - (h) the South East Country Racing Association.
2. That the Board of Racing Queensland Limited adopts the Country Racing Associations' Charter tabled at the meeting.
3. That the Board of Racing Queensland Limited adopts the Country Racing Committees' Charter tabled at the meeting.
4. That the Board of Racing Queensland Limited appoints William Ludwig as its representative on the Country Racing Committee. The Board of Racing Queensland Limited confirms that pursuant to clause 26.2(d) of the Constitution of the Company, William Ludwig will be the Chairman of the Country Racing Committee.

**MOVED** by Mr Tony Hanmer **SECONDED** by Ms Kerry Watson

**Motion carried**

## 8. Resolution - First Level Appeal Committee

That the Board of Racing Queensland Limited establishes the First Level Appeal Committee and appoint the following Committee Members:

- (1) Peter Elliot
- (2) Noel Brosnan
- (3) Anthony Hockings
- (4) Roy Dickinson
- (5) Tony Fitzgerald
- (6) Noel Thomson
- (7) Des McGee
- (8) John Blakeney
- (9) Catherine Arnold
- (10) Gary Casey
- (11) Daryl Kays
- (12) Giovanni Porta
- (13) Les Geeves
- (14) John Schrek
- (15) Don Button
- (16) Neal Ambrose
- (17) Paul James
- (18) Neil Cremin, and
- (19) Pamela Wilson.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Bill Ludwig

**Motion carried**

## 9. Resolutions - Integrity

1. That the Board of Racing Queensland Limited resolves to approve the NSW Bookmakers Telephone Betting System for the purposes of section 249 of the *Racing Act 2002* (Qld), it being satisfied on the basis of previous use that:
  - (a) all telephone calls on the system will be recorded; and
  - (b) it can adequately supervise the system and its use.
2. That the Board of Racing Queensland Limited resolves that:
  - (1) The Australian Rules of Racing (as amended) are adopted by Racing Queensland Limited, effective as at 1 July 2010
  - (2) The Local Rules of Racing (Thoroughbred Racing) attached hereto are made by Racing Queensland Limited, effective as at 1 July 2010
  - (3) The Australian Harness Racing Rules (as amended) are adopted by Racing Queensland Limited, effective as at 1 July 2010
  - (4) The Local Rules (Harness Racing) as attached hereto are made by Racing Queensland Limited, effective as at 1 July 2010
  - (5) The Greyhounds Australasia Rules are adopted by Racing Queensland Limited, effective as at 1 July 2010
  - (6) The Local Rules (Greyhound Racing) are made by Racing Queensland Limited, effective as at 1 July 2010, and
  - (7) The Local Rules (All Codes) as attached hereto are made by Racing Queensland Limited, effective as at 1 July 2010.
  - (8) The various matters set out in the Prescription document attached are prescribed for the purposes of the Greyhounds Australasia Rules and the Local Rules (Greyhound Racing).

3. That the Board of Racing Queensland Limited resolves that:
  - (1) The persons whose names appear in Schedule A hereto be appointed as Stewards of Racing Queensland Limited in relation to the Code specified
  - (2) For the purposes of Local Rule of Racing 21 (6), Wade Birch is appointed as Chairman of Stewards (Thoroughbred Racing) and Daniel Aurisch is appointed as Deputy Chairman of Stewards (Thoroughbred Racing)
  - (3) For the purposes of Australian Harness Racing Rule 14 (2), Martin Knibbs is appointed as Chairman of Stewards (Harness Racing) and Neil Finnigan is appointed as Deputy Chairman of Stewards (Harness Racing)
  - (4) For the purposes of Greyhounds Australasia Rules, Zac Bryson is appointed as Chairman of Stewards (Greyhound Racing) and Gail Thorsby is appointed as Deputy Chairman of Stewards (Greyhound Racing), and
  - (5) Those persons subsequently employed in a full time or part time capacity by Racing Queensland Limited and designated as a Steward shall be taken for the purposes of all Rules to be appointed by Racing Queensland Limited as a Steward.
4. That the Board of Racing Queensland Limited delegates its powers in AR 7 (iii) (e) to the extent of those powers of Stewards mentioned in AR 8 (e) to the Company's Licensing and Training Manager. The Licensing & Training Manager is restricted to using these specified powers for the purposes of ensuring compliance with the Licensing Scheme Policy or other requirements in relation to licensing or training obligations.
5. That the Board of Racing Queensland Limited resolves that for the purposes of 'The Collection Procedures' as developed in accordance with the *Racing Act 2002* (Qld), each of the following persons are authorised as Authorised Representatives of the Control Body:
  - (a) Each Steward appointed by Racing Queensland Limited, and
  - (b) Any other person as authorised from time to time by the Director of Integrity Operations.
6. That the Board of Racing Queensland Limited confirms the following in relation to Sports Betting Contingencies:
  - (1) In accordance with section 255 of the *Racing Act 2002* (Qld), the attached sporting contingencies are declared as sporting contingencies for which racing bookmakers may carry on bookmaking.
  - (2) The *Racing Act 2002* (Qld) requires these attached sporting contingencies to be published in the Calendars, put on the website and sent to all licensed bookmakers.
7. That the Board of Racing Queensland Limited confirms the following in relation to Minimum Betting Limits:

In accordance with Racing Queensland Limited Thoroughbred Local Rule of Racing 88(2), the maximum amount of a bet which a Bookmaker is required to accept and shall offer to accommodate the bettor to at least that amount is prescribed as follows:



	Win Only / Place Only
<b>DSWQRA</b>	
Toowoomba and Dalby TAB meetings	1000 / 600
All other meetings	1000 / 300
<b>CRA</b>	
Rockhampton meetings	
betting on local/southern metro events	1000 / 500
betting on other than local/southern metro events	1000 / 300
All other meetings	1000 / 300
<b>CWQRA</b>	
All meetings	1000 /300-
<b>SEQRA</b>	
Eagle Farm & Doomben (Saturdays)	
Rails - local and southern events	4000 / 2000
Main Ring - local and southern events	2000 / Nil
Eagle Farm & Doomben (Public Holidays)	
Rails - local and southern events	3000 / 1000
Main Ring - local and southern events	Nil
Eagle Farm & Doomben (Midweek)	
Rails - local and southern events	3000 / 1000
Main Ring - local and southern events	Nil
Ipswich (Saturday meetings)	
Rails - local and southern events	2000 / 600
Main Ring - local and southern events	1000 / 400
Ipswich (Midweek meetings)	
All rings	1000 / 400
Gold Coast	
Rails - local and southern events	2000 / 600
Main Ring - local and southern events	1000 / 600
Sunshine Coast	
Rails - local and metropolitan events	1500 / 500
- all other meetings	1000 / 300
Main Ring - all meetings	1000 / 300
Lockyer & Friday Circuit Clubs	
All rings	1000 / 300
Country	
Local events with more than 6 runners	1000 / 300
Local events with 6 runners or less	1000 / 300
Brisbane, Sydney, Melbourne and others	1000 / 300
<b>NQRA</b>	
Townsville	
Local, southern and Interstate Events	1000 / 300
Meetings during months of July	1500 / -
Cairns	
Local events	1000 / 300
Southern events	2000 / -

Mount Isa		
	Local events	1000 / 300
	Southern events	2000 / -
Mackay Turf Club		
	Local events	1000 / 300
	Southern events	1000 / 300
All other NQRA Meetings		
	Local and other events	1000 / 300
	Southern & Interstate events	1000 / 300

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bob Lette

**Motion carried**

### 10. Resolutions - Section 81 Policies

That the Board of Racing Queensland Limited adopts the following Section 81 policies tabled at the meeting, as per the *Racing Act 2002* (Qld), as at 1 July 2010:

- (a) Code of Racing Policy Development 81(a)
- (b) Policy for Safeguarding the Public Interest in Thoroughbred, Harness & Greyhound Racing 81(b)
- (c) Licensing Scheme Policy 81(c)
- (d) General Policy for Training and Development 81(d)
- (e) Policy for a Program for the Testing and Training of Racing Animals, Including Holding Trials 81(e)
- (f) Policy for Lawful Betting on Races 81(f)
- (g) Website Policy 81(g)
- (h) Policy for First Level Appeals 81(h)
- (i) Policy on the Formation, Management and Licensing of Clubs 81(i)
- (j) Policy on the Allocation of Race Days and Provision of Funding to Race Clubs 81(j)
- (k) Policy on the Standards Required for Licensed Venues, Including Venue Licensing Procedures 81(k)
- (l) Policy for Employment of Non-Licensed Staff 81(l)
- (m) Policy on way Races are to be held 81(m)
- (n) Policy for Decision Making by Stewards 81(n)
- (o) Record Keeping Policy 81(o)
- (p) Awareness of Duties Policy, Including Sexual Harassment, Bullying and Unlawful Discrimination in the Racing Industry 81(p)
- (q) Drug and Alcohol Policy (Licence holders and Race club officials) 81(q)
- (r) Handicapping/Grading Policy 81(r)
- (s) Animal Welfare Policy 81(s)
- (t) Policy on Spending by Non-Proprietary Licensed Clubs 81(t)
- (u) Policy on Disposal of Land by Non-Proprietary Licensed Clubs 81 (u)
- (v) Policy on Dealing with Intangible Assets by Non-Proprietary Licensed Clubs 81(u)
- (w) Fees Policy 81(v)
- (x) Forms Policy 81(w)

The Board of Racing Queensland Limited has determined that exceptional circumstances require the urgent making of the above named policies in a timeframe that does not allow adequate time for consultation.

The exceptional circumstances that exist are:

1. Pursuant to the *Racing and other Legislation Amendment Act 2010* (Qld):
  - 1.1 the approvals held by the three control bodies for racing in Queensland were cancelled on midnight 30 June 2010;
  - 1.2 on 1 July 2010 the Minister must give an approval to Racing Queensland Limited for the three codes of racing in Queensland; and
  - 1.3 Racing Queensland Limited will be the control body for the three codes of racing in Queensland with effect from and including 1 July 2010.
2. Section 81 of the *Racing Act 2002* (Qld) requires a control body to have certain policies in place. In order for Racing Queensland Limited to have these policies in place with effect from and including 1 July 2010, the above named policies need to be made on the urgent basis in a timeframe that does not allow adequate time for consultation.

In accordance with the Code of Racing Policy Development, the above named policies will be reviewed within three months of publication. The above named policies will not continue to have effect after six months from publication unless there has been formal consultation on the review of each of the policies as is required for the development of a non-urgent policy in accordance with the Code of Racing Policy Development.

Mr Lette dissents from agreeing that any reference to the Product and Programme Agreement or Intercode Agreement should be excluded from any policy.

**MOVED** by Mr Tony Hamner **SECONDED** by Mr Bradley Ryan

**Motion carried**

### **11. Resolutions - Section 80 (1)(b) Policies**

That the Board of Racing Queensland Limited adopts the following section 80(1)(b) policies tabled at the meeting, as at 1 July 2010:

- (a) Policy for Racing Queensland Limited's Commercial Decision-Making
- (b) Rules of Racing Policy
- (c) QCRS Trainer Policy
- (d) Policy on Complaint Management System
- (e) Policy on Veterinary Services to be provided at Race Meetings and Trials
- (f) TAB Club Capital Works Policy
- (g) Sulky Fund Policy (Harness Code) (refer in 6 months – to be faded out)
- (h) Telephone Only Bookmakers Policy (Greyhound Code), and (The Chairman declared a conflict of interest and Mr Hanmer took the Chair)
- (i) Policy on Media Accreditation.

The Board of Racing Queensland Limited has determined that exceptional circumstances require the urgent making of the above named policies in a timeframe that does not allow adequate time for consultation.

The exceptional circumstances that exist are:

1. Pursuant to the *Racing and other Legislation Amendment Act 2010* (Qld):
  - 1.1 the approvals held by the three control bodies for racing in Queensland were cancelled on midnight 30 June 2010;

- 1.2 on 1 July 2010 the Minister must give an approval to Racing Queensland Limited for the three codes of racing in Queensland; and
- 1.3 Racing Queensland Limited will be the control body for the three codes of racing in Queensland with effect from and including 1 July 2010.
2. Section 80(1)(b) of the *Racing Act 2002* (Qld) provides that a control body may have a policy if the control body believes it is good management to have such a policy.
3. The three control bodies for racing had numerous policies in place which the Board of Racing Queensland Limited believes are authorised by section 80(1)(b) of the *Racing Act 2002* and should be adopted in order to provide for continuity and stability in the industry following the implementation of the *Racing and other Legislation Amendment Act 2010*.
4. In order to have these policies in place with effect from and including 1 July 2010, the above named policies need to be made on the urgent basis in a timeframe that does not allow adequate time for consultation.

In accordance with the Code of Racing Policy Development, the above named policies will be reviewed within three months of publication. The above named policies will not continue to have effect after six months from publication unless there has been formal consultation on the review of each of the policies as is required for the development of a non-urgent policy in accordance with the Code of Racing Policy Development.

Mr Ryan suggested a Policy on Race Clubs – Executive Staff. Mr Ryan to draft this Policy.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Bob Lette

**Motion carried**

## **12. Resolution - Metropolitan Racing Policy – Brisbane**

That the Board of Racing Queensland Limited removes the application of the attached Metropolitan Racing Policy – Brisbane, as at 1 July 2010.

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Bradley Ryan

**Motion carried**

## **13. Resolution - Internal Information Technology Policies**

That the Board of Racing Queensland Limited adopts the following internal Information Technology policies, as at 1 July 2010:

- (a) Horses Change Request Procedure
- (b) Purchasing and Maintenance Procedures Computer Hardware and Software
- (c) Website Change Request Procedure
- (d) Remote Access Policy, and
- (e) Information Systems Orientation Manual.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Tony Hanmer

**Motion carried**

#### 14. Resolutions - Financial Policies

1. That the Board of Racing Queensland Limited adopts the following internal Financial policies, as at 1 July 2010:
  - (a) Expense Reimbursement Policy
  - (b) Credit Policy
  - (c) Sponsorship Policy, and
  - (d) Purchasing Policy. (*Links to be checked in policy*)
  
2. That the Board of Racing Queensland Limited adopts the following Financial policies, as at 1 July 2010:
  - (a) Event Management Policy (*To be printed in colour*)
  - (b) Risk Management Policy. (*This policy to be reviewed by the Audit, Finance and Risk Committee meeting and to be taken back to the Board for adoption.*)

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Wayne Milner

**Motion carried**

#### 17. Resolution – HR Policies

That the Board of Racing Queensland Limited adopts the following Human Resource policies, as at 1 July 2010:

- (a) Harassment, Discrimination and Bullying – Policy and Procedures, and
- (b) Grievance Handling Policy - Policy and Procedures.

**MOVED** by Mr Tony Hamner **SECONDED** by Mr Bradley Ryan

**Motion carried**

#### 18. General Issues

##### (a) Constitution of Racing Queensland Limited

Ms Murray tabled the approved RQL Constitution. This will be available on the RQL website from 1 July 2010.

##### (b) Radio Sports 927 Broadcast – 16 June 2010

Ms Murray updated the Board in relation to the following:

- (a) Correspondence dated 21 June 2010 sent to Mr Noel Crowe of Radio Sports 927 (Sports 927) in relation to a broadcast of 16 June 2010 involving an interview between Mr Shane Anderson and Mr Nick Columb.
- (b) Correspondence dated 24 June 2010 received from Corrs Chambers Westgarth Lawyers on behalf of their client, Sports 927.
- (c) Correspondence dated 25 June 2010 sent to Corrs Chambers Westgarth Lawyers in relation to Radio Sport 927 Broadcast – 16 June 2010.

##### (c) General Update

- Cairns Jockey Club:

- (i) On 27 February 2007, Trafalgar lodged a action for damages against the Cairns Jockey Club (Club) and individual Committee Members (No D&O Insurance)
  - (ii) The Club is not in any financial position to defend this Court action.
  - (iii) Queensland Government has advised Trafalgar that Cannon Park is to remain race course land for the benefit of racing in Far North Queensland.
  - (iv) Queensland Government has received a letter from Trafalgar informing them that if they attempt to transfer the land, Trafalgar will seek an injunction.
  - (v) This claim will now proceed to trial. As best as RQL can ascertain, the Club has reasonable chances of success. Discovery is currently occurring.
- Bowen Sub-division, Stage 2  
Stage 2 is currently being undertaken. Approximately 10 lots will be developed with similar covenants to the previous development.
- Cairns Greyhound Show Cause
  - (i) On 7 June 2010, Greyhound Queensland Limited (GQL, now known as RQL) issued a Show Cause on the Cairns Greyhound Racing Club Inc on the grounds that the GQL is considering the future of the Club and the need for consolidation of the greyhound racing industry in Far North Queensland to maximise the future returns to owners and trainers.
  - (ii) The Show Cause response is due Friday, 9 July 2010 – as to why the Club should not be delicensed.
  - (iii) Ms Murray to handle the matter – assess the information provided under the show Cause Notice and provide a report at the next RQL Board Meeting.
- Townsville Turf Club:
  - (i) On 15 March 2010, Queensland Racing Limited (QRL, now known as RQL) delivered a Show Cause Notice (Notice) to the Townsville Turf Club (TTC) on the grounds of insolvency and the failure to comply with the TTC's Constitution. The TTC were also advised that QRL was very concerned that the TTC was trading whilst insolvent and there did not appear to be any turnaround planned by which the TTC's financial position would in the near future return to solvency.
  - (ii) On 29 April 2010, QRL advised the TTC that the grounds of the Notice were now satisfied. QRL further informed the TTC that Deloitte would continue to conduct its audit on the TTC and will review the information provided by the TTC under the Notice.
  - (iii) To date, the TTC are continuing to operate in accordance with their Club licence.
- Anti-Discrimination Complaint:
  - (i) Anti-Discrimination complaint by Bobby Chrystal against QHRL and GQL alleging discrimination on the basis on impairment in the area of goods and services between 1 March 2008 – 6 January 2010.
  - (ii) Submission due Wednesday, 7 July 2010. Ms Murray has carriage over this matter.
- Sedan Dip Race Club:

- (i) Ms Murray received a verbal request for the Sedan Dip Race Club (Club) to dissolve, on the basis that the Club was unable to meet QRL's Minimum Standards.
- (ii) Ms Murray received formal correspondence from the Club's Solicitor.
- (iii) On 30 June 2010, QRL advised the Club that it approved the dissolution of the Club, however, it put on record that the Club was able to meet the minimum standards. On review of the documents provided by the Club, the Club was in a financial position to bring the club/track to minimum standards (\$39,500.00).

### **2.3 Finance Report**

Mr Adam Carter updated the Board in relation to the Finance Report and sought approval for the following assumptions for the Budget FY1011:

1. **Prizemoney.** seek approval that there will be no prizemoney increases for the FY1011 budget for all codes both TAB and Non TAB until a complete review has been undertaken.
2. Endorse the change to **Admin Subsidies to Operational Subsidies** for Thoroughbred TAB clubs subject to a complete timing of when club race day related staff are employed by RQL. RQL to recoup all additional costs from the operational subsidy going forward. Review date to be in second half of FY1011.
3. Endorse the change in the **Operational Subsidy** to Non Tab Thoroughbred Clubs total \$555K
4. Endorse the proposed **jockey riding fee increase from \$143 to \$147 per ride** from 1 September 2010 based on CPI as at 31 March 2010.
5. Endorse the proposed increases to **Board fees of \$525K**
6. Approve the proposed **system development improvements** of \$300K for Accounting Upgrade, website Development for all 3 codes. This is to ensure RQL is line with best practice and to provide more efficient services through ecommerce to the industry and to compliment the business plan for FY10/11

This was **APPROVED** by the Board.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Tony Hanmer

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### **Motion carried**

Mr Carter updated the Board in relation to the Deloitte Report on Townsville Turf Club in terms of the Corporate Governance and Financials Assessment follow up.

- Deloitte attended site on 21 to 24 June to commence field work.
- Deloitte held meetings with Michael Charge, Kevin O'Keefe and Alan Parry to discuss the current situation of TTC and their proposed way forward. They have been cooperative to date.
- The information requested prior to Deloitte commencement was not provided prior to their arrival. A lot of the information was provided while they were on site, which has slowed their progression. Further, due to the inaccuracies/amendments in some of the information, rework will be required which will be at an additional cost.
- Deloitte have identified formula errors in the Company's forecast. Deloitte are currently waiting to hear from Michael Charge regarding our findings. These will be outlined in their report once it has been resolved. Deloitte findings show a

worsening cash position, from \$184k (original forecast and using opening bank balance as at 1 June 2010) to \$89k (corrected forecast and using bank balance as at 1 June 2010).

- They have a claim against the contractor who constructed the infield dam. They have filed a statement of claim, however, it is not being actively pursued as they do not have sufficient funds.
- To date the club, has formulated limited restructuring plans. In particular they have flagged the following options:
  - o Certain members have opened a facility with NAB totalling \$700k. As at 31 May 2010 was drawn up to \$350k. The loan is in the name of the members and the funds are on lent to TCC. Deliottes are in the process of reviewing the loan agreement and will comment on RQL report
  - o They raised the issue of realising the “corner block” and still seem interested in pursuing this. Deliottes understand they need RQL and the Minister’s approval for this to proceed. They would look to use the proceeds of sale for working capital, refurbishment of facilities and on-site stables.
  - o They are offering conference /wedding facilities however, they have limited space and the facilities need an upgrade to be competitive.
  - o They largely rely upon their Winter Carnival (approx 5.3% of total YTD10 income), bar sales (29.1%), sponsorships (10.2%), and the subsidy from RQL (22.4%) to fund TCCs operations. Limited revenue is generated from mid-week or weekend races, with on-course Tote revenue only contributing 4.5% of total YTD10 revenue.
  - o They will need to consider reducing maintenance expenditure which will impact the quality of the course.

Mr Carter further updated the Board in relation to:

- Internal Audits will be conducted at the Gold Coast Turf Club and Toowoomba Turf Club.
- Leases on motor vehicles will be investigated and whether novated is the way to go and the options have been included in the HR Motor Vehicle Policy
- Ms Tracey Harris will conduct an internal audit of the Redcliffe Peninsula Harness Racing and Sporting Club Inc.
- A complete budget for RQL will be presented to the October 2010 board meeting.

Mr Ron Mathofer updated the board in relation to Wagering and Race Information Fees:

- The impact of overseas racing and race information fees on revenue from UNITAB is down approximately \$27M for all codes (including \$1.8M paid to WA for FY0809).
- New Zealand make up the bulk of the fee – 3% charge they put on RQL.
- Outstanding Race Information Fees is \$6,296,096.

The Board suggested that the Audit, Finance and Risk Committee meeting be held on separate days to the RQL Board meeting.

This was **NOTED** by the Board.

## **2.4 Product Development Report**

Mr Paul Brennan updated the Board in relation to a number of initiatives currently being undertaken by the Product Development Department.

- Mackay Turf Club – Discussions are continuing regarding the development of partnership between RQL and the Mackay Turf Club and will form part of the Strategic Asset Plan.



- Beaudesert Race Club – Discussions are continuing with the Beaudesert Race Club and Scenic Rim council regarding the ownership of the Beaudesert Facility.
- Callaghan Park, Rockhampton – Improvements have been finalised.
- Corbould Park – Caloundra – Open day for the stables will be held on Sunday, 25 July 2010.
- Review of TAB Thoroughbred Racing Tracks – RQL have engaged Mr Peter Semos from Global Turf Solutions to undertake a review of the racing surfaces at each TAB facility.
- Logan - \$22.6M is the total cost for this project.
- Harness Racing Venues – There will be an organised trip to Gold Coast, Albion Park and Redcliffe for inspection.
- Queensland Country Racing Committee – a meeting has been scheduled for 21 July 2010, this meeting maybe rescheduled to next week.

This was **NOTED** by the Board.

## **2.5 Integrity Report – June 2010**

Mr Jamie Orchard updated the Board in relation to the relevant issues in the Integrity Department.

Mr Orchard also informed the Board that an investigation is to be held into a complaint regarding Mr Pat Duff and his wife in the training, selling and purchasing of racehorses. The Board will be kept updated on this complaint.

This was **NOTED** by the Board.

The Chairman declared a conflict of interest and left the meeting. Mr Hanmer took over as chair.

## **3.1 Queensland Race Product Co.**

The Board agreed that the next Product Co General meeting and Board meeting will be held at 8:00am on Friday, 6 August 2010.

This is to discuss the ending of the Intercode Agreement and amending the Constitution.

This was **NOTED** by the Board.

The Chairman returned to the meeting and resumed the role of Chairman.

## **3.2 Combined Code Publication**

Mr Hanmer updated the Board in relation to combining all three racing magazines and publications into one RQL publication.

Mr Hanmer advised the Board that Harness still has a contract for 15 months with their editor. Mr Hanmer is in negotiations with Harding Richards Lawyers who represents the editor.

The Board were presented with 4 options for a new combined code racing magazine. The options were discussed.

Option 4 was the preferred approach, combining 3 titles into 1 magazine with 2 different covers and a different programme section for each code. Each relevant section would have a code specific cover with page numbering directing the readers to where the different code sections start as well as colour tabs on the edge of each page to find the

section. The ability to maintain the magazine below the 500gram excess postal cost per item will be achieved by keeping the magazine under 160 pages. A meeting has already taken place with Mr Brennan and Mr Smith, and marketing identifying over 40 pages which can be removed as are now available on RQL website.

In producing option 4 the latest programmes from the 3 brands have been accounted for, programmes of 16 pages of greyhound text together with 4 pages of greyhound programmes, 16 pages of Harness text and 16 pages of Harness programme will mean that the Harness and greyhound codes will in fact have larger editorial content than their individual magazines currently provide and there will be a standardisation of 1 magazine clearly promoting 1 entity.

Mr Hanmer is to provide final costings and production details in a Board paper for the next board meeting to obtain an affirmative determination from the Board.

The Board **AGREED** with the combined code publication of the magazine.

### **3.3 Board Attendance**

Mr Hanmer updated the Board in relation to the upcoming RQL functions. These being:

13 August 2010 – Nominations Night

28 August 2010 – Awards Night

These were **NOTED** by the Board.

### **3.4 Other Business**

- Mr Brennan to meet directly with Harness callers and to negotiate their costs. Mr Brennan to talk to Barrie Fletton.
- The Brisbane Racing Club is in the process of denying trainers with less than 5 horses to train at Eagle Farm, this will affect 40-50 trainers. RQL will accommodate these trainers at Deagon.
- Ms Watson informed the Board that a Greyhound Strategic Plan is still in progress and once received will be signed off from the previous Board and then brought to the RQL Board to be considered in the Strategic Asset Plan.

Meeting concluded at 3:05pm

Confirmed as a true record.



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R G Bentley  
Chairman

Dated...../...../2010

**Mr Bob Bentley**

Director of Tatts Group  
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)  
Director/Chairman of Australian Racing Board

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club

**Mr Bob Lette**

Life member Albion Park Harness Racing Club  
Member of Brisbane Racing Club  
Consultant to Mullins Lawyers  
Non Executive Director Watpac Limited

**Mr Bill Ludwig**

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)  
Board Member of WorkCover Queensland  
Member of Brisbane Racing Club

**Mr Bradley Ryan**

Member of the Brisbane Racing Club  
Member of Tattersalls Club

**Mr Wayne Milner**

Member of the Brisbane Racing Club  
Member of the Sunshine Coast Turf Club  
Member of the Ipswich Turf Club  
Member of the Victoria Racing Club  
Life Member of QROA  
Member of Queensland Breeders Association  
Holder of Victoria Owners Gold Card

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Friday, 6 August 2010

Board Room, Racing Queensland  
Racecourse Road, Deagon

Meeting Commenced at 9:00am  
Meeting Concluded at 3:08pm

**Board Directors Present:** Bob Bentley - *Chairman*  
Tony Hanmer – *Deputy Chairman*  
Bob Lette  
Bill Ludwig  
Wayne Milner  
Bradley Ryan  
Kerry Watson

**In attendance:** Malcolm Tuttle - *Chief Executive Officer*  
Shara Murray - *Senior Corporate Counsel*  
Adam Carter - *Chief Financial Officer*  
Tracey Harris - *Finance and Business Manager*  
Ron Mathofer - *Business Analyst*  
Paul Brennan - *Director, Product Development*  
Jamie Orchard - *Director, Integrity Operations*  
David Rowan - *Manager, IT & Communications*

**Minutes:** Debbie Toohey - *Board Secretary*

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The Chairman opened the Meeting at 9:00am.

**1.1 Apologies**

Nil.

**1.2 Declaration of Conflicts of Interest**

The Board **NOTED** Attachment “A”.

**1.3 Confirmation of Minutes of RQL Board meeting of 1 July 2010**

The Board **RESOLVED** that the RQL Board Meeting Minutes of 1 July 2010 be received and confirmed.

**MOVED** by Wayne Milner **SECONDED** by Mr Tony Hanmer

**Motion carried**

**1.4 Action Sheet**

The Board **NOTED** the action sheet.

## **1.5 Media Releases / Correspondence / Matters for Noting**

The Board **noted** the following media releases:

### ***Media Releases***

- Multi-million dollar deal for racing in Queensland on Track 25 June 2010
- Racing Queensland moves into the Future 30 June 2010
- Clumsy Attack on Integrity Deserves Derision 5 August 2010

## **1.6 Confirmation of Flying Minute**

There were no Flying Minutes for confirmation.

## **2.1 Chief Executive Officer Report**

Mr Malcolm Tuttle updated the Board in relation to the following:

- Victorian Thoroughbred race fields – transitional fee
- Deagon building extension
- Brisbane Racing Club master plan - Mr Bob Lette declared his conflict of interest in relation to Watpac.
- Broadcast Project
- Strategic Planning day to be organised for Tuesday, 26 October 2010
- McHugh – Artificial Insemination
- Harness Whip rule amendment

This report was **NOTED** by the Board.

## **2.2 Legal & Compliance**

Ms Murray tabled the following resolutions to be approved by the Board:

### **1. HR Policies**

That the Board of RQL adopts the following Human Resource Policies, as at 6 August 2010:

1. Code of Conduct
2. Induction Policy
3. Recruitment and Selection Policy
4. Remuneration Policy
5. Study Assistance Policy
6. Workplace Health & Safety Policy
7. Relocation Policy
8. Personal Presentation Policy
9. Confidentiality & Intellectual Property Policy
10. Parental Leave Policy
11. Payroll Policy
12. Performance Agreement and Appraisal Policy
13. Performance Counselling Policy
14. Termination of Employment Policy
15. Working Hours Policy
16. Workplace Smoking, Drug & Alcohol Policy
17. Travel Policy General

18. Travel Policy Operations
19. Privacy Policy, and
20. Leave Policy.

Mr Bradley Ryan agreed to draft a paragraph to be included in the Relocation Policy concerning the FBT benefits on Salary Sacrificing.

Ms Murray sought the Board's confirmation of the Workplace Rehabilitation Policy, accredited by QComp, expiry 2012.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

**Motion carried**

## **2. Licensing Committee**

In accordance with Section 198D (1) of the *Corporations Act 2001*, the Board of RQL delegates:

- a) the powers set out in Schedule **A** to the Licensing Committee of RQL; and
- b) the powers set out in Schedule **B** to each of the persons for the time being holding the position of Licensing Manager, Director of Integrity Operations and Chief Stipendiary Steward.

These powers are delegated on condition that the use of the powers shall be reported to the Board of RQL by either the Chairman or Deputy Chairman of the Licensing Committee at the Board Meeting following the use of the powers.

### **Schedule A**

1. Pursuant to Section 34 (1) (a) of the *Racing Act 2002* (Qld) (**Act**), the power to licence participants that, under RQL policy, are suitable to be licensed.
2. Pursuant to Section 34 (1)(b) of the Act, the power to assess the performance of participants against the relevant policies of RQL to ensure that the participants continue to be suitable to be licensed.
3. Pursuant to the RQL Licensing Scheme Policy, the power to impose conditions on any licence particular to a licensee, a category of licence, a region or location or in any manner considered necessary.
4. Pursuant to the RQL Licensing Scheme Policy, the power to undertake an audit program of licensees and to take any action arising from that audit.
5. Pursuant to the RQL Licensing Scheme Policy, the power to suspend any licence issued by RQL in accordance with the requirements of the Licensing Scheme Policy.
6. Pursuant to the RQL Licensing Scheme Policy, the power to give a direction to a licensee.

### **Schedule B**

Pursuant to the RQL Licensing Scheme Policy, the power to

- issue an interim licence to a participant
- immediately suspend a license

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Tony Hanmer

**Motion carried**

### 3. Ipswich Greyhound Racing Club

In light of the Policy on the Formation, Management and Licensing of Clubs, Ms Murray advised the Board that a written formal request had been received from Mr Ray Burman, Secretary of the Ipswich Greyhound Racing Club (**Club**) seeking permission from RQL to allow licensees as members of the Club's Committee (see Attachment 'A').

In his request, Mr Burman states that the current Committee are all licensees, and the Club believes that it would be very difficult to find outside committee persons to put in the hours and effort to run a Greyhound Club.

Ms Murray informed the Board that the Club is a very successful and profitable Club, as at 31 May 2010 its account balances were:

- (a) ING Investment Account - \$684,354.00, and
- (b) General Operating Account - \$118,181.00.

Ms Murray advised the Board that, although the Club Committee is comprised of all licensees, these licensees are ensuring that the Club is managing a very profitable race club. Ms Murray recommended that the Board of RQL grant its permission to allow licensees as Club committee members:

The Board **RESOLVED** that:

- (a) the Ipswich Greyhound Racing Club to have more than two (2) licensees as Club Committee Members, and
- (b) the Ipswich Greyhound Racing Club to have a licensee hold the position of race club secretary.

**MOVED** by Ms Kerry Watson **SECONDED** by Mr Tony Hanmer

**Motion carried**

### 4. Oak Park Racing Club Inc

In light of the Policy on the Formation, Management and Licensing of Clubs, Ms Murray advised the Board that a written formal request had been received from Ms Deborah Woodhouse, Honorary Secretary of the Oak Park Race Club Inc. (**Club**) seeking permission from RQL to allow licensees as members of the Club's Committee (see Attachment 'B').

Ms Murray advises the Board that the Club consists of the following licenses:

- (a) Deborah Woodhouse (Honorary Secretary) – Stable Hand License
- (b) Roland Everingham (Senior Vice President) – Trainers License
- (c) Sally Everingham (Committee Member) – Stable Hand License
- (d) Jennifer Felix (Committee Person) – Stable hand License

Ms Murray informed the Board that during the financial year of 2008/09, the Club made a profit of \$51K, after value adding to their prize money by \$55K. Their cash position at the end of the financial year was \$114K.

Ms Murray advised the Board that although the Club Committee is comprised of four (4) licensees, these licensees, along with other Club Committee Members, are ensuring that the Club is managing a profitable race club. Ms Murray recommended that the Board of RQL grant its permission to allow licensees as Club committee members:

The Board of RQL **RESOLVED** that:

- (a) Deborah Woodhouse (Stable Hand License) to hold the position of Honorary Secretary
- (b) Roland Everingham (Trainers License) to hold the position of Senior Vice President
- (c) Sally Everingham (Stable Hand License) to hold the position of Committee Person, and
- (d) Jennifer Felix (Stable hand License) to hold the position of Committee Person.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bob Lette

**Motion carried**

### **5. Oyster Bay Wines Australia Pty Ltd – Albion Park Raceway**

Ms Murray advised the Board that a Licence Agreement exists between Albion Park Raceway (**APR**) and Oyster Bay Wines Australia Pty Ltd (**Oyster Bay**), which is due to expire on **25 October 2010**.

Oyster Bay is a current tenant of APR.

Current Licence Fee for office space: \$466 per week (exclusive of GST).

Ms Murray informed the Board that on 28 July 2010, she received correspondence from Mr John Freeman of Oyster Bay, outlining that Oyster Bay would like to exercise its option under section 2.2 of their Deed of Extension of Licence to extend its Licence Agreement for an additional period of one (1) year, commencing on 26 October 2010 (see Attachment 'C').

The Board **RESOLVED** to:

- (a) Grant the extension of Licence for an additional period of one (1) year: 26 October 2010 – 25 October 2011, and
- (b) Increase the current Licence Fee to \$479.98 per week (excluding GST) – this represents a 3% CPI increase of the current Licence Fee.

**MOVED** by Mr Bob Lette **SECONDED** by Mr Wayne Milner

**Motion carried**

### **6. Cairns Greyhound Racing Club – Show Cause Notice**

Ms Murray provided the Board with the following background:

The Cairns Greyhound Racing Club Inc (**Club**) is a Non-TAB Club, with its track located within the Cannon Park Racecourse.

#### **2009 Show Cause**

In April 2009, the Board of Greyhound Queensland Limited (**GQL**) resolved to issue the Club a Show Cause Notice as to why its racing license should not be cancelled. At the time, the Board was concerned as to the Club's future viability and the need for consolidation of greyhound racing in North Queensland to maximise the future returns to owners and trainers.



The Board, after having considered submissions received from the Club and interested parties, formally resolved to de-license the Club. The Board then resolved to consider re-licensing the Club on a reduced number of race dates and funding, with certain measures to be met.

The Club accepted this proposal and the Board resolved to re-issue the Club's license for the FY09/10. The Club in agreeing to this proposal did not want to prejudice its right to appeal the Board's original decision in de-licensing the Club. The Club lodged an appeal with the Racing Appeals Tribunal (now known as QCAT) seeking to have the Club's previous race date allocation and funding reinstated by GQL.

On the day of the hearing an agreement was reached between the Club and GQL, whereby the Club was granted an additional 9 race dates between September 2009 and 30 June 2010, with additional funding provided for these extra meetings. The Club formally withdrew its appeal.

The Board of GQL formally endorsed the revised race dates and funding to the Club, with certain conditions that the Club had to meet. The Club and GQL agreed that a review of the Club's performance would be undertaken in May 2010 to gauge whether the Club is viable. The review would also take into consideration the number of races per meeting, percentage of prize money paid out, number of nominations/starters, new licenses. The review would also take into consideration generally both community and industry demand for the retention of greyhound racing in Cairns.

From September 2009, the Club's performance was monitored by the GQL Board, the GQL Finance Department and GQL's General Manager, Mr Darren Beavis, taking into consideration the above measures. Correspondence was forwarded to the Club in April 2010, which enclosed a month by month analysis of the Club's performance and highlighted areas which remained of concern to the GQL Board. The Club submitted a reply to the correspondence, which stated that unless the GQL Board were prepared to commit to the Club operating for at least the next three (3) years, they could not attract new licensees and existing trainers were not prepared to source more greyhounds.

### **2010 Show Cause**

The GQL Board at its May 2010 Board Meeting considered the Club's performance to 8 May 2010 and the Club's response of 26 April 2010. The GQL Board resolved to issue the Club with a Show Cause Notice as to why its racing license should not be cancelled. The GQL Board accepted that the Club had met its target of 70% return to prize money, but remain unconvinced that the Club was viable into the future based on the following:

- (a) Number of races conducted per meeting not meeting agreed acceptable levels*
- (b) Number of nominations/starters not meeting agreed acceptable levels*
- (c) The Club's inability to attract new licensees*
- (d) There seems to be no substantive evidence that the Club has been able to establish itself as a feeder track to Townsville or take up excess nominations from Townsville, and*
- (e) It appears from the statistical data that the reverse has occurred where the Club is now reliant on Townsville based trainers nominating in order for the Club to meet the minimum requirements for a meeting to be drawn.*

A Show Cause Notice was issued to the Club on 7 June 2010. The GQL Board asked for submissions in relation to the Show Cause by 9 July 2010.

On 4 July 2010, Ms Emma O'Connor, President of the Club requested an extension of time in relation to the Show Cause Notice. On 5 July 2010, RQL granted an extension until 21 July 2010.

On 20 July 2010, the Club provided a formal response to GQL's Show Cause Notice issued on 7 June 2010 (see Attachment 'D').-

Ms Murray advised the Board that on the information provided, there does not appear to be any basis for grounds to de-license the Club.

Ms Murray informed the Board that she was concerned that the GQL Board did not have sufficient grounds to issue a Show Cause Notice to the Club on 7 June 2010. It appears that only **issues** of the Board concerning what it considered in the best interests of the greyhound racing industry (as a whole) were raised under the Show Cause, not facts or circumstances forming the basis for the grounds for the Show Cause against the Club itself (under section 101 of the *Racing Act 2002* (Qld)), for instance, the Club trading insolvent, or in breach of control body policies, or in breach of the Club's constitution or in breach of the *Racing Act 2002* (Qld).

Ms Murray advised the Board that she was of the opinion that a Show Cause was incorrectly issued to the Club. The particular issues raised by the GQL Board in its Show Cause Notice were more relevant to a Control Body Direction under section 34(2) of the *Racing Act 2002* (Qld), and/or a strategic asset plan.

Ms Murray recommend that the Board of RQL write to the Club informing them that its formal response to GQL's Show Cause Notice has been received and noted by the Board and that the Club is to continue to be remained licensed as a Non-TAB Club. Ms Murray further recommend that the Board inform the Club that RQL is currently undertaking a Strategic Asset Plan of all industry assets, which will include the future of the Club.

The Board **RESOLVED** that:

Ms Murray to write to the Club informing them that the Club remains licensed as a Non-TAB Club, and that RQL is currently undertaking a Strategic Asset Plan of all industry assets, which will include the future of the Club.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Wayne Milner

**Motion carried**

## **7. Capalaba Greyhound Racing Club**

In light of, RQL's Policy on the Formation, Management and Licensing of Clubs Ms Murray advised that the Board that a written formal request had been received from Mrs Marillyn Collett, Committee Member of the Capalaba Greyhound Racing Club (**Club**) seeking permission from RQL to allow licensees as members of the Club's Committee (see Attachment 'A').

In her request, Ms Collett states that *'the majority of Members of the Club are licensees, and the Club believes that it would not be possible to have a Committee of anything other than licensees – the non-licensee members are gallop punters and are not interested in the day to day running of the Club.'*

Ms Murray informed the Board as at 30 June 2010, the Club recorded a profit of \$6,990 (this figure yet to be audited) and has a current bank balance as at 30 June 2010 of \$52,500.

Ms Murray advised the Board that, although the Club Committee is comprised of a majority of licensees, these licensees are ensuring that the Club is managing a reasonably profitable race club. Ms Murray recommended that the Board of RQL grant its permission to allow licensees as Club committee members:

The Board **RESOLVED** that:

- (a) the Capalaba Greyhound Racing Club to have more than two (2) licensees as Club Committee Members, and
- (b) the Capalaba Greyhound Racing Club to have a licensee hold the position of race club secretary.

**MOVED** by Ms Kerry Watson **SECONDED** by Mr Bill Ludwig

**Motion carried**

## **8. Gold Coast Turf Club – Heads of Agreement**

Ms Murray tabled a draft copy of the Heads of Agreement between RQL and the Gold Coast Turf Club Limited.

The Board notes the Draft and authorises Mr Milner to continue with his negotiations.

## **9. Legal & Compliance Report**

Ms Murray updated the Board in relation to the Legal and Compliance Department:

- (a) First Level Appeals
- (b) Anti-Discrimination Commission – Complaint by Bobby Chrystal against GQL and QHRL, and
- (c) Proposal for Future Broadcasting of Queensland Thoroughbred Races – TVN.

This report was **NOTED** by the Board.

### **2.3 Finance Report**

Mr Adam Carter updated the Board in relation to the management accounts for year end for 30 June 2010.

- Thoroughbred Surplus \$5.707M
- Harness Deficit \$279K
- Greyhounds Deficit \$273K
- Joint Venture Deficit \$400K

The Consolidated entity will return an estimated surplus of \$4.757M with the final audited accounts available for the 3 September 2010 Board meeting.

Mr Ron Mathofer updated the Board in relation to Wagering and Racing YTD June 2010.

This was **NOTED** by the Board.

### **2.4 Product Development Report**

Mr Paul Brennan updated the Board in relation to a number of initiatives currently being undertaken by the Product Development Department.

#### **Inter Dominion Feedback**

Harness Racing Australia (HRA) is seeking the views of interested stakeholders in the ongoing format of the Inter Dominion event.

RQL are finalising a date and invitation list for the Queensland workshop and possible hosting and format options to be provided prior to the workshops to HRA.

The following are the options currently being considered by HRA:

### **Hosting Options**

- Status Quo Rotation
- Reduced Rotation
- Fixed Venue
- Tender Submissions

### **Format Options**

- Semi Traditional Format
- Grand Circuit Finale

The Board **AGREED** that the Hosting Options to be either at a Fixed Venue or Tender Submissions for a fixed term. The Format Options should be as the Grand Circuit Finale.

The Board **APPROVED** the following:

### **Harness**

1. Mr Brennan to continue discussions with HRA in relation to a four week "hot shot" trial at the Gold Coast on Friday nights.
2. Mr Brennan to write a formal response to HRA regarding the Inter Dominion hosting and format options.

### **Thoroughbreds**

3. Adoption of the 2011/12 Black Type prizemoney benchmarks for the 2010/11 season and beyond. \$180,000 of the budget to be committed at the present.

### **Country Racing**

4. A change to 7(a) of the Country Racing Association Charter to read:  
"Each Association must elect a member of the Association as its Chairperson."
5. To maintain section 4(b) of the Country Racing Committee Charter and section 26.2(b) of the RQL Constitution as follows:  
"The Chairperson of each Association and a representative from Racing Queensland will comprise the Committee."
6. To recommend to the Government in relation to the \$1M contribution to Country Race Clubs:  
"RQL to develop a standard application form to enable clubs to outline the proposed expenditure and works required at their facility. Venues to be able to access up to \$10,000 each from 1 January 2011, with RQL required to be satisfied that this expenditure is aimed at improving WH&S compliance at facilities. Clubs who have been proactive in the lead-up to the implementation of the minimum standards will be able to make retrospective applications."
7. To amend the Country Racing Association Charter to include the provision for the appointment of a Secretary.
8. A provision of a \$1K annual allowance for each Chairperson and Secretary of the eight Associations.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

**Motion carried**

## **2.5 Integrity and Licensing Report – July 2010**

Mr Jamie Orchard updated the Board in relation to the relevant issues in the Integrity Department.

Mr Orchard informed the Board that any persons coming back from a long history of Disciplinary actions will now be issued with a show cause notice and to be answerable as to why they should be allowed to be relicensed.

Mr Ron Maund has made such a submission as to why he should be re-licensed and has taken measures to ensure that there will be no future positive swabs on his horses. He is at a new facility and has installed security cameras at the facility. Mr Orchard has granted him to be re-licensed on the condition that certain criteria are adhered to and that he does not breach these conditions.

This was **NOTED** by the Board.

### **Local Rule of Racing 6A**

Mr Orchard sought the Board's approval for the addition of a new Local Rule of Racing (Thoroughbred Racing).

*“LR6A The Control Body has the power to warn off any or all racecourses within its control any person whose presence thereon is in the opinion of the Board or the Control Body not desirable.”*

This was **APPROVED** by the Board

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

### **Motion carried**

## **3.1 Finish on Lure**

Mr Orchard updated the Board in relation to the recommendations on the course of action proposed for the Finish on Lure greyhound racing system.

Mr Orchard indicated that while there is evidence of some reduction in injuries to greyhounds on raceday and a reduction in the number of greyhounds suspended, there is insufficient evidence to conclude that the reason for these improvements is the fact that greyhounds have been pulling up on the Lure.

Mr Orchard also recommended that a new system be implemented in relation to the catching process whereby catchers do not catch their own dogs, a catcher catches the first dog and moves it out of the way. However, Ms Kerry Watson strongly disagreed with this method in that, trainers would want their own catchers to catch their dogs. Mr Orchard to work with the clubs on introducing different methods to encourage the dogs further into the pen.

The use of the Finish on Lure racing system is to be continued at Albion Park but that the traditional Catching in the Pen system be returned to Ipswich. However, the new Lure design be continued to be used at Ipswich. By racing at different tracks it will keep the dogs interested.

RQL to work with the industry and include them in trying to find the best benefit for the industry. RQL will monitor both systems for 12 months and compare statistics at the end of this term.

Ms Watson suggested that Mr Orchard contact Greyhound Australasia as they have been doing a 6 months study on the Finish on Lure.

The Board **AGREED** with the recommendations.

Ms Watson voted against the above recommendations.

### **3.2 Minimum Betting Limits**

Mr Orchard sought the Board's approval to set the minimum betting limits for the purposes of Queensland Harness Local Rule 11.

*“Bookmakers must on demand lay the odds quoted to lose a minimum of \$1,000 for any single wager bet for the win or each way and \$500 for any single wager bet for the place.”*

This was **APPROVED** by the Board.

**MOVED** by Mr Bob Lette **SECONDED** by Mr Tony Hanmer

**Motion carried**

### **3.3 National Bodies**

Mr Tuttle sought the Board's confirmation/determination of the appointees to the relevant national body.

- ARB – Director of RQL and CEO
- RISA and TTSC - CEO
- HRA – Director of RQL and CEO
- GAL – Director of RQL and CEO

The Board **AGREED** that the appointees of each relevant national body should be the RQL Chairman and CEO with the CEO to remain on RISA and TTSC.

### **3.4 The Marquee Project**

Mr David Rowan updated the Board in relation to the Marquee Project and sought the Board's approval for the budget of \$320,000 to acquire the marquees with which to hire to race clubs.

This was **APPROVED** by the Board.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Tony Hanmer

**Motion carried**

### **3.5 World of Harness Racing (WOHR)**

Mr Tony Hanmer updated the Board in relation to whether or not to terminate the Transmission Agreement between the Company and QCTV.

The Board **RESOLVED** to:

- (a) Terminate the Transmission Agreement between the Company and QCTV by providing 28 days written notice to QCTV, and
- (b) The RQL Marketing Committee to examine the option to produce a tri-code racing program to be aired on Sky Racing as part of RQL's overall marketing strategy.

Mr Bob Lette abstained from voting.

**MOVED** by Mr Bradley Ryan **SECONDED** by Ms Kerry Watson

**Motion carried**

Mr Hanmer is to provide a budget in relation to producing a tri-code racing program so the Board can make a determination.

Mr Hanmer also tabled an example of the new racing magazine.

**General Business**

**Audit, Finance and Risk Committee Meeting**

Mr Bradley Ryan updated the Board on the key issues arising from the Audit, Finance and Risk Committee meeting held on Thursday, 5 August 2010.

- Inclusion of Senior Corporate Counsel and CEO report on key risks per meeting.
- TAB workshop to be held on a date to be confirmed at next committee meeting.
- Committee meetings to be held one week prior to RQL Board meetings for inclusion in the Board papers.

This updated was **NOTED** by the Board.

**Redcliffe Peninsula Harness Racing and Sporting Club Inc.**

Ms Tracey Harris updated the Board in relation to the internal review conducted at the Redcliffe Peninsula Harness Racing and Sporting Club Inc (Club).

The Board was advised that the Club has:

1. Minimal control over Club cash holdings, placing at risk a key asset of the Club with a current value of approximately \$227K.
2. Failed to have a segregation of power concerning financial processes and approval.
3. Failed to have neither a procedure manual nor any written policies concerning financial processes and approvals.
4. Deficient controls in place in relation to cash reserves and cash payments.
5. Failed to comply with corporate governance concerning the execution of Club Minutes.
6. Is in serious breach of remittance of monies due to RQL under clause 8.1 (c) of the Club's License Agreement. Under remittances identified as at 27 July 2010 is **\$25,560.08 (GST Inclusive)**.

The Board **RESOLVED** to issue the following Notices on the Club:

- (a) S34 – Control Body Direction
- (b) S102 – Show Cause Notice
- (c) S104 Information Notice

Ms Harris to keep the Board updated.

## Areas of concern – Harness Racing

Mr Orchard updated the Board in relation to a number of areas of concern within Harness Racing.

### ***BRIZ31 Contract***

There has long been a relationship between the Harness Racing Board and Briz31. From the file, it would seem that Mr Kevin Seymour was initially funding Briz31 to broadcast World of Harness Racing. However Mr Seymour indicated in January 2007 that he hoped that Queensland Harness Racing Board (QHRB) would assume responsibility for the costs of that program. After an exchange with Andrew Kelly about the program, it would seem that QHRB assumed responsibility for the program.

Harness Racing Queensland (HRQ) entered into a written agreement with Briz31 Limited on 24 April 2009. Under the agreement HRQ licensed Briz31 to broadcast World of Harness Racing and agrees to pay the programming fee each week of \$500 plus GST. That show continues to go to air on Sunday evening at 6.30pm. The signatory on behalf of HRQ was Mike Godber.

The agreement was expressed to cover the period from 3 May 2009 to 26 July 2009 but it is thought to have extended beyond that date.

A Renewal of Transmission Agreement was signed by Mike Godber on 22 March 2010 to cover the period 4 April 2010 to 3 April 2011. The cost of the program continued to be \$500 plus GST per week.

For the financial year ending 30 June 2010 a total of \$126,486.12 was paid in respect of the World of Harness Racing program. This amount includes a payment of \$27,827.27 to Briz31 with the other amounts being paid to camera operators and those responsible for interviews and appearances.

Putting aside the question as to whether it is an appropriate use of communications/marketing funds, the major issue that arises is in respect of the apparent conflicts. In particular:

- A Board member of HRQ at the relevant time was Mr Kevin Seymour. A search of the company details of Briz31 Limited reveals that Mr Kevin Seymour (and Mrs Kay Seymour) has registered fixed and floating charges over the assets of Briz31. The first charge was lodged on 21 April 2005 and the second was lodged on 3 April 2008. The details of those charges are not clear but there is nothing on the face of the company records suggesting that those charges have been released. As Mr Seymour apparently has a charge over the assets of Briz31 that gives him a financial interest in the ongoing success of that company. His interest in that regard creates a potential or perceived conflict of interest with his role as a Director of HRQ and accordingly his interest in Briz31 ought to have been formally disclosed. There is no record in the HRQ minutes of a disclosure by Mr Seymour.
- Mr Damian Raedler became a Director of Briz31 on 16 February 2010. As a Director of Briz31 he has a direct interest in the success of that company and as a Manager of HRQ a disclosure ought to have been made in respect of his role in Briz31 Limited. Mr Raedler has confirmed that no disclosure was made to the HRQ Board but that he thinks he may have made a verbal disclosure to Mr Mike Godber. He notes that he was appointed at the invitation of Mr Seymour who was on the Board of HRQ and so at least he was aware of the position. I note that Mr Raedler has made a disclosure of his position as a Director of Briz31 in his RQL (RQL) conflict of interest disclosure documents.



*Action: Funding of the program currently under review.*

### **Box Seat**

On 30 April 2010, HRQ entered into a contract with Briz31 to broadcast a show called "Box Seat". This program was to be transferred to Briz31 from NZ Racing via FTP transfer and in return, HRQ would provide World of Harness Racing.

Mr Raedler signed that agreement on behalf of HRQ. That agreement required HRQ to pay Briz31:

- set up costs of \$2,000 to establish FTP equipment which became the property of Briz31;
- weekly programming fee of \$770

The two invoices in relation to the setup costs were approved by Mr Raedler. Instead of \$2000, a total of \$3000 was paid for set up costs.

The file transfers did not occur apparently because of problems with NZ Racing. Accordingly the programs were never aired. Despite this \$6,160 was paid to Briz31 for program fees for June and July 2010. Mr Raedler approved the payment of the July fees while Mike Godber approved payment of the June fees.

In light of Mr Raedler's position as a Director of Briz31 he ought to have made a disclosure of his position prior to those payments being made. No such disclosure was apparently made. The fact of the agreement (although not the costs) was reported to the Board by Mr Raedler, along with a subsequent explanation of the fact that the program was not proceeding.

*Action: Raedler's conflict has now been disclosed. He is to be prevented from handling any matters with Briz31 in future – such activities to be handled by Blair Odgers.*

### **Handicapping**

On the basis of information received from the Chief Steward, Mr Raedler and Handicappers Mr Brett Rail and Mr Adam Fairly were questioned in respect of their conduct in speaking to trainers after the closure of nominations/acceptances but before the release of the fields.

As a result of those persons being questioned it seems that while various trainers may have been contacted from time to time, it had become a practice or regular occurrence for the Handicappers to speak to Mr Grant Dixon in respect of the final make up of fields. Apparently contact was generally initiated by Mr Dixon rather than the Handicappers. While this gives rise to at least a perception of a benefit to that particular trainer, Mr Raedler and the Handicappers suggested that it was in the interest of HRQ for such conduct to occur as the Dixon stable was the largest in harness racing and by contacting Mr Dixon, HRQ was given the greatest opportunity of filling out the fields in the most appropriate manner.

Mr Raedler indicated that pursuant to the conversation, horses could be moved from race to race or race meeting to race meeting but that he is not aware of horses being added or withdrawn from fields.

Of particular concern is the fact that trainer Mr Bill Dixon trains horses for, amongst others, Mrs Kay Seymour, the wife of former HRQ Director Mr Kevin Seymour.

This matter has been referred to the CMC who has referred the matter back to RQL for investigation. An external barrister (Ms Freeman) has been appointed and has interviewed all relevant parties. A full report of her findings and recommendations is expected by 6 August 2010.

*Action: Report from barrister received. CMC to now be advised of outcome and steps recommended (counselling of staff, new protocols etc) to be implemented.*

### **Robert Pearson**

Mr Robert Pearson was the Chief Executive of the Albion Park Harness Racing Club prior to HRQ taking over control of that club from 1 September 2008. Mr Eugene Gallardo was the clubs accountant.

Following the change over to HRQ, the control body had the responsibility of preparing the accounts and undertaking the audit of the requirements of the club. After receiving the 30 June 2008 draft accounts, HRQ identified abnormalities and raised concerns with the club committee. Mr Gallardo's employment was subsequently terminated by resignation on 19 August 2008. HRQ undertook a thorough review of all transactions from the 2008 financial year and on 25 October 2008 sent a report to the club setting out their findings and recommendations for the recovery of funds. The club subsequently adopted the recommendations of HRQ.

In a letter to the committee of the club dated 17 November 2008, Mr David Adams (accountant responsible to HRQ for the audit and review process) outlined the following matters in relation to the clubs financial accounts for the year end 30 June 2008:

1. Payroll discrepancies - Mr Pearson's leave balance had been overstated by 201 hours (equating to \$12,370.06) and Mr Gallardo's by 59 hours (equating to \$2854.00).
2. Leave loadings - Mr Pearson's and Mr Gallardo's leave loading of 17.5% had been paid twice totalling \$3,081.25 for Mr Pearson and \$1,410.62 for Mr Gallardo.
3. Additional pay - Mr Pearson and Mr Gallardo received an extra weeks pay during March 2008. Mr Pearson asked for his extra pay for medical costs and there was no explanation from Mr Gallardo for receiving an extra weeks pay.
4. Salaries – Mr Gallardo was paid for an extra 7 hours per week for work carried out at Rocklea. Mr Pearson and the committee were aware of this extra pay. Mr Gallardo received an extra unauthorised payment for 8.6 hours work in the week ending 25 December 2007.
5. Other irregular transactions:
  - a. The drawing of a cash cheque on 6 March 2008 for \$1,000;
  - b. A payment to Mr Pearson in December 2007 of \$981.86 with an invoice that was worded "reimburse R Pearson for gift for race night 8 December 2007"
  - c. A number of petty cash docketts that were noted cash wages; and
  - d. A speeding fine of \$500 was incurred by Mr Pearson that was paid by the club.

In addition to these concerns, Mr Gallardo admitted that he had forced the reconciliation of the ATM account by adjusting book entries. While it would appear that there was significant shortages in the ATM cash amount, Mr Gallardo insisted that he did not have a key to the cash draw and could only get into the tape draw. It is unknown in those circumstances why reconciliation by the club was necessary.

After obtaining legal advice from Miliner Lawyers on 17 November 2008, Mr Pearson's employment with HRQ was terminated on 16 December 2008. Mr Pearson was not able to be interviewed before this date because he was on extended sick leave. At the same time HRQ recovered monies owed by Mr Pearson (\$21,364.20) and Mr Gallardo (\$3,235.03).

The matter was considered by the HRQ Board on 25 November 2008 but it would seem that the matter was not referred to the CMC.

On 1 April 2010 the CMC wrote to HRQ seeking certain information in relation to HRQ dealings with Mr Pearson. It would seem that someone had referred the matter to the CMC.

On 23 April 2010 Mr Lette replied to the CMC setting out the background to the matter and the steps taken by HRQ. Mr Lette concluded that despite the efforts of HRQ it was impossible to prove fraud and accordingly the decision was taken to remedy the control issues immediately, remove the staff members and recover all monies that could be proven.

Mr Lette also indicated that while there had been approaches by the media and Mr Terry McDermott for full details of the matter, in light of the view of the Board that the matters were commercial in confidence and could be considered as a matter of individual privacy, no details were made public. Mr Lette also indicated that the members of the club supported the decision and the action taken by HRQ and their committee.

*Action: Further information to be provided to CMC and any action they require implemented.*

### **Bookmakers – Aspinall**

Mr Vince Aspinall is a licensed bookmaker who has a stand at the Albion Park races each Saturday night. However, Vince Aspinall typically does not stand at the races as he operates at the Gold Coast of a Saturday afternoon and tends to fly home to Rockhampton after the Gold Coast races. Instead his son Craig has been standing as the bookmaker under his father's name.

Pursuant to Section 256 of the *Racing Act 2002*, the Control Body may authorise a person to act as the bookmakers agent and carry on bookmaking if the bookmaker is temporarily unable to carry on bookmaking for a period not exceeding 12 weeks.

It would seem that no such permission had been granted to Vince Aspinall or his son Craig Aspinall to continue to stand at Albion Park and accordingly they were operating in breach of the Act.

The Chief Steward of HRQ indicates that he was aware of this conduct and had raised the matter with Damien Raedler and Mike Godber who advised him to allow the practice to continue as otherwise there may be no bookmaker at all at Albion Park.

Damien Raedler agrees that he was aware that Mr Aspinall was in breach of the law. He did nothing about it as there would be no bookmakers if he did. He did not raise it with the Board but assumes they knew as they attended the races.

Mr Aspinall has now been granted permission pursuant to section 256 to be absent from his stand and to allow his son to carry on bookmaking for a period not exceeding 12 weeks. Mr Craig Aspinall has been advised that he will need to obtain his own license to continue standing before the expiration of that period.

*Action: Aspinall advised of issue and requested to have his son stand in his own name. Should he decline and decide not to stand at all, club and media to be advised.*

### **Redcliffe Harness Racing Club**

A recent review of the Redcliffe Racing Club has shown under remittances of an amount expected to be around \$25,000.00. This amount includes amounts received for sponsorship, food and beverage commissions and sub-let income. Claims have apparently also been made on HRQ which were not payable.

While a full review of the circumstances of the under remittance is necessary to determine how it arose, initial indications suggest some aspect of fraudulent conduct in disguising the receipt of funds so as to avoid the need to make remittances.

It would seem that there has been a significant lack of systems and controls that could have avoided these matter occurring.

*Action: Club to be suspended and issued with a Show Cause Notice, an Information Notice and a Control Body Direction. Club also to be directed to make books and records available and to refrain from disposing of funds without consent of RQL.*

### **Form and Comment**

It is understood that HRQ had an arrangement with journalist Chris Bassani and another writer David Brasch whereby those parties were paid \$300 a week (approximately) to write form and comments and to provide fields for harness racing meetings to be published in the Courier Mail. It has been alleged that such material will be provided free of charge by an AAP subsidiary called Pagemasters.

The matter was referred to the CMC by a third party apparently concerned that GQL was paying money to Bassani and Brasch to provide a service that could be provided free of charge. The CMC review of this matter is continuing.

*Action: Conduct under review by CMC. RQL to provide further information.*

Meeting concluded at 3:08pm

**Confirmed as a true record.**

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**R G Bentley**  
**Chairman**  
**Dated...../...../2010**

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**Mr Bob Bentley**

Director of Tatts Group  
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)  
Director/Chairman of Australian Racing Board

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club

**Mr Bob Lette**

Life member Albion Park Harness Racing Club  
Member of Brisbane Racing Club  
Consultant to Mullins Lawyers  
Non Executive Director Watpac Limited

**Mr Bill Ludwig**

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)  
Board Member of WorkCover Queensland  
Member of Brisbane Racing Club

**Mr Bradley Ryan**

Member of the Brisbane Racing Club  
Member of Tattersalls Club

**Mr Wayne Milner**

Member of the Brisbane Racing Club  
Member of the Sunshine Coast Turf Club  
Member of the Ipswich Turf Club  
Member of the Victoria Racing Club  
Life Member of QROA  
Member of Queensland Breeders Association  
Holder of Victoria Owners Gold Card

Friday, 5 November 2010

Board Room, Racing Queensland  
Racecourse Road, Deagon

Meeting Commenced at 9:00am  
Meeting Concluded at 2:30pm

Board Directors Present:	Bob Bentley Tony Hanmer Bob Lette Bill Ludwig Wayne Milner Bradley Ryan Kerry Watson	- <i>Chairman</i> - <i>Deputy Chairman</i>
In attendance:	Malcolm Tuttle Adam Carter Jamie Orchard Paul Brennan Shara Murray  Ron Mathofer	- <i>Chief Executive Officer</i> - <i>Chief Finance Officer</i> - <i>Director, Integrity Operations</i> - <i>Director, Product Development</i> - <i>Senior Corporate Counsel/Company Secretary</i> - <i>Business Analyst</i>
Minutes:	Debbie Toohey	- <i>Board Secretary</i>

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The Chairman opened the Meeting at 9:05am.

1.1 **Apologies**

Nil.

1.2 **Declaration of Conflicts of Interest**

The Board **NOTED** Attachment "A".

1.3 **Confirmation of Minutes of RQL Board meeting of 28 September 2010 and 26 October 2010**

The Board made the following amendments to the minutes of 28 September 2010:-

**Betfair Authorisation**

Paragraph 2 - amend the word "flaw" to "floor".

**Strategic Asset Management Plan**

Paragraph 7 - delete "if the costs".

Paragraph 12 - delete the comments from Mr Lette's email and attach Mr Lette's email to the Minutes.

The Board **RESOLVED** that the RQL Board Meeting Minutes of 28 September 2010 be received and confirmed.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

**Motion carried**

The Chairman advised the Board that any discussions on the RQL Board Minutes of 26 October 2010, could be seen as a conflict with his position as a Director of Tatts Group. The Chairman stood down.

The Deputy Chairman, Mr Tony Hanmer took the Chair

The Board **RESOLVED** that the RQL Board Meeting Minutes of 26 October 2010 be received and confirmed.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Bob Lette

**Motion carried**

The Chairman returned and resumed his position as Chair.

The Chairman advised the meeting that there was a matter he wished to consider in camera and requested all executives leave the meeting.

A proceeding of a detailed account of the meeting is an attachment and sealed.

The General meeting resumed at 10:00am.

#### 1.4 Action Sheet

The Board **NOTED** the action sheet.

#### 1.5 Media Releases / Correspondence / Matters for Noting

The Board **noted** the following correspondence/matters for noting:

**Letters**

- Letter to Mr Tony Hanmer from Mr Andrew Kelly,  
Chief Executive HRA 12 October 2010

**Additional Board material**

- Letter to Ms Janice Dawson, Board Member, QHRL 4 November 2010

**Media Releases**

- Harness Racing to recommence at Redcliffe 9 September 2010
- Heads of Agreement reached for Gold Coast 24 September 2010
- Redcliffe Harness Racing Club to resume operations 1 October 2010

Mr Carter tabled to the Board a letter to the Toowoomba Turf Club (TTC) advising the Auditor and TTC that the treatment of certain matters in the final account of the TTC were not in accordance with the Financial Policy of RQL.

The Board **RESOLVED** to approve the letter to the TTC.

## **1.6 Confirmation of Flying Minute**

The Board **CONFIRMED** the following Flying Minutes:

- Gold Coast Turf Club Bikini Sprint 1 October 2010
- Referee Consent Letter 12 October 2010
- Harness Racing Australia Inc – Rule Amendments 19 October 2010

## **2.1 Chief Executive Officer Report**

Mr Malcolm Tuttle updated the Board in relation to the following:

### **Broadcast arrangements**

Progress in finalising an agreement with Sky Racing has been slow and difficult due to the additions and explanations required by Mr Stephen Ferguson of the Brisbane Racing Club, this has added considerably to the costs.

A list of outstanding items has been narrowed down and finalisation should be achieved by the end of November.

### **National Race Planning Committee (Thoroughbreds)**

The CEO updated the Board of the activities of the national race planning committee and the committee's agreement to trial 30 minute race intervals.

### **Harness Racing Australia**

The CEO advised that he and the Chairman attended the HRA meeting. Delegates expressed concern of the diminishing popularity and turnover of harness racing. The downturn in popularity is applicable to all states not just Queensland.

Hosting of the InterDominion Classic was a strong topic of debate with the prevailing view that the opportunity to host the 2013 interdominion will be by tender. Queensland, Victoria and NSW were the only states to show interest.

The Hot shots initiatives received comment with traditional members sceptical of its success. All agreed that something must be done, but there were no enlightened ideas.

### **Queensland Oncourse Bookmakers**

Queensland Oncourse Bookmakers continue to consult RQL about their plight and difficulty to compete oncourse with the additional changes applicable from Club Standing Fees. The CEO advised that the bookmakers need to continue representation to Government and seek to have oncourse restrictions lifted. The CEO expressed concern that the Bookmakers were taking a simplistic view that will not resolve the situation.

### **Strategic Plan**

The plan is currently before Government and the leaking of parts of the Strategic Plan to the Courier Mail is most unfortunate and has been counter productive. The Chair advised that he had scheduled a meeting with the Premier and Minister to seek permission to release the Plan. The releasing of the Plan will allay many fears of the stakeholder.

This was **NOTED** by the Board



## **2.2 Legal & Compliance**

### **1. Bundaberg Greyhound Racing Club Inc**

In light of the above Policy on the Formation, Management and Licensing of Clubs, Ms Murray received a written formal request from Ms Ngaire Rowe, Secretary of the Bundaberg Greyhound Racing Club Inc (**Club**) seeking permission from RQL to allow licensees as members of the Club's Committee.

The Board **RESOLVED** that:

- (a) the Bundaberg Greyhound Racing Club Inc to have more than two (2) licensees as Club Committee Members, and
- (b) the Bundaberg Greyhound Racing Club Inc to have a licensee hold the position of race club secretary.

**MOVED** by Ms Kerry Watson **SECONDED** by Mr Bill Ludwig

**Motion carried**

### **2. Rockhampton Greyhound Racing Club Inc**

In light of the above Policy on the Formation, Management and Licensing of Clubs, Ms Murray received a written formal request from Mr Darren Taylor, President of the Rockhampton Greyhound Racing Club Inc (**Club**) seeking permission from RQL to allow licensees as members of the Club's Committee.

The Board **RESOLVED** that:

- (a) the Rockhampton Greyhound Racing Club Inc to have more than two (2) licensees as Club Committee Members, and
- (b) the Rockhampton Racing Club Inc to have a licensee hold the position of race club secretary.

**MOVED** by Ms Kerry Watson **SECONDED** by Mr Bill Ludwig

**Motion carried**

### **3. Marburg Pacing Association Inc**

In light of the above Policy on the Formation, Management and Licensing of Clubs Ms Murray received a written formal request from Mr Russell Lehmann, of the Marburg Pacing Association Inc (**Club**) seeking permission from RQL to allow licensees as members of the Club's Committee.

The Board **RESOLVED** that:

- (a) the Marburg Pacing Association Inc to have more than two (2) licensees as Club Committee Members, and
- (b) the Marburg Pacing Association Inc have a licensee hold the position of race club secretary.

**MOVED** by Ms Kerry Watson **SECONDED** by Mr Bill Ludwig

**Motion carried**

#### 4. Oyster Bay Wines Australia Pty Ltd – Albion Park Raceway

Ms Murray advised the Board that at the 6 August 2010 RQL Board Meeting, the Board resolved to grant an extension of Licence for an additional period of one (1) year: 26 October 2010 – 25 October 2011 to Oyster Bay Wines Australia Pty Ltd (**Oyster Bay**). The Board further resolved to increase Oyster Bay's current Licence Fee to \$479.98 per week (excluding GST).

Ms Murray advised that Oyster Bay have now requested an additional one (1) year extension option to be included in their License Agreement for 26 October 2011 to 25 October 2012.

*The Board **RESOLVED** that an additional eight (8) month option be included in Oyster Bay's Licence Agreement for 26 October 2011 to 25 June 2012.*

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

**Motion carried**

#### 5. Stable Lease – Peter Greig - Albion Park Raceway

Ms Murray advised the Board that correspondence had been received from Albion Park's on site stable tenant, Mr Peter Greig. Mr Greig would like to extend his current Licence Agreement, which expires 31 December 2010.

Mr Greig has 20 stalls and pays a License Fee currently \$16,400 per annum, paid quarterly in advance direct to RQL.

*The Board **RESOLVED** that:*

- (a) RQL grant a 'Deed of Extension' to the existing agreement to 30 June 2012.*
- (b) License Fee remain at \$16,400 per annum, subject to annual CPI % increases.*
- (c) All terms and conditions of the License Agreement such as demolition/redevelopment conditions etc would continue to remain applicable, and*
- (d) Mr Brian Moss, RQL's Facility, Compliance and Procurement Manager to arrange for a new Deed of Extension document to be prepared (at Mr Greig's expense) and to be reviewed by RQL's Senior Corporate Counsel, Ms Shara Murray.*

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Wayne Milner

**Motion carried**

#### 6. Head Stone for Jockey Arthur 'Stumpy' Davis (1890-1928)

Ms Murray sought the Board's approval for the funding of a plaque or headstone for Jockey Davis.

The Board **APPROVED** a plaque to be placed on Jockey Davis' grave at a maximum cost of \$700.

Ms Murray to organise a story to be published in the next Tri-Code Magazine in relation to the life of Jockey Davis and RQL's acknowledgment of his contribution to the racing industry.

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Tony Hanmer

**Motion carried**

## 7. First Level Appeals

Ms Murray updated the Board in relation to First Level Appeals.

This was **NOTED** by the Board.

## 8. Anti-Discrimination Commission – Complaint by Bobby Chrystal against GQL and QHRL

Ms Murray updated the Board in relation to the Complaint by Bobby Chrystal.

This was **NOTED** by the Board.

## 9. Crime and Misconduct Commission – Complaint against GQL and QHRL

Ms Murray updated the Board in relation to the Complaint against GQL and QHRL and indicated that this matter is now closed and that no further action in relation to the complaint will be taken.

This was **NOTED** by the Board.

## 10. Race Information Legislation/Fees/Deeds/Authorities

Ms Murray informed the Board that RQL had started receiving new Application Authorities and that she had a request from Betezy and Racing and Wagering Western Australia to enter into a Deed similar to Sportingbet.

This was **NOTED** by the Board.

### 2.3 Finance Report

Mr Adam Carter updated the Board in relation to the management accounts for year end 30 June 2010 and month ended 30 September 2010.

Snap shot

- Thoroughbred Surplus \$1.428M
- Harness Deficit \$1.349M
- Greyhounds Deficit \$958K
- Joint Venture Deficit \$408K

Key highlights for YTD September 2010

- Revenue up \$1.5M or 4% on budget and \$3M on prior year
- Expenditure up \$390K or 1% on budget and up \$2M on prior year

RIF revenue is significantly down on the figure presented at the last Board meeting due to the signing of Corporate Bookmakers and Betfair to a 10% gross revenue payment as distinct from the previous calculation of 1.5% of net turnover with a \$5M threshold.

The figures also take into account a back charge of \$5,545,044 from Victoria Racing Industry that was unbudgeted and unaccounted.

The board **NOTED** the finance report for June 2010 with the final audited annual financial statements to be reviewed by the QRL Audit, Finance and Risk Committee together with the auditors BDO on 29 October 2010 and sent by flying minute to be approved by the Board. The Board also **NOTED** the finance report for September 2010.

## 2.4 Product Development Report

Mr Paul Brennan updated the Board in relation to a number of initiatives currently being undertaken by the Product Development Department.

- Harness – Hot Shots
- Redcliffe Harness Racing Club – patron who fell while accessing the toilet facilities
- Heads of Agreement with Clubs

Mr Ron Mathofer updated the Board in relation to Wagering and Racing YTD September 2010.

This was **NOTED** by the Board.

### **Additional funding for Greyhound Industry**

Mr Paul Brennan presented to the Board detailed submission on the need for an increase in Greyhound prizemoney.

The Board acknowledged the low return that greyhound receive in comparison to their wagering input and the fact that there have been no increase in Greyhound prizemoney since 2002.

The Board **APPROVED** additional funding of \$1.5M for the Greyhound industry to take effect from 1 April 2011 with an allocation of \$1.2M to general prizemoney and \$300,000 to the graded races.

**MOVED** by Mr Bob Lette **SECONDED** by Mr Bradley Ryan

**Motion carried**

### **Greyhound Adoption Program (GAP)**

The Board **APPROVED** the Greyhound Adoption Program (GAP) Policy and to approve the budget of \$180,000 and appointment of a casual resource in Townsville for approximately \$10,000.

This was **APPROVED** by the Board.

**MOVED** by Mr Bob Lette **SECONDED** by Mr Bradley Ryan

**Motion carried**

### **GAP Policy**

The Board **NOTED** and instructed that this policy should be placed on the RQL website and a copy sent to the RSPCA.

### **Plastic Running Rail**

The Board **APPROVED** the allocation of \$200,000 to trial plastic running rail at the Sunshine Coast and Doomben for 6 months.

**MOVED** by Mr Tony Hanmer **SECONDED** by Ms Kerry Watson

**Motion carried**

### **Magic Millions Contribution**

Mr Brennan in response to a letter from the Magic Millions Company re: renewal of sponsorship to reduce the commitment to \$880,000 contribution to Magic Millions.

The Board **APPROVED** a contribution of \$880,000 as RQL's contribution to the Magic Millions Series.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

**Motion carried**

### **2.5 Integrity and Licensing Report**

Mr Jamie Orchard updated the Board in relation to the relevant issues in the Integrity Department.

- Human Resources
- QCAT Appeals
- Crime and Misconduct Commission matters
- Toowoomba Turf Club
- Redcliffe Harness Racing Club
- Belford v Hinze
- Harness Ambulance
- Document Retention Policy

The Chairman declared a conflict of interest. The Chairman stood down.

The Deputy Chairman, Mr Tony Hanmer took the Chair.

### **Bookmakers - Internet**

Mr Orchard updated the Board's in relation to bookmakers being allowed to use the internet oncourse to bet back with corporate bookmakers.

Mr Tuttle would like the Board to consider the constraints and challenges that face the bookmakers in particular the removal of the \$5m threshold from the use of Queensland Race Information and the confined environment they face oncourse.

Mr Tony Hanmer to write to the Bookmakers suggesting they prepare a submission to the Government concerning section 200 of the *Racing Act 2002* which prevents them from betting back through the internet. RQL give their support to the Bookmakers for this submission. Mr Hanmer to circulate the letter to the Board prior to sending to the Bookmakers.

### **Bookmakers – Use of personal mobile phones**

Mr Orchard sought the Board's approval that the prohibition in respect of clerks using telephones on course remain in place.

This was **APPROVED** by the Board.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bob Lette

**Motion carried**

The Chairman returned and resumed his position as Chair.

## Prizemoney Local Rules

Mr Orchard sought the Board's approval for the addition of Local Rule 71A to be inserted into the Local Rules of Racing (Thoroughbreds) in relation to the payment of prize money.

### **Local Rule 71A**

- (1) *The prize including any bonuses in relation to a race shall be paid in respect of finally declared place getters in accordance with the conditions (if any) of that race.*
- (2) *The prize shall be distributed as follows in relation to a horse placed first, second, third, fourth or fifth:*
  - (a) *where the prize for a placing is \$300 or more:*
    - (i) *10% of the value of the prize shall be paid to the trainer;*
    - (ii) *5% of the value of the prize shall be paid to the jockey;*
    - (iii) *85% of the value of the prize shall be paid to the Managing Owner;*
  - (b) *where the prize for a placing is less than \$300:*
    - (i) *10% of the value of the prize shall be paid to the trainer;*
    - (ii) *90% of the value of the prize shall be paid to the Managing Owner.*
- (3) *The distribution of a prize to a trainer and a jockey shall be in addition to any training fees or riding fees payable to such trainer and jockey.*
- (4) *For the purposes of determining the prize in accordance with this Rule, no account shall be taken of rewards available for a horse successful in a series of races or for an unplaced runner in a race and no account shall be taken of any trophies, vendor bonuses or trainer bonuses*
- (5) *In accordance with this Rule, the prize shall be distributed within 15 days of the conclusion of a meeting unless:*
  - (a) *an action at law is pending in respect of the prize;*
  - (b) *an objection has been lodged in respect of the placing of a horse and has not yet been determined;*
  - (c) *an appeal has been lodged against the placing of a horse and has not yet been determined;*
  - (d) *a swab sample taken from a placed horse has not yet been cleared by the Stewards; and*
  - (e) *the Stewards have ordered a prize not to be paid prior to the completion of an investigation.*

This was **APPROVED** by the Board.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Tony Hanmer

**Motion carried**

## Racing Science Centre Equipment

Mr Orchard sought the Board's approval for the Racing Science Centre to purchase new equipment specifically a Beckman Coulter DxC 600 Analyser for the amount of \$385,000.

This was **APPROVED** by the Board.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Wayne Milner

**Motion carried**

**Clive Peckett**

Mr Orchard sought the Board's approval to issue a show cause notice to Mr Peckett requiring him to show cause why he should not be warned off all racecourses in Queensland.

This was **APPROVED** by the Board.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bill Ludwig

**Motion carried**

**National Arabian Racehorse Association**

Mr Orchard updated the Board in relation to the request received from the National Arabian Racehorse Associated Limited, the Board of Alternate Racing Queensland and the National Sprint Racing Association to conduct: standalone race meetings; single races held within a thoroughbred race meeting; and training on selected race tracks.

The Board **APPROVED** with the following conditions:

In terms of taking part in a race meeting to be held on the same day as thoroughbred race meetings, it is proposed that licensees should be allowed to take part without the risk of disqualification but that it be made clear to Clubs that non thoroughbred races can only take place at least one hour after the last thoroughbred race, that the horses must be kept completely separate from thoroughbred horses on track, that normal insurance arrangements do not cover the race meeting and the club must ensure that it is appropriately protected by an indemnity and finally that RQL will provide no staff (Integrity or otherwise) to oversee the racing.

In respect of training of non-thoroughbreds on racecourses, the proposed approach is to advise clubs that it is a matter for the club to negotiate an arrangement with the Association or with specific trainers if they are intending to allow training to take place on the track if RQL has provided permission in advance. The Clubs should be advised that permission is unlikely to be granted in circumstances where thoroughbreds currently train on that track. Again, the Club must satisfy itself that there are appropriate insurance/indemnity arrangements in place.

Mr Orchard to write to the three alternate racing associations and advise them of the position adopted by RQL.

**Other Integrity matters**

**Riders Agents**

Mr Orchard updated the Board in relation to being approached by riders agents to increase the number of TAB jockeys they have on their books.

At present 2 TAB jockeys isn't sufficient to run a business, the increase to 4 or 5 jockeys would give riders agents the opportunity to manage on a full time basis rather than part time.

Mr Hanmer commented that the issue had been visited by the Board of QRL previously: It had been established beyond reasonable doubt that at that time, the opportunity for collusion and team riding prevented the QRL Board from approving an increase in jockey/manager ratios.

Mr Bradley Ryan questioned if there was provision around the agency rule and that individuals should be licensed under their Agent.

*The Board **RESOLVED** to increase the number of TAB jockeys under riders agents to 5 with a 12 month trial.*

**MOVED** by Mr Bob Lette **SECONDED** by Mr Wayne Milner

#### **Motion carried**

#### **Greyhound Licensees**

Mr Orchard updated the Board concerning letters of demand in relation to Mr Nick Grimley and 3 others regarding alleged defamation to online comments. He stated that the 12 months limitation period had expired and would like the matter resolved.

Mr Lette commented that as no action has been initiated and provided they keep their noses clean that no further action will be taken by the Board.

#### **Finish on Lure**

The finish on lure issues have been a topic in the industry for a considerable period RQL has concluded a 4 month trial and the results as far as injury are concerned are diminished by the use of the catching pen. Consultation with industry stakeholders reflect an 80% preference for the catching pen.

The Board **RESOLVED** to make alterations to the catching pen and Albion Park and revert to the catching pen as from today's date. The Board **RESOLVED** to revert to the catching pen.

#### **Licensing Report**

*That the Board **APPROVED** that the Licensing Report as presented be adopted.*

**MOVED** by Ms Kerry Watson **SECONDED** by Mr Tony Hanmer

#### **Motion carried**

### **3.1 2010 Queensland Racing Industry Awards Review**

Mr Hanmer updated the Board in relation to the 2010 Queensland Racing Industry Awards Review.

It was **RESOLVED** that the RQL's Awards night for thoroughbreds, would take place on Saturday, 3 September 2011. The harness awards on Sunday, 4 September 2011. Considerable savings will result in these contiguous arrangements, previously, the 4 September was to have been shared with the Greyhound awards, but with the Calendar year end to the Greyhound racing season it was considered appropriate at this point for a standalone greyhound awards night to take place.

The Board approved a \$30,000 subsidy for a Greyhounds awards night to be run co jointly with the Brisbane Greyhound Racing Club. The responsibility of this funding is to be handled by the RQL's committee who will report back to the Board as appropriate.



Mr Carter distributed the revenue/expenses for the Awards night and the Calender for discussion.

This was **NOTED** by the Board.

### **3.2 TAB Club Financials update to 30 June 2010**

Mr Carter updated the Board in relation to the financial position of TAB Clubs for all codes as at 30 June 2010.

- TTC has overstated revenue and reduced the deficit by \$98,577 by way of reimbursement of racing integrity costs, invoicing RQL. The club was advised on 3 June 2010. RQL under no circumstances is going to pay this amount.
- The Board suggested that Mr Carter send an explanation and background of the invoice of \$98,577 from the TTC to RQL to the Auditors which would have further increased the deficit of the Townsville Turf Club
- Ms Watson queried the Townsville Greyhounds Racing Club Grant received \$72K. Mr Carter said that he got this straight from the Townsville GRC financials and this was for track upgrades at Townsville from Greyhounds Queensland Limited. Even though the club showed it as a grant, this was not a grant to the club but was capitalised in Greyhounds Queensland Limited accounts and the club showed it as revenue but was offset by expenditure in Townsville Greyhounds Racing Club accounts.

This was **NOTED** by the Board.

### **3.3 Relocation Policy**

Mr Carter presented the Board the Relocation Policy for approval.

This was **APPROVED** by the Board.

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Tony Hanmer

**Motion carried**

### **General Issues**

Mr Milner advised the Board that he and Mr Ryan were looking at a revenue stream in the form of a credit card for the industry. Mr Milner and Mr Ryan will come back to the Board with they have more information.

**Confirmed as a true record.**

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**R G Bentley**  
**Chairman**

**Dated...../...../2010**

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**Mr Bob Bentley**

Director of Tatts Group  
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)  
Director/Chairman of Australian Racing Board

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club

**Mr Bob Lette**

Life member Albion Park Harness Racing Club  
Member of Brisbane Racing Club  
Consultant to Mullins Lawyers  
Non Executive Director Watpac Limited

**Mr Bill Ludwig**

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)  
Board Member of WorkCover Queensland  
Member of Brisbane Racing Club

**Mr Bradley Ryan**

Member of the Brisbane Racing Club  
Member of Tattersalls Club

**Mr Wayne Milner**

Member of the Brisbane Racing Club  
Member of the Sunshine Coast Turf Club  
Member of the Ipswich Turf Club  
Member of the Victoria Racing Club  
Life Member of QROA  
Member of Queensland Breeders Association  
Holder of Victoria Owners Gold Card

Monday, 6 December 2010

Board Room, Racing Queensland  
Racecourse Road, Deagon

Meeting Commenced at 12:11pm  
Meeting Concluded at 2:30pm

Board Directors Present:	Bob Bentley Tony Hanmer Bob Lette Bill Ludwig Wayne Milner Bradley Ryan	- <i>Chairman</i> - <i>Deputy Chairman</i>
In attendance:	Malcolm Tuttle Adam Carter Jamie Orchard Paul Brennan Shara Murray  Ron Mathofer Peter Smith	- <i>Chief Executive Officer</i> - <i>Chief Finance Officer</i> - <i>Director, Integrity Operations</i> - <i>Director, Product Development</i> - <i>Senior Corporate Counsel/Company Secretary</i> - <i>Business Analyst</i> - <i>Licensing &amp; Training Manager</i>
Minutes:	Debbie Toohey	- <i>Board Secretary</i>

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The Chairman opened the Meeting at 12:11pm.

1.1 **Apologies**

Nil.

1.2 **Declaration of Conflicts of Interest**

The Board **NOTED** Attachment "A".

1.3 **Confirmation of Minutes of RQL Board meeting of 5 November 2010 & 18 November 2010**

The Board made the following change to the Board minutes of 5 November 2010:

3.2 *TAB Club Financials update to 30 June 2010*

*Second dot point change "reduced" to "increase".*

*The Board **RESOLVED** that the RQL Board Meeting Minutes of 5 November 2010 be received and confirmed.*

*The Board **RESOLVED** that the RQL Board Meeting Minutes of 18 November 2010 be received and confirmed.*

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

#### 1.4 **Action Sheet**

The Board **NOTED** the action sheet.

#### 1.5 **Media Releases / Correspondence / Matters for Noting**

The Board **noted** the following correspondence/matters for noting:

##### ***Letters***

- Letter from Mr Dave Irwin, President, Gold Coast Greyhound Racing Club 19 November 2010
- RQL letter to Mr Dave Irwin, President, Gold Coast Greyhound Racing Club 24 November 2010
- Letter from Mr Michael Paramor AM, Tattersall's Racing Club Inc. 9 November 2010
- RQL letter to Mr Michael Paramor AM, Tattersall's Racing Club Inc and various correspondences 23 November 2010

##### ***Media Releases***

- Racefields Decision 19 November 2010
- Bart's Fair World 23 November 2010

The Chairman tabled an email from the Cairns Jockey Club concerning the Cairns Jockey Club – Legal Fees.

This was **NOTED** by the Board.

#### 1.6 **Confirmation of Flying Minute**

There were no Flying Minutes for confirmation.

#### 2.1 **Chief Executive Officer Report**

Mr Malcolm Tuttle updated the Board in relation to the following:

##### **Emergency Animal Disease Response Agreement (EADRA)**

The CEO updated the Board in relation to the EADRA between Animal Health Australia, the Australian government, all State and Territory Governments and approved livestock industries. The Australian Racing Board and Harness Racing Australia endorsed manufactured feed and anthelmintics (worm treatments) as approved levy mechanisms for recovering the industry's share of an emergency response.

##### **Broadcast Project Update**

On Thursday, November 18, 2010, the Board of RQL convened to consider the sharing of costs associated with the broadcast project for thoroughbred race clubs. At its meeting, the Board resolved that, "RQL's commitment would be \$250,000, plus \$50,034.13 making a total commitment to the costs of media broadcast commitment to all the Clubs of \$300,034.31. This would leave the Clubs current commitment of \$1 million from a reduction from the sign on fee."

Subsequent to the Board's meeting on Thursday, November 18, the Chairman, Bob Bentley and Director, Wayne Milner had a number of discussions with the Brisbane Racing Club, In particular, with its Chairman, Kevin Dixon and Director, Paul Williams. As a result of these discussions, it has been agreed that the commitment from the Clubs would be reduced from \$1 million to \$900,000. As a result the Board will be required to amend its resolution of November 18, 2010, to reflect the increase commitment by RQL of **\$100,000**, making RQL's total financial commitment **\$400,034.13**

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Bob Lette

#### **Motion carried**

#### **IT Strategy Review**

Mr Tuttle updated the Board in relation to the Greyhound Racing Victoria data disposition being decommissioned.

Mr Tuttle provided the full Fujitsu IT Strategy Report to Mr David Rowan, RQL's IT & Communications Manager for review. Mr Rowan suggested that the best strategy was to engage in an agreement with Greyhound Racing Victoria. Mr Tuttle is participating in a telephone conference on Tuesday, 7 December with Greyhounds Australasia Limited and will be supporting the system being developed by Greyhound Racing Victoria.

The Board **AGREED** to support the system developed by Greyhound Racing Victoria.

#### **Deagon Building Extension – Rehab and Training**

Mr Tuttle updated the Board concerning the Deagon Building Extension. Mr Tuttle advised the Option 2B had been agreed upon.

This was **NOTED** by the Board.

## **2.2 Legal & Compliance**

Ms Shara Murray updated the Board in relation to the activities of Legal & Compliance in particular the Anti-Discrimination Commission – Complaint by Bobby Chrystal against GQL and QHRL. The Commission has informed RQL informing Albion Park was deemed a place of discrimination for people with disabilities.

The Board **AGREED** that RQL would lodge an application with the Tribunal over the discrimination matter.

Ms Murray to keep the Board updated.

This was **NOTED** by the Board.

### 2.3 Finance Report

Mr Adam Carter updated the Board in relation to the management accounts for the month ended 30 October 2010.

Key highlights for YTD October 2010

- Revenue down \$97K or 0.6% on budget and up \$1.4M on prior year.
- Product and Program Fees – 3% down on budget and 3% on prior year due to lower than expected wagering revenues through Product Co.
- Race Information Fees – are \$678K below budget YTD. This is due in part to a decrease in wagering turnover for the financial year to date.
- Legal Fees are \$531K above budget resulting from professional services required for negotiations of broadcast rights, race information fees and amalgamation costs. Mr Carter advised that some of the legal fees will be recoverable from the Clubs for the Sky negotiations through Mallesons.

Mr Hanmer questioned that courier costs of \$44,000 seemed excessive. Mr Carter to get back to the board of what the couriers charges consist of.

Mr Carter to inform the Board of required wagering growth for UNiTAB to maintain revenue. How long before RQL use up the \$9M for Race Information.

The Chairman requested another column headed 30 June to reflect Employees numbers.

The board **NOTED** the finance report for October 2010.

### 2.4 Product Development Report

Mr Paul Brennan updated the Board in relation to a number of initiatives currently being undertaken by the Product Development Department.

- Wagering outcomes over the past 3 weeks on thoroughbred meetings, and the main greyhound and harness meetings.
- That RQL will enter into a lease with the Scenic Rim Council from 1 January 2011 and at this time RQL will assume responsibility for maintaining the racing and training facilities.
- Mr Brennan met with Brisbane Greyhound Club last week to look at handing over the bar tendering at Albion Park to them. RQL would like to concentrate on running the venue outside with someone else running the venue inside.

Mr Brennan informed the Board that he was working on the Racing Program for 2011/12 and that he was proposing to review the “Policy on the Way races are to be held” so that if there are not enough horses or dogs in a race that they will not run the race. The Board suggested for Mr Brennan to also look at the “scratching rule”.

Mr Ron Mathofer updated the Board in relation to Wagering and Racing YTD October 2010.

This was **NOTED** by the Board.

## **2.5 Integrity and Licensing Report**

Mr Jamie Orchard updated the Board in relation to the relevant issues in the Integrity Department.

- Ambulance Services
- QCAT Appeals
- Betting Inquiries
- Animal Welfare Complaints
- Positives
- Unlabelled/un-prescribed Medications

### **Clive Peckett**

Mr Orchard sought the Board's approval to issue a notice to warn Mr Peckett off all racecourses in Queensland.

This was **APPROVED** by the Board.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Bob Lette

**Motion carried**

### **Licensing Report**

*That the Board **APPROVED** that the Licensing Report as presented be adopted.*

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bill Ludwig

**Motion carried**

## **3.1 2011 Board Dates**

The Board **APPROVED** the Board dates for 2011.

## **3.2 Queensland Race Information – Approval of Authorities**

Please see separate board minutes.

## **3.3 Racing Industry Skills Plan**

Mr Peter Smith updated the Board in relation to the report submitted to the Department of Education and Training on the current issues and future needs for training and workforce development in the industry.

The Chairman suggested that Mr Smith put together some figures to be included in the next Racing Queensland Magazine.

Mr Smith proposes to put an action plan together with a strategy of clear actions to look at the future racing industry skills.

This was **NOTED** by the Board.

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### **3.4 Toowoomba Turf Club**

The Board discussed the viability of the Toowoomba Turf Club (TTC) and their reluctance in supplying any information to RQL of their financials.

Mr Carter tabled a letter to the TTC in regards to the Club's future viability to be sent to the TTC Chairman and Committee Members.

The Board **APPROVED** the letter to be sent to the TTC Chairman and Committee Members.

### **3.5 Australian and Australasia Rule Amendment Adoption**

Mr Orchard sought the Board's approval to adopt the various Australian or Australasia Rule changes across the thoroughbred and greyhound codes of racing.

The Board **RESOLVED** to adopt the various rule changes.

### **General Issues**

Mr Hanmer tabled a copy of the flyer "Suite of Events" for the RQ's 2011.

This was **NOTED** by the Board.

**Confirmed as a true record.**

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**R G Bentley**  
**Chairman**  
**Dated...../...../2010**



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**Mr Bob Bentley**

Director of Tatts Group  
Director/Chairman of Sunshine Coast Racing Pty Ltd (ACN 120 875 363)  
Director/Chairman of Australian Racing Board

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club

**Mr Bob Lette**

Life member Albion Park Harness Racing Club  
Member of Brisbane Racing Club  
Consultant to Mullins Lawyers  
Non Executive Director Watpac Limited

**Mr Bill Ludwig**

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)  
Board Member of WorkCover Queensland  
Member of Brisbane Racing Club

**Mr Bradley Ryan**

Member of the Brisbane Racing Club  
Member of Tattersalls Club

**Mr Wayne Milner**

Member of the Brisbane Racing Club  
Member of the Sunshine Coast Turf Club  
Member of the Ipswich Turf Club  
Member of the Victoria Racing Club  
Life Member of QROA  
Member of Queensland Breeders Association  
Holder of Victoria Owners Gold Card

Friday, 5 August 2011

Board Room, Racing Queensland  
Racecourse Road, Deagon

Meeting Commenced at 9:00 am  
Meeting Concluded at 2:10 pm

Board Directors Present:	Bob Bentley Tony Hanmer Bob Lette Bill Ludwig Wayne Milner Bradley Ryan	- <i>Chairman</i> - <i>Deputy Chairman</i>
In attendance:	Malcolm Tuttle Adam Carter Shara Murray Jamie Orchard Paul Brennan Ron Mathofer David Rowan	- <i>Chief Executive Officer</i> - <i>Chief Financial Officer</i> - <i>Senior Corporate Counsel/Company Secretary</i> - <i>Director, Integrity Operations</i> - <i>Director, Product Development</i> - <i>Business Analyst</i> - <i>IT &amp; Communications Manager</i>
Item 2.3	Mr Robert McNaulty Mr Satiu Perese	- <i>via telephone</i>
Minutes:	Debbie Toohey	- <i>Board Secretary</i>

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The Chairman opened the Meeting at 9:00am.

**1.1 Apologies**

Nil.

**1.2 Declaration of Conflicts of Interest**

Directors are required by the *Corporations Act 2001(Cth)* to disclose any material personal interest in a matter relating to the affairs of the Company.

There were no other additional Declarations of Conflicts of Interest. (See Attachment "A")

**1.3 Confirmation of Minutes of RQL Board meeting of 8 July 2011**

The Board made the following changes:

Page three, second paragraph change the word "copy" to "budget".

2.6 First paragraph to now read "Ms Murray updated the Board in relation....."

The Board **RESOLVED** that the RQL Board Meeting Minutes of 8 July 2011 be received and confirmed.

**MOVED** by Mr Wayne Milner    **SECONDED** by Mr Bradley Ryan

**Motion carried**

### **Confirmation of Minutes of RQL Board meeting of 20 July 2011**

The Board **RESOLVED** that the RQL Board Meeting Minutes of 20 July 2011 be received and confirmed.

**MOVED** by Mr Wayne Milner    **SECONDED** by Mr Bradley Ryan

**Motion carried**

#### **1.4    Action Sheet**

The Board **NOTED** the action sheet.

#### **1.5    Media Releases / Correspondence / Matters for Noting**

The Board **NOTED** the following correspondence/matters:

##### ***Media Releases***

- TAB revenue distribution clarified 8 June 2011
- Brisbane City Council backing the wrong horse 20 June 2011
- Capalaba Greyhounds return to racing 28 June 2011
- Toowoomba Turf Club investigation 19 July 2011

##### ***Letters***

- Letter to Mr Malcolm Tuttle from Mr Mike Kelly, Office of Racing  
re: \$700,000 (ex GST) – Minimum Venue and Equipment  
Standards Funding 13 July 2011
- Letter to Mr Malcolm Tuttle from Mr Mike Kelly, Office of Racing  
re: \$200,000 (ex GST) – Non-Strategic Non-TAB Clubs  
impacted by Flood & Cyclone damage - Minimum Venue and  
Equipment Standards Funding 14 July 2011
- Letter to Mr Stephen Ferguson from Mr Malcolm Tuttle  
Re: Sale of Residential Properties 15 July 2011
- Letter to Mr Bob Bentley from Mr Tim Mulherin, MP re: approval  
of Infrastructure Plan and extension of the wagering tax sharing  
arrangements 19 July 2011
- Letter to Mr Malcolm Tuttle from Mr Mike Kelly, Office of Racing  
re: \$1.45M (ex GST) – TAB & Strategic Non-TAB Clubs  
assistance with meeting Flood & Cyclone Yasi Remediation  
Costs 25 July 2011

## 1.6 Confirmation of Flying Minutes

There are **NOTED** the following Flying Minutes:

- RISA Resolution – Proposed amendments to the RISA and TTSC Constitution 11 July 2011
- Resolution to approve the Sale of Investment Land by the BRC 14 July 2011
- Resolution that the time for submissions in response to the notice served upon Mr McAnulty under AR179A on 11 July 2011 be extended from 25 July 2011 to 1 August 2011 14 July 2011

The above Flying Minutes were **CONFIRMED** by the Board.

## 2.1 Draft 2011/12 Business Plan

To be discussed at the next Board Meeting. The Board requested that Mr Malcolm Tuttle develop performance measures for the Company's four (4) key executives, these being:

- (a) Mr Tuttle
- (b) Mr Orchard
- (c) Mr Brennan, and
- (d) Ms Murray.

## 2.2 Rules Amendments

Mr Jamie Orchard sought the Board's approval to adopt the following Local Rules (All Codes) 1 and to seek the confirmation of recent changes to Australian Rules of Racing and the Australian Harness Racing Rules:

### **"Local Rule (All Codes) 1**

- (23) *An appellant appearing before a First Level Appeal Committee may be represented by a legal practitioner or, in exceptional circumstances, by another person whom the First Level Appeal Committee consider to be an appropriate person to represent the appellant. An appellant must advise the appeals secretary at least 2 business days prior to the appeal of any intention to be so represented.*
- (24) *Notwithstanding Sub Rule (23), an apprentice jockey or any other person under the age of 18 years is entitled to be represented by his/her master at an appeal or, with the permission of the First Level Appeal Committee, such other person as a First Level Appeal Committee considers to be an appropriate person to represent the appellant."*

The Local Rules (All Codes) was **APPROVED** by the Board.

The National Rule changes and the Harness Racing Australia Rule were confirmed by the Board.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bob Lette

**Motion carried**

### **2.3 New Zealand Judicial Committee – Robert McNulty**

Mr Orchard addressed the Board on procedure: *the Board is to consider whether they are satisfied that there are “exceptional circumstances” in this case to not apply the rule in Queensland.*

Mr Robert McNulty joined the Board meeting at 11:00am with Mr Satiu Simativa Perese, Barrister via telephone.

The Chairman handed the meeting over to Mr Jamie Orchard to conduct the inquiry.

On 29 April 2011 the New Zealand Judicial Committee handed down a decision in the matter of NZTR v Robert McNulty. McNulty was disqualified for a period of 11 months (from 29 April 2011), fined \$6000 and ordered to pay costs totaling \$17500. The penalties were imposed on the basis on a finding that Mr McNulty was guilty of misconduct in using foul, insulting and offensive words directed to Mr Michael Stiassny, Chairman of the New Zealand Racing Board and that he committed a serious racing offence by way of voicemail messages he uttered foul, insulting and offensive words directed towards Chief Stipendiary Steward Cameron George.

The decision was served on each Principal Racing Authority by the New Zealand Racing Integrity Unit. Australian Rule of Racing 179A provides a scheme for the consideration of the application of international penalties. Once one jurisdiction in Australia has either applied the decision in their jurisdiction or otherwise declared the decision will not be applied, the decision of that PRA is immediately applied in every jurisdiction in Australia.

On 1 August 2011, Mr McNulty, through his counsel, made submissions to the effect that the penalty should not be applied in Australia.

Mr McNulty (in person) and Mr Perese (by telephone) both orally presented Mr McNulty's submission to the Board.

Mr McNulty and Mr Perese left the meeting at 11:35am.

The Board confirmed that it was satisfied that there were **no** exceptional circumstances in this case to amend the penalty and therefore, Mr McNulty's penalty should be applied in Australia.

Mr Orchard to formally notify Mr McNulty of the Board's decision.

At the conclusion of this matter, the Chairman asked Mr McNulty if he was satisfied that the Board had given him adequate time for explanation of his issues. Mr McNulty personally thanked the Board for their time, thanked them for the length of time they had spent on this issue and also confirmed his appreciation that the matter had been dealt with fully and to his satisfaction.

### **2.4 QTIS 600 Payment and Refunds**

Mr Brennan sought the Boards approval in relation to the following two queries regarding payments and refunds for the QTIS 600 Scheme.

1. Mr Rob Heathcote is seeking a refund from RQL in relation to Horse – “Outback Prince” – Bashaer yearling) as the horse has been diagnosed with an injury and as a result will “unlikely to become an athlete”. This injury was diagnosed 5 days after the QTIS 600 Scheme deadline.

2. Mr Murray Murdoch (Jet Spur – Star of Asia Yearling) – Mr David Chester was advised by Mr Murray Murdoch during the April QTIS 600 sale to deduct proceeds and pay up for the race series. RQL has never received the registration for this horse and has not been included in the QTIS 600 Scheme.

The Board **RESOLVED** not to:

1. Provide a refund of \$3,300 (inc GST) refund to Mr Heathcote for the Outback Prince yearling, and
2. Enable entry into the QTIS 600 scheme for the Jet Spur yearling of Mr Murdoch's.

## **2.5 Employment Agreements/Redundancy Policy**

Further to the Chairman's Report of 20 July 2011, concerning Employment Agreements/Redundancy Policy the Board **RESOLVED**:

### **1. Board Minute of 6 May 2011 to be Rescinded**

The Board to rescind the Board Resolution of 6 May 2011 Board Meeting, which reads:

#### **Remuneration & Nominations Committee Meeting Minutes and Recommendations**

*The Board today noted the draft minutes of the April 14, 2011, meeting of the Remuneration & Nominations Committee.*

*The Chairman advised Board Directors that he and Mr Ludwig had considered the situation and the amount of work that the executive staff will have to do between now and 2014 with the changing wagering landscape and the approach to the end of the exclusivity of the TattsBet license.*

*RQL will be required to commence negotiations of a Product Fee with TattsBet post 2014 and the Board needs to understand that key staff will be integral to a successful outcome.*

*These key executive staff need security of tenure as well as their assistants so as to not be distracted by innuendo and rumour about the period between now and 2014. Board members unanimously agreed with the recommendation with the Remuneration and Nominations committee.*

*In addition, the Board considered a recommendation from the Remuneration & Nominations Committee, which led to the following resolution:*

The Board **RESOLVED** that:

- (a) *The existing employment agreements be extended by 12 months up to and including June 30, 2014, for the following employees:*

- *Malcolm Tuttle*
- *Adam Carter*
- *Jamie Orchard*
- *Paul Brennan*
- *Shara Murray*
- *David Rowan*
- *Peter Smith*
- *Col Truscott, and*
- *Warren Williams.*

- (b) *Wade Birch be offered an employment agreement to expire on June 30, 2014.*
- (c) *Employment agreements be offered to the following employees to expire on June 30, 2013:*
- *Wendy Thomas*
  - *Kearra Christensen*
  - *Toni Fenwick*
  - *Ali Wade*
  - *Debbie Toohey*
  - *Jaime Knight*
- (d) *The Chairman to approve the terms relevant to the agreements and the extension of the agreements.*
- (e) *Ms Murray to draft Employment Agreements for the Executive Assistants to expire 30 June 2013.*
- (f) *Ms Murray to draft an Employment Agreement for Mr Wade Birch to expire 30 June 2014.*

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

**Motion carried**

This was unanimously **APPROVED** by the Board.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

**Motion carried**

## **2. Variation to Employment Contracts**

The Board confirmed that they had received and read the following legal advice:

- (a) Norton Rose – 20 July 2011
- (b) Clayton Utz – 1 August 2011, and
- (c) Norton Rose – 3 August 2011.

Please see **attached** legal advice (see Attachment 'A')

The Board **NOTED** that the only amendments to the employment agreements of the following Company executives were as per 2.1 (i) – (vi) below. The balance of the terms and conditions of the employment agreements remained the same.

2.1 That the employment agreements for the following Company executives:

- (a) Malcolm Tuttle;
- (b) Jamie Orchard;
- (c) Paul Brennan; and
- (d) Shara Murray,

are varied to include:

- i. A 30% increase to each executive's TRV, effective from 1 July 2011;
- ii. The inclusion of a material adverse change clause with a trigger that includes a change in the Queensland State Government, RQL ceasing to be the approved Control Body under the *Racing Act 2002* (Qld), a material adverse change in the make-up of the RQL Board of directors, or your reporting lines, or an organisational restructure that materially impacts on the Executives role at RQL in a manner adverse to the Executive;
- iii. A payment of a sum equivalent to the TRV the Executive would have been entitled to receive had they remained employed until the end of the term of their contract, however not exceeding a sum equivalent to 14 months of their TRV;
- iv. A severance payment calculated in accordance with the relevant scale contained in any redundancy policy of RQL;
- v. Any accrued but unpaid entitlements; and
- vi. Retention of the current 3 year term with an obligation on RQL to renegotiate before 31 December 2012.

Mr Bob Lette requested that Mr Tuttle develop performance measures for the above listed four (4) key executives.

2.2 The employment agreements for Adam Carter, David Rowan, Peter Smith, Col Truscott and Warren Williams be styled and formatted in accordance with any recommendations from Clayton Utz on the basis that there is no change to the existing terms and conditions of their current employment agreements.

2.3 Wade Birch to be offered an employment agreement with a term until 30 June 2013 based on his current terms and conditions with the agreement to be styled and formatted in accordance with any recommendations from Clayton Utz.

This was unanimously **APPROVED** by the Board.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

**Motion carried**

### **3. Introduction of Company Redundancy Policy**

That a Redundancy Policy is introduced for all employees of the Company.

This was **APPROVED** by the Board.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

**Motion carried**

#### **3.1 2010/11 Business Plan**

Mr Tuttle presented to the Board the 2010/11 Business Plan.

The Board **NOTED** the 201/11 Business Plan.



### **3.2 Remuneration & Nomination Committee Minutes**

Mr Tuttle distributed the draft Minutes of the Remuneration and Nomination Committee of Wednesday, 3 August 2011.

This was **NOTED** by the Board.

### **3.3 Greyhounds Australasia National Data Repository Development Update**

Mr David Rowan updated the Board in relation to the development of the Greyhounds Australasia National Data Repository System.

This was **NOTED** by the Board.

### **4.1 CEO's Report**

#### **Industry Infrastructure Plan**

The Industry Infrastructure Plan Control Group is currently looking at resources and the delivery of the Plan. A regular monthly report will be presented to the Board.

#### **Single National System – RISA**

RISA has now received approval to proceed with the Single National System Project from all Principal Racing Authorities. RISA is in the process of providing a new Service Level Agreement to each PRA to commence from 1 August 2012.

#### **Trots TV**

Mr Blair Odgers will be reviewing the Trots TV initiative and will report back to the CEO with a summary report.

#### **Queensland Race Information**

Ms Shara Murray updated the Board in relation to the actions and initiatives being undertaken by the Queensland Race Information Committee.

- Mr Jamie Nettleton will be attending RQL to give a half day training session on wagering/race Information in August 2011. Mr Nettleton has confirmed that he holds no Conflict of Interest, and as such, is in a position to respond to the Tabcorp Holdings and Tabcorp Limited on behalf of RQL.
- The Committee will be writing to the top 20+ interstate bookmakers who exceeded the \$5M turnover to request retrospectivity.
- Ms Murray to draft Deeds to send to a number of Corporates in the next 7 -10 days.

The Board **NOTED** the CEO's Report.

### **4.2 Legal & Compliance Report**

#### **First Level Appeals**

There has been one (1) First Level Appeal for the month of July 2011.

#### **Anti- Discrimination Commission matters**

- Bobby Chrystal – this matter has been referred to QCAT. A hearing date has not been set as yet.
- Kerry Watson – this matter has been referred to QCAT. A Directions Hearing will be held on Monday, 8 August 2011. Ms Murray to update the Board after the Directions Hearing.
- Heather Warland – RQL has responded to the allegations. No response has yet been received from ADCQ.

### **Australian Human Rights Commission matter**

- Alisha Winfield – A conciliation conference has been scheduled for Wednesday, 14 September 2011.

### **Litigation matters**

- Qld Harness Racing Limited v RQL & Anor – other clubs have now joined the action.
- McHarg & Rolfe v RQL – this matter is now closed.
- Gold Coast Greyhound Racing Club Inc. (**GCGRC**) v Greyhounds Qld Ltd (**GQL**) & RQL – this matter is now closed, however, RQL received correspondence from GCGRC advising that they believe that RQL is liable to pay the ongoing commitment of \$2,000 per month made to GCGRC by GQL prior to 1 July 2010. GCGRC have been advised that the Deed of Settlement was signed and finalised which included full and final settlement of this matter.

### **Other matters**

- Ms Murray met with HRBS concerning RQL taking action against Ms Jeannette Hannah. HRBS informed Ms Murray that RQL cannot prove any fraudulent matters. This matter is now closed.
- Ms Murray is finalising one clause with AON concerning the Director's D & O Insurance. Once finalised, Ms Murray to distribute the policy wording to the Board for their consideration and review.

The Board **NOTED** the Legal & Compliance Report.

## **4.3 Finance Report**

Mr Adam Carter updated the Board in relation to the management accounts for the month ended 30 June 2011.

Key highlights for FY2011:

- Revenue down \$7.2M on budget and down \$3.1M (2%) on prior year.
- Product and Program Fee – finished \$2.6M (1%) down on RY0910 result and \$1.7M (2%) down on budget YTD.
- Race Information Fees are \$2.3M (29%) below budget.
- Expenditure down \$4.3M (3%) on budget and down \$548K (0.5%) on prior year.
- Prizemoney is \$5.1M (5%) below budget for FY1011. This is a result of unexpended prizemoney of \$3.2M on thoroughbred races, \$408K on harness races and additional prizemoney expended of \$133K on greyhound races.
- Legal fees are \$978K (188%) above budget.

Mr Carter informed the Board that the Auditors were due on 22 August 2011.

Mr Carter tabled a proposed schedule for FY11/12 for the Audit, Finance and Risk Committee.

The Board **NOTED** the Finance Report.

## **4.4 Product Development Report**

### **New QTIS Scheme**

RQL has reached agreement with the Thoroughbred Breeders' Queensland Association after consultation with the Australian Trainers' Association, Queensland Racehorse Owners' Association and the Thoroughbred Breeders' Queensland Association on the new QTIS scheme from 1 August 2012. This new scheme will deliver a saving of \$1m to RQL.

**Flood, Cyclone and WH&S Funding**

Mr Brennan informed the Board that there has been a lack of response from Clubs and only a few have applied for funding from RQL. Mr Brennan to keep the Board updated.

**Deagon Trainers**

Mr Brennan has met with Mr Pat Duff and Mr Jim Murdoch who represent the Deagon Thoroughbred Trainers to discuss the closure of the Deagon facility as a thoroughbred training complex. Discussions are still ongoing with Mr Brennan to draft correspondence to be sent to both Mr Duff and Mr Murdoch concerning alternate stabling and the consideration of the suggestion from the representatives on a 1000m sand training track proposed at Deagon.

**Australian Pattern Committee**

Mr Brennan informed the Board that the Toowoomba Cup had been downgraded due to poor performances over the past three years. However, the BJ McLachlan Plate held at Doomben had been upgraded.

Mr Ron Mathofer updated the Board in relation to the 2010/11 Wagering Report.

The Board **NOTED** the Product Development Report.

**4.5 Integrity Services Report****QCAT matters**

Mr Orchard updated the Board in relation to the matters that have been before QCAT for the month of July 2011.

**Bookmakers Audit**

Inquiries will commence into the breach of rules concerning bookmakers, Bob McHarg, Vince Aspinnall and Pat Kynoch next week.

**Odds Fluctuation Monitoring Application**

The development of a real time betting surveillance tool is continuing with the software developer working closely with RQL's IT and Integrity Departments.

**Toowoomba Turf Club**

The investigation by Ms April Freeman is commencing on Friday, 5 August 2011 and should be finalised by the end of next week.

The Board **NOTED** the Integrity Services Report.

**Other Matters****RQL website**

The Board has requested Mr Rowan to update the Board at the September 2011 Board meeting with a budget and timeframe for the development of a new RQL website.

Mr Tuttle to contact Mr Myles Foreman, CEO of RISA on the issue of coordinating stewards reports in a timely manner to be available on the RQL website after a race.

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**Queensland Racehorse Owners' Association (QROA)**

Mr Milner updated the Board in relation to the background of the assistance provided to the QROA, which included the provision of an administration resource for two days per week and the use of all RQL equipment, stationary etc. Following the discontinuation of the Owner's Card earlier in the year Mr Milner had previously sort the approval of the Board to revise this agreement and cap the contribution at \$100,000 per annum for administration costs and promotional activities to be undertaken by the QROA. This proposal was conveyed to the Chairman of the QROA in February 2011, at which time he has requested to provide a business plan outlining the manner in which the QROA proposed to expend the \$100,000. Mr Milner confirmed that the business plan has not been forthcoming and that it is not RQL's obligation to chase the QROA if they did not have sufficient appetite to act on this request during the previous six months.

Mr Milner proposed to the Board to terminate the agreement with QROA and relocate the Administration Assistant to the RQL Finance Department.

Mr Milner to inform QROA at his earliest convenience that RQL will be providing a \$25,000 grant to the QROA from 1 October 2011, and that they would be required to provide their own resources from this date.

This was **APPROVED** by the Board

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

**Motion carried**

**Confirmed as a true record.**

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**R G Bentley**

**Chairman**

**Dated...../...../2011**

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**Mr Bob Bentley**

Director of Tatts Group  
Director/Chairman of Sunshine Coast Racing Pty Ltd  
Director/Chairman of Australian Racing Board

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club Inc.

**Mr Bob Lette**

Life Member Albion Park Harness Racing Club Inc.  
Member of Brisbane Racing Club  
Consultant to Mullins Lawyers  
Non Executive Director Watpac Limited

**Mr Bill Ludwig**

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)  
Board Member of WorkCover Queensland  
Member of Brisbane Racing Club

**Mr Bradley Ryan**

Member of Brisbane Racing Club  
Member of Tattersalls Club

**Mr Wayne Milner**

Member of the Brisbane Racing Club  
Member of the Sunshine Coast Turf Club  
Member of the Ipswich Turf Club  
Member of the Victoria Racing Club  
Life Member of QROA  
Holder of Victoria Owners Gold Card  
ME Bank Consultant

Friday, 4 November 2011

Board Room, Racing Queensland  
Racecourse Road, Deagon

Meeting Commenced at 10:26 am  
Meeting Concluded at 4:42 pm

<b>Board Directors Present:</b>	<b>Bob Bentley</b> <b>Tony Hanmer</b> <b>Bob Lette</b> <b>Bill Ludwig</b> <b>Wayne Milner</b> <b>Bradley Ryan</b>	- <i>Chairman</i> - <i>Deputy Chairman</i>
<b>In attendance:</b>	<b>Malcolm Tuttle</b> <b>Shara Reid</b>  <b>Jamie Orchard</b> <b>Paul Brennan</b> <b>David Rowan</b> <b>Blair Odgers</b> <b>Mark Snowdon</b> <b>Sharon Drew</b> <b>Ron Mathofer</b> <b>Peter Smith</b>	- <i>Chief Executive Officer</i> - <i>Senior Corporate Counsel/Company Secretary</i>  - <i>Director, Integrity Operations</i> - <i>Director, Product Development</i> - <i>IT &amp; Communications Manager</i> - <i>Marketing Manager</i> - <i>Project Director</i> - <i>Management Accountant</i> - <i>Business Analyst</i> - <i>Licensing &amp; Training Manager</i>
<b>Item 3.4 (only)</b>	<b>Jason Haim</b>	- <i>Licensee (via telephone)</i>
<b>Minutes:</b>	<b>Debbie Toohey</b>	- <i>Board Secretary</i>

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The Chairman opened the Meeting at 10:26am.

**1.1 Apologies**

Nil.

**1.2 Declaration of Conflicts of Interest**

Directors are required by the *Corporations Act 2001(Cth)* to disclose any material personal interest in a matter relating to the affairs of the Company.

There were no other additional Declarations of Conflicts of Interest. (See Attachment "A")

**1.3 Confirmation of Minutes of RQL Board meeting of 2 September 2011**

The Board **RESOLVED** that the RQL Board Meeting Minutes of 2 September 2011 be received and confirmed.

**MOVED** by Mr Tony Hanmer    **SECONDED** by Mr Bradley Ryan

**Motion carried**

### **Confirmation of Minutes of RQL Board meeting of 13 September 2011**

The Board **RESOLVED** that the RQL Board Meeting Minutes of 13 September 2011 be received and confirmed.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bradley Ryan

**Motion carried**

#### **1.4 Action Sheet**

The Board **NOTED** the action sheet.

#### **1.5 Media Releases / Correspondence / Matters for Noting**

The Board **NOTED** the following:

##### ***Media Releases***

Outcome of Toowoomba Turf Club investigation released	29 September 2011
Lord Mayor's <i>public meeting folly without facts</i>	14 October 2011

##### ***Letters***

Letter to Mr Bob Bentley, Chairman RQL from Mr Kevin Dixon regarding on course bookmakers	11 October 2011
Letter to Mr Kevin Dixon, Chairman, Brisbane Racing Club in response to on course bookmaker's letter received on 11 October 2011	21 October 2011
Letter to Mr Malcolm Tuttle, Chief Executive RQL, from Mr Mike Kelly regarding Assistance with Meeting Flood And Cyclone Yasi Remediation Costs – Emerald Jockey Club	25 October 2011

##### ***Meetings***

Product & Strategy Committee Agenda & Meeting	13 September 2011
Draft Minutes of Remuneration & Nomination Committee	15 September 2011

#### **1.6 Confirmation of Flying Minutes**

The Board **NOTED** the following Flying Minute:

Proposed Direction to Gold Coast Turf Club Limited ACN 102 941 980 – Section 34 of the Racing Act 2002	13 September 2011
Gold Coast Turf Club – Extension of Direction	26 September 2011
Resolution to approve expenditure of \$423,000 for The Brisbane Racing Club's proposed development	17 October 2011
Toowoomba Turf Club Control Body Direction	3 October 2011

Resolution to adopt the Annual Financial Statements of RQL for the year ended 30 June 2011	19 October 2011
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The above Flying Minutes were **CONFIRMED** by the Board.

## **2.1 CEO's Report**

Mr Malcolm Tuttle updated the Board in relation to the CEO's report.

### **Greyhound Export Standards**

Mr Craig Taberner, National CEO of Greyhound Australasia Limited will be implementing recommended standards on greyhounds being exported from Australia.

### **Strategic Plan – GAL**

Mr Tuttle updated the Board on the recent Greyhound planning session.

### **Annual Report**

Mr Tuttle advised that the Annual Report would be produced electronically and placed on the website with copies available if required.

### **Harness racing industry workshop**

The Board was updated on the recent broadcast workshop and the findings of the recent market research.

### **Australasian Racing Ministers Conference – Perth**

Mr Tuttle informed the Board that the Chairman had attended the Australasian Racing Minister conference in Perth on 23 September 2011. The Board was informed that Mr Innes of the Jockeys Association addressed the Ministers conference about funding requirements for a National Jockeys Trust. Mr Tuttle advised the Board that there was a possibility of some industrial action by jockeys during November 2011.

### **Review of Interactive Gambling Act**

Mr Tuttle provided an update and invited the Chairman to comment as an attendee at a senate inquiry on behalf of the ARB. The main issues to be pursued by the racing industry are:

- Financial transaction controls
- ISP blocking
- Wagering exemption to be conditional

### **Industry Infrastructure control Group**

The Board noted the action sheet which was attached. Mr Tuttle advised that Mr Snowdon, the IIP project director will have a detailed report available for the Board later in the meeting. Mr Tuttle advised that minutes of IIPCG meetings are available for viewing by Directors if required.

### **CEO's HR Report**

The Board **NOTED** the HR Report for October 2011.



## **Harness Racing Australia (HRA) Board Representation**

The Chairman advised that the workload associated with RQL and the projects at hand precluded him from continuing to represent RQL at the HRA executive and requested the Board to consider the appointment of Mr Tuttle as RQL's representative.

The Board considered the Chairman's position and his recommendation that *Mr Tuttle be RQL's nomination to the HRA executive*. This recommendation was:

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Bob Lette

**Motion carried**

## **2.2 Legal & Compliance Report**

### **First Level Appeals**

The Board **NOTED** that there have been five (6) First Level Appeals for the month of September/October 2011.

### **Anti- Discrimination Commission Matters**

- Bobby Chrystal - On 31 October 2011, RQL made a Settlement Offer / Settlement Deed to Mr Chrystal. Cost of offer is in the vicinity of \$150,000.00. Ms Reid to keep the Board updated.
- Kerry Watson – This matter has been referred to QCAT. A Compulsory Conference was held at QCAT on 3 November 2011 at 9.30am. As the matter was not settled, the matter will now go back to QCAT for a Directions Hearing on 17 November 2011 where dates will be set re Witness statement and Arbitration (trial) dates.

Ms Watson made an offer to settle for \$250K. RQL made a counter offer of \$80K (\$70K payable upon execution of a Deed of Settlement and \$10K payable after 12 months if confidentiality had not been breached). Ms Watson made a counter offer of \$150K plus costs at the District Court Scale. RQL did not accept Ms Watson's counter offer.

- Heather Warland – RQL has responded to allegations. No response has yet been received from ADCQ. Ms Reid will keep the Board updated.
- Donald Cavanough – A Conciliation Conference was held on 4 October 2011 in which Mr Cavanough failed to attend. RQL briefed the Conciliator as to why the matter should lapse, however, the Conciliator determined that Mr Cavanough would be allowed a further seven (7) days to continue to pursue his complaint against RQL. On Monday, 24 October 2011, the ADCQ advised RQL that they have had no response to their first letter. The ADCQ advised that they would now write again and provide Mr Cavanough a further seven (7) days to respond – if no response, the ADCQ will lapse the complaint.

### **Australian Human Rights Commission Matter**

- Alisha Winfield – This matter was resolved by way of a Deed of Settlement. The matter is now closed.

### **Litigation Matters**

Mr Bob Lette left the meeting at 12:15pm.

- **Old Harness Racing Limited v RQL & Anor**

Ms Reid advised the Board that on 17 October 2011, RQL's application to strike out the plaintiffs' claims were heard by Justice Peter Lyons. The hearing went well and judgment is reserved. Ms Reid expects to receive judgement by mid December 2011.

HRQ is in default of the time frame for delivery of witness statements and Clayton Utz are pressing Schweikert Harris to rectify this default.

Clayton Utz will be proceeding with preparation of the RQL witness statements through November 2011. The reason for progressing these matters is so that we are in a position to move quickly toward trial in the event the strikeout application is unsuccessful.

Mr Lette returned to the meeting at 12:25pm.

- **John Maguire v Greyhound Racing Authority [8110/09] (Supreme Court)**

On 5 August 2011, the plaintiff filed an Amended Statement of Claim and Application in order to have the matters set down for mediation. Application to be heard on 7 November 2011.

RQL intends to make an Application to have:

1. Parts of the Claim dealt with by way of Summary Judgment - per the relevant parts being statute barred, and
2. Re-plead other parts.

Ms Reid will keep the Board updated on this matter.

- **Race Information – Debt Recovery x 3**

The following claims were filed on 4 July 2011:

- Racing Queensland Limited v Hayden Flynn (District Court): \$280,551.13
- Racing Queensland Limited v Lyndsay Gallagher (Magistrates Court): \$67,125.88
- Racing Queensland Limited v Ramon Karangis (Magistrates Court): \$44,634.10

Particulars were received by RQL on Monday, 31 October 2011.

Once reviewed, RQL will be in a position to have the matters set down for trial.

Ms Reid to keep the Board updated.

• **Gold Coast Greyhound Racing Club**

On 21 October 2011, RQL was served with a Claim and Statement of Claim from the GCGRC.

The GCGRC alleges that:

- (a) From July 2010, RQL has failed to pay the GCGRC \$2,000 per month until the new facility is developed, and
- (b) Ms Murray (now known as Ms Reid) misrepresented the meaning and effect of the Deed.

The GCGRC seeks:

- (a) \$30,000.00
- (b) \$1,875.00 for interest, and
- (c) \$410.00 for costs of issuing the claim and statement of claim.

RQL intends to defend this claim.

Ms Reid to keep the Board updated.

• **Indemnity – Queensland Harness Racing Limited v RQL, Robert Bentley**

Ms Reid recommended that, pursuant to and in accordance with clause 25.1 of RQL's Constitution and the Deed, the Board ratify the decision made on 4 February 2011 to indemnify Mr Bentley and keep Mr Bentley indemnified against:

- (a) All liabilities incurred by Mr Bentley in connection with the Proceedings as an officer of RQL, and
- (b) Without limited the scope of subparagraph (a), all legal costs and other costs and expenses arising from the Proceeding incurred by Mr Bentley on and from 24 December 2010 as an officer or as a consequence of having been an officer of RQL.

The Board **RESOLVED** to ratify the indemnity of Mr Bentley.

Mr Bentley did not vote.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

**Motion carried**

The Board **NOTED** the Legal & Compliance Report.

**2.3 Finance Report**

Ms Sharon Drew updated the Board in relation to the management accounts for the period ending 30 September 2011.

Update for September 2011:

- Surplus of \$1M: There has been a reduction in wagering revenue of \$311K compared to budget, with overall revenue being down \$766K on budget. Expenditure is down \$704K on budget, with all departmental controllable costs being managed well when compared to budget.

- EBITDA – September 11 Surplus of \$1.5m as compared to EBITDA September 10 Surplus of \$1.9m.
- EBITDA – September 11 Surplus of \$1m as compared to EAITDA September 10 of \$1.7m.

Ms Reid informed the Board that the Legal Department's budget will be exceeded. This was noted by the Board and will be reviewed at the scheduled budget review meeting at the December 2011 Board meeting. Ms Reid outlined that subject to various legal proceedings that an additional \$750K to \$1M may be required in the legal budget.

Mr Ron Mathofer tabled the Product & Program Fee and Race Information Projections report.

Mr Mathofer was instructed to provide the Chairman current level of indebtedness of the Cairns Jockey Club for his meeting with the Treasurer.

Following considerable discussion the Board **NOTED** the Finance Report.

#### **2.4 Product Development Report**

Mr Paul Brennan updated the Board in relation to the Product Development Report.

##### **Sunshine Coast Greyhound Training Track**

Mr Brennan sought the Board's approval for a budget of \$40,000 plus GST for the installation of a Greyhound training track at Corbould Park.

The Board **APPROVED** a budget of \$40,000 plus GST for the installation of a Greyhound training track at Corbould Park.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Tony Hanmer

**Motion carried**

##### **Greyhound Adoption Program**

Mr Brennan would like the Board to consider the installation of day kennels; a training yard and a transportable office at the Northern end of the Deagon site for training and assessment of up to 6 greyhounds and approve a budget of \$40,000 plus GST.

The Board **APPROVED** a budget of \$40,000 plus GST for the Greyhound Adoption Program.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Bob Lette

**Motion carried**

##### **Sunshine Coast Stabling Update**

Mr Brennan updated the Board in relation to the following Sunshine Coast stabling strategy:

- Increase number of permanent rentals to 176
- Maintain 8 modules for training purposes
- Hold 16 modules for Deagon trainers
- Hold 56 modules for visiting trainers

The Board **CONFIRMED** they agreed with the proposed Sunshine Coast stabling strategy.

### **Proposed 2012/13 Race Date Allocations**

Mr Brennan sought the Board's approval in relation to the proposed allocations for the forthcoming financial year concerning the 2012/13 race date schedules.

The Board **APPROVED** the 2012/13 Race Date Allocations.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Wayne Milner

**Motion carried**

### **Venue Governance Models**

Mr Brennan tabled the Discussion Paper – Business Model for the Restructure of the Industry to the Board for their consideration.

The Board discussed the operating models and resolved further discussions would be held with individual clubs concerned as the project advanced. However, one model will not fit all.

### **Yeppoon Trusteeship**

Mr Brennan updated the Board concerning the fact that the Rockhampton Thoroughbred facility does not have a grass training track. RQL has negotiated with the Yeppoon Turf Club for the use of the Yeppoon grass track for training and trialing purposes.

The Department of Environment and Resource Management (DERM) have confirmed that they require a copy of the minutes from the trustee meeting where they agree to relinquish their trusteeship and confirmation that RQL is willing to assume responsibility.

The Trustees have given their in-principle support.

Mr Brennan sought the Board's approval to write to DERM confirming its agreement to become the trustee for Keppel Park, Yeppoon and to enable negotiations to continue with the Yeppoon Turf Club regarding the development of a suitable agreement.

This was **APPROVED** by the Board.

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Tony Hanmer

**Motion carried**

### **Events Queensland**

The Board recommended not to be involved in the provision of funding to the Brisbane Racing Club to promote their Queensland Winter Racing Carnival.

### **Magic Millions Queensland**

Mr Brennan updated the Board in relation to correspondence received from the Managing Director of the Magic Millions Sales Company regarding alterations to its racing schedule and a request for a contribution towards a strategy aimed at encouraging women owners to the industry.

The Board discussed this initiative with a wide diversity of views.

The Board determined to defer this matter until the next Board meeting.

## **Deagon Trainers**

The Board **NOTED** the draft correspondence outlining the options for compensation for trainers who will be disadvantaged by the Deagon project.

## **Wagering Report**

The Board discussed the wagering trends previously presented by Mr Mathofer with Mr Brennan.

The Board **NOTED** the Product Development Report.

## **2.5 Integrity Services Report**

### **QCAT matters**

Mr Orchard updated the Board in relation to the matters that have been before QCAT for the month of November 2011.

### **Human Resources**

- Mr Orchard will keep the Board updated in relation to the unfair dismissal proceeding commenced by Mr Bevan Turner.
- There have also been a number of applications received for the Integrity Counsel/Investigator position.

### **Use of Social Media – Integrity Issues**

Mr Orchard updated the Board concerning the ongoing criticism of RQL and its staff by organisations and individuals within the community and the recommendations that RQL should take to avoid any effect on RQL staff and the racing industry.

Mr Orchard informed the Board that Jockeys are also being targeted and are affected by the defaming comments.

The Board advised Mr Orchard that the Jockey's Association should take individual action and not expect RQL to progress the matter on their behalf.

Mr Lette suggested that RQL could apply to the Supreme Court for an injunction to stop the defaming comments.

The Board **NOTED** the Integrity Services Report.

The Board **APPROVED** the Licensing Report without amendment.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Tony Hanmer

### **Motion carried**

## **2.6 Industry Infrastructure Report**

The Board discussed the Industry Infrastructure plan and the Business cases as presented.

Mr Mark Snowdon gave a further comprehensive report on the progress of the Industry Infrastructure Plan with particular reference to the individual budgets and the preparation of the business cases.

Mr Snowdon advised that the Business cases for Beaudesert have been lodged with the Office of Racing.

- Logan application will be lodged for recovery of fees for the abandoned project.
- Ipswich business plan will be lodged for the recovery of fees to date for the postponement of the project.

Mr Snowdon advised the Board that the Mackay project was underway and RQL had responded to the urgency of workplace health and safety at the Governments request.

The Board discussed the various Business cases as presented.

The Board **NOTED** the updated Business cases that were being prepared for Treasury.

### **3.1 Marketing Strategy Review**

The Chairman discussed with the Board his view that the Marketing Strategy put forward was reasonable, however, the timing of expenditure for this year's budget was not appropriate.

The Chairman suggested that Mr Hanmer, Mr David Rowan and Mr Blair Odgers take a practical view of the marketing strategy and review the budget to take in only those items considered essential. It was suggested that a deferred expenditure amounting to \$500-600K would be an appropriate reduction under the circumstances.

Mr Hanmer accepted the responsibility to review the marketing strategy within these guidelines.

The Board **NOTED** the Marketing Report.

### **3.2 Website Re-design**

Mr David Rowan sought the Board's approval for a budget variation approval for the re-design of the Racing Queensland website of \$50,000.

Mr Hanmer proposed that Mr Rowan seek Industry consultation on the web design along with himself and Mr Milner to have input.

The Board **APPROVED** the variation to the capital expense budget of up to \$50,000 for the website re-design and implementation.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Wayne Milner

**Motion carried**

### **3.3 Appointment of Contour**

Mr Snowdon advised the Board that Contour Consulting Engineers (Contours) had submitted a Contract for their appointment to provide planning services for the Industry Infrastructure Plan.

Ms Reid advised that she had reviewed the contract and had concerns on various aspects and the wording of the contract. Ms Reid advised the Board that she was meeting with Contour to discuss the contract further.

Mr Hanmer raised the issue of compliance with Government contract obligations and RQL's obligations under RQL's Purchasing Policy and the necessity for RQL processes to

be fully compliant and would pass government audit. Mr Hanmer inquired of Mr Snowdon the status of Mackay and the preparation of the Business cases for Beaudesert and Cairns.

Mr Snowdon advised that the Mackay project had commenced and he was proceeding to have a formal contract completed. The Business cases have been ongoing and while the Mackay project has been compliant with RQL's purchasing policy, the overall appointment of Contour and the work undertaken for planning had not been formalised as yet.

Mr Hanmer advised that these issues as well as a review of RQL's Risk Register that had been the subject of correspondence to the Audit Committee on 20 September 2011. Further, Mr Hanmer advised that this exposes the Board to probity issues and that the work completed even though approved by Government, needs to be properly documented by RQL. Following further discussion it was resolved that whilst all parties were aware that work was proceeding, the work undertaken needed to be properly documented and that probity issues need to be addressed before any further work was commenced.

The Chairman advised the Board that he had already approached the Government to separate the work into 2 stages -

- Stage 1 completion of Business cases and Mackay contract
- Stage 2 separate contracts for each project following the approval of the business cases

The Chairman further advised that RQL had responded as a matter of urgency to the workplace health and safety issues and had the Mackay project fast tracked at the Government's request.

Mr Ludwig expressed the view that a quantity surveyor should be considered where practical to give an extra level of protection to the Project and Board.

Mr Lette advised that it was essential that an independent project manager be appointed to oversee the project and this should not be the function of the primary contractor (Contour).

The Board **RESOLVED** that:

- Ms Reid and Mr Snowdon organise a meeting with Contour Engineering explaining the probity issues and seek to settle a contract for the work undertaken by Contour at Mackay.
- Individual contracts will apply for each project.
- Independent Project Manager will be appointed.
- That a quantity surveyor should be considered where necessary.
- Chairman advised the Government that a contract with Contour Engineering has not at this date been settled, but RQL has undertaken sufficient audit to satisfy itself that the contract rates charged are "value for money".

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Wayne Milner

**Motion carried**



### 3.4 Warning off: Jason Haim

Mr Haim joined the Board meeting at 11:00am via telephone confirming his request for a hearing by telephone was acceptable.

The Chairman confirmed that the Board had received all relevant material for Board members to make a proper determination.

The Chairman sought permission of the Board and Mr Haim for Mr Orchard to chair the inquiry.

The Board and Mr Haim agreed to this request.

Mr Orchard introduced via telephone all members of the Board and requested Mr Haim to make his oral submissions as to why he should not be warned off all racecourses in Queensland.

Mr Haim commenced his address 11:04am and concluded at 11:35am. Mr Orchard at the conclusion of Mr Haim's explanations inquired if Mr Haim had any other further particulars to put forward.

Mr Haim thanked the Board and Mr Orchard for their time and advised he had no further comments to make and exited the meeting at 11:37am.

The Board discussed Mr Haim's submissions and confirmed that the Board was satisfied that there were no further evidence or submissions put forward by Mr Haim to justify his actions.

The Board **CONFIRMED** that given Mr Haim's previous history in respect of animal welfare, his disregard for the Rules since being disqualified and his apparent disrespect for stewards, the Board **RESOLVED** that:

*Mr Haim should be warned off all racecourses in Queensland but be eligible to reapply in two (2) years.*

Mr Orchard to formally notify Mr Haim of the Board's decision.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

**Motion carried**

### 3.5 Betfair

The Chairman noted that as there could be a perceived conflict of interest he would take no part in the discussion. The Board requested the Chairman's presence but accepted that a conflict could exist. The Chairman remained but indicated that he would express no opinion.

The Chairman requested Mr Hanmer to take the chair.

The Integrity paper was tabled and the Board considered the submission submitted regarding Betfair and expressed concern at the issues identified. Mr Milner considered that the issues could be addressed by a show cause and the imposition of conditions while Mr Lette felt the better course may be to address the situation through the Integrity Deed. Mr Ludwig thought it important to take as much advice as possible on the appropriate approach.

Mr Tuttle questioned whether it would be possible to hold an Inquiry into the matter and felt that if not, it may be necessary to proceed by way of adding conditions. Mr Tuttle also

questioned whether it would be necessary to consider the position of other entities that held Authorities to determine whether they might be affected by the same issues. Mr Brad Ryan had concerns about singling out Betfair and to be mindful of other corporates.

The Board **RESOLVED** that the Integrity Deed should be withdrawn and the following conditions applied to an enforceable Deed:

1. The real time monitoring program has operated to identify real issues of concern
2. All matters of concern have been referred to RQL
3. All users of Betfair have been identified and non-registered persons prevented from using the exchange, and
4. Requests for information from RQL have been properly addressed with the required, or otherwise reasonable, period of time.

**MOVED** by Mr Bradley Ryan **SECONDED** to Mr Wayne Milner

**Motion carried**

Mr Bentley resumed the Chair.

### **3.6 Gold Coast Turf Club**

Mr Orchard sought the Board's approval to extend the period of compliance for the Control Body Direction to 25 November 2011.

This was **APPROVED** by the Board.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bill Ludwig

**Motion carried**

### **3.7 Purchasing Policy**

Ms Drew sought the Board's approval for the updated version of the Purchasing Policy due to inclusion of the Industry Infrastructure Project Director purchasing limit of \$50,000.

This was **APPROVED** by the Board.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Wayne Milner

**Motion carried**

### **3.8 Cash Management and Investment Policy**

Ms Drew sought the Board's approval for Cash Management and Investment Policy.

This was **APPROVED** by the Board.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Wayne Milner

**Motion carried**

### **3.9 Melbourne Cup Day – Capalaba**

Mr Rowan and Mr Odgers updated the Board in relation to the results of the Melbourne Cup Day event at Capalaba.

- There were 636 people that came through the gate.

- Bar takings were up and the strategy of selling pre-paid drink tickets worked well.
- There were only 88 people attending the reserved marquee.
- There is a loss of \$1144.00 at this stage.
- There is a potential to scale back on operational items to secure more people and to understand to put on an event to cater for the crowd that attended.

Mr Milner expressed his disappointment in the Marquee attendance as Mr Brian Moss indicated to the Board that he had secured 300 people for the Marquee.

**3.10 Apprentice Jockey Recruitment, Training and Welfare Review Update**

Mr Peter Smith updated the Board concerning the matters relating to recruitment, training and retention of apprentices.

The Board **NOTED** the Report.

**Other Matters**

**Purchase of Ipads for Board meetings**

Ms Reid recommended to the Board the purchase of ipads for all Board Directors, Company Secretary, Management and the Board Secretary. This will streamline the Board documentation process and eliminate the use of paper.

The Board **APPROVED** the purchase of Ipads and any required adjustment to the budget.

**Confirmed as a true record.**



**R G Bentley**  
**Chairman**  
**Dated... 26.11...../2011**

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**Attachment 'A'**

**Mr Bob Bentley**

Director of Tatts Group  
Director/Chairman of Sunshine Coast Racing Pty Ltd  
Director/Chairman of Australian Racing Board

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club Inc.

**Mr Bob Lette**

Life Member Albion Park Harness Racing Club Inc.  
Member of Brisbane Racing Club  
Consultant to Mullins Lawyers  
Non Executive Director Watpac Limited

**Mr Bill Ludwig**

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)  
Board Member of WorkCover Queensland  
Member of Brisbane Racing Club

**Mr Bradley Ryan**

Member of Brisbane Racing Club  
Member of Tattersalls Club

**Mr Wayne Milner**

Member of the Brisbane Racing Club  
Member of the Sunshine Coast Turf Club  
Member of the Ipswich Turf Club  
Member of the Victoria Racing Club  
Life Member of QROA  
Holder of Victoria Owners Gold Card  
ME Bank Consultant

Monday, 19 December 2011

Board Room, Racing Queensland  
Racecourse Road, Deagon

Meeting Commenced at 9:05am  
Meeting Concluded at 4:20pm

<b>Board Directors Present:</b>	Bob Bentley Tony Hanmer Bob Lette Bill Ludwig Wayne Milner Bradley Ryan	- <i>Chairman</i> - <i>Deputy Chairman</i>
<b>In attendance:</b>	Malcolm Tuttle Shara Reid  Adam Carter Jamie Orchard Paul Brennan David Rowan Mark Snowdon Ron Mathofer Peter Smith	- <i>Chief Executive Officer</i> - <i>Senior Corporate Counsel/Company Secretary</i> - <i>Chief Financial Officer</i> - <i>Director, Integrity Operations</i> - <i>Director, Product Development</i> - <i>IT &amp; Communications Manager</i> - <i>Project Director</i> - <i>Business Analyst</i> - <i>Licensing &amp; Training Manager</i>
<b>Item 3.1 (only)</b>	Bill Dixon Bob Lutherborrow	- <i>BOTRA</i> - <i>Standardbred Breeders Qld</i>
<b>Minutes:</b>	Debbie Toohy	- <i>Board Secretary</i>

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The Chairman opened the Meeting at 9:05am.

**1.1 Apologies**

Nil.

**1.2 Declaration of Conflicts of Interest**

Directors are required by the *Corporations Act 2001(Cth)* to disclose any material personal interest in a matter relating to the affairs of the Company.

There were no other additional Declarations of Conflicts of Interest. (See Attachment "A")

**1.3 Confirmation of Minutes of RQL Board meeting of 4 November 2011**

The Board **RESOLVED** that the RQL Board Meeting Minutes of 4 November 2011 be received and confirmed.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bill Ludwig

**Motion carried**

#### 1.4 **Action Sheet**

The Board **NOTED** the action sheet.

#### 1.5 **Media Releases / Correspondence / Matters for Noting**

The Board **NOTED** the following:

##### ***Emails***

Revised strategy for the delivery of the Mackay Project	22 November 2011
Gold Coast Turf Club	25 November 2011

The Chairman tabled the following letters on the day:

##### **Letters**

Letter to Mr Mike Kelly, re: Gold Coast Project Update	16 December 2011
Letter to Mr Mike Kelly, re: QRIS or Super – QRIS (1992 – 2002)	16 December 2011

The above correspondence was **NOTED** by the Board.

#### 1.6 **Confirmation of Flying Minutes**

The Board **NOTED** the following Flying Minutes:

Business Case for Cronulla Park, Logan	17 November 2011
Warning Off of Cameron Barnes	21 November 2011
The Gold Coast Turf Club	24 November 2011
Cairns Turf Club	29 November 2011

The above Flying Minutes were **CONFIRMED** by the Board.

#### 1.7 **Changes to National OH & S Laws**

The company secretary opened this item with a detailed analysis of new O H & S obligations. The Board viewed the State Government video of Directors obligations and liability on O H & S matters.

The Board discussed the issues surrounding its and company liability, many issues were raised by board members in relation to country and tab clubs and, in position where liability arose.

Mr Bob Lette raised the issue of the jockeys who were now considered employees and how the liability of harness drivers was to be covered in future.

The main areas of concern for directors focused on the following:

- Jockey liability
- harness drivers
- country race meetings
- training at race clubs
- overall RQL liability in relation to licensing and current licencing policy.

In addition, the Board agreed that a Workplace Health and Safety seminar be held during February 2012 and that the posters be prepared for erecting at the relevant places at RQL headquarters.

Mr Malcolm Tuttle was directed as a matter of urgency to seek legal advice from a qualified lawyer specialising in workplace health and safety issues.

## **2.1 CEO's Report**

Mr Malcolm Tuttle updated the Board in relation to the CEO's report.

### **National Jockeys Trust**

The Chairman and Mr Tuttle will meet with Mr Glen Prentice prior to setting next years budget to discuss what additional funding RQL will need to consider for the 2012/2013 budget in relation to payments and other commitments with a view to discussing riders' initiatives in totality so that consideration for funding over the next couple of years could be discussed collectively.

Mr Prentice be requested to provide a report to Mr Tuttle prior to this meeting

### **Asian Racing Federation**

The Chairman informed the Board that at the recent Asian Racing Board meeting in Hong Kong, that there were definitive moves afoot to restructure the international horse racing Board (**IHFA**) due to the shift of racing importance to Asia and the prohibitively expensive operation in Paris.

The recent examination of the finances of the IHFA reveal that the Asian Racing Federation is responsible for the majority of costs and this can no longer be acceptable, in addition, Mr Akatini of Japan is acting as the international secretary at the expense of the Japan Racing Association. Japan has advised that Mr Akatini will be repatriated in March 2012 and this position would need to be filled if the Secretariat is to remain in Paris. This option would be expensive under French Industrial Law.

The funding of the IHFA in Paris cannot fall back on the Asian Board as there is little financial support from Europe.

Singapore/Turkey and Hong Kong have all offered support to relocate the IHFA to their respective countries.

A decision will be made at the Asian Racing Board meeting in Dubai at the end of March prior to a final decision being made by the Asian Board in Paris. Should Europe/South America/USA not be in favour, it is the Asian Board recommendation to proceed as the funding structure with Asia being the primary source of funds will see the others reconsider.

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### *Executive Council of the Asian Racing Federation*

Dr Koji Sato	Chairman	Japan
Mr Bob Bentley	Vice Chairman	Australia
Mr Guy Sargeant		New Zealand
Mr Winfried Engelbrecht-Bresges		Hong Kong
Mr Surender Reddy		India
Mr Yu Pang Fey		Singapore
Mr Rob De Kock		South Africa
Mr Omar Faruk Girgin		Turkey
Mr Frank Gabriel		UAE
Mr Andrew Harding	Secretary-General	Australia

### **Artificial Insemination**

Mr Tuttle advised the Board that a decision on this long running matter is anticipated in March/April 2012.

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### **Commission Agents**

The Board noted the update on commission agents and agreed that there was an underlying issue on the strict definition of *commission agents*.

### **Breeding Panel Report**

Mr Tuttle informed the Board of a Swedish initiative regarding the expansion of ownership. Mr Tuttle advised the he will request Mr Blair Odgers to look at this initiative with the idea that all codes could be involved.

Mr Tuttle to report back to the Board.

### **National Greyhound Welfare Committee**

Mr Tuttle advised the Board that a formal welfare committee will be formed for Greyhounds.

The Board noted the critical nature of welfare issues across all codes and the heightened interest in this area.

### **National Race Planning Committee**

Mr Tuttle chairs this National Committee and the Board noted that the committee was working towards setting race dates for thoroughbreds for the next financial year. Items under consideration:

- Night racing strategy with 35 minute intervals
- Staying race series revival

### **Personal Property Securities Act 2009**

Mr Tuttle informed the Board that Mr Andrew Harding has written to the Attorney General, the Hon. Robert McLelland MP seeking clarification as to the application of this legislation to the racing industry, in particular whether or not owners should register horses on a Personal Property Securities Register.

Mr Tuttle will keep the Board updated.



## **Fairfax Media (AAP)**

RISA is currently negotiating to expand its supply of racing material and the Board noted this strategy with interest.

## **HR Report**

Ms Reid tabled the current HR report for Board members.

The Report was **NOTED**.

## **2.2 Legal & Compliance Report**

### **First Level Appeals**

The Board **NOTED** that there have been Four (4) First Level Appeals for the month of November 2011.

### **Appeal Committee Restructure**

Ms Reid sought the Board's approval for the restructure of RQL's First Level Committee.

Ms Reid advised the Board that she had concerns over the present structure and she considered that the decision making process was compromised by not having a more permanent principal member backed up by a Deputy Member. The Following structure was put to the Board as a recommendation from the Company Secretary.

Mr Lette suggested to include accommodation as part of the retainer for the Principal Member and Deputy Member and also include a fixed term of 2 years.

1. RQL to appoint a Principal Member to reside on all First Level Appeals. This Principal Member will receive a retainer of \$15,000.00 per year, which will include his or her mileage and remuneration. RQL will pay for airfares required for the Principal Member to reside on appeals located in Townsville. The Principal Member is to comply with RQL's Policies and Procedures and is to undertake that he or she will not bet on any races.
2. RQL to appoint a Deputy Member to reside on all First Level Appeals. This Deputy Member will receive a retainer of \$10,000.00 per year, which will include his or her mileage and remuneration. RQL will pay for airfares required for the Deputy Member to reside on appeals located in Townsville. The Deputy Member is to comply with RQL's Policies and Procedures and is to undertake that he or she will not bet on any races.
3. If the Principal Member is unable to act, the Deputy Member is to act in his or her position.
4. A pool of four (4) Appeal Members located in Townsville will be kept and will be called upon to reside as a Member/s of the First Level Appeal Committee in Townsville.
5. A pool of six (6) Appeal Members located in Brisbane will be kept and will be called upon to reside as a Member/s of the First Level Appeal Committee in Brisbane and Toowoomba.
6. Any Member called upon to sit on a First Level Appeal must complete a Conflict of Interest Form prior to sitting on an Appeal.

7. A decision supported by a majority of the Members of the Appeal Committee hearing an appeal is the decision of the Committee. If the Members of the Appeal Committee are evenly split on a question, the decision of the Principal Member of the Committee is the decision of the Committee.

The Board **APPROVED** the restructure with the following change; that a fixed term be included of 2 years.

**MOVED** by Mr Bob Lette **SECONDED** by Mr Wayne Milner

**Motion carried**

#### **Anti- Discrimination Commission Matters**

- Bobby Chrystal - This matter was resolved by way of a Deed of Settlement. The matter is now closed.
- Kerry Watson – This matter has been referred to QCAT. A Compulsory Conference was held at QCAT on 3 November 2011 at 9.30am. As the matter was not settled, the matter went back to QCAT for a Directions Hearing on 17 November 2011 where dates were set re Witness statement and Arbitration (trial) dates.

As the matter was not settled at the Directions Hearing on 17 November 2011. The matter has now been timetabled for a hearing in August 2012.

- Heather Warland – RQL has responded to allegations. Ms Reid contacted ADCQ and was informed that the complainant had identified Mr Craig Williams as the Security Guard – Tru-Guard. The ADCQ confirmed that the complainant was serious with her complaint and still intends to pursue the matter. Ms Reid will keep the Board updated.
- Donald Cavanough – A Conciliation Conference was held on 4 October 2011 in which Mr Cavanough failed to attend. RQL briefed the Conciliator as to why the matter should lapse, however, the Conciliator determined that Mr Cavanough would be allowed a further seven (7) days to continue to pursue his complaint against RQL. On Monday, 24 October 2011, the ADCQ advised RQL that they have had no response to their first letter. The ADCQ advised that they would now write again and provide Mr Cavanough a further seven (7) days to respond – if no response, the ADCQ will lapse the complaint. This has now lapsed. Mr Cavanough has a right of appeal to QCAT: appeal period expires 3 January 2012.

#### **Litigation Matters**

- **Qld Harness Racing Limited v RQL & Anor**

This matter is still progressing these matters is so that RQL are in a position to move quickly toward trial in the event the strikeout application is unsuccessful.

- **John Maguire v Greyhound Racing Authority [8110/09] (Supreme Court)**

A mediation conference was held on Monday, 12 December 2011. Mr Maguire made a settlement offer to RQL:

- (a) RQL pay \$15,000.00 in damages
- (b) RQL waive costs orders made against Mr Maguire, and
- (c) RQL pay mediation costs.

RQL rejected this offer. A further Application Hearing date will be set in relation to this matter.

Ms Reid will keep the Board updated on this matter.

- **Race Information – Debt Recovery x 3**

The defendants are being represented by Mr Peter Previtera of Alex Mackay & Co.

The defendants have required all documents as per the 222 Rule prior to entering their defence. Time then runs from the delivery of the last Rule 222 document.

Each defendant filed their defence on 20 September 2011.

Particulars were received by RQL on Monday, 31 October 2011.

RQL has drafted Orders requesting that the matters be heard together as one matter in the District Court and that the matter be set down for trial in February 2012 – dates not yet set.

The defendants have requested that a Mediation Conference occur late January 2012 – The Board noted that Courts are mindful to grant mediation requests.

Ms Reid to keep the Board updated.

- **Gold Coast Greyhound Racing Club**

A letter was served on the GCGRC on 21 November 2011 - the letter was intended to establish documentary evidence to support RQL's defence to any claim which might be made by the GCGRC that:

- (a) Mrs Reid's (nee Murray) explanation of the Deed misled Mr Irwin as to the true meaning and effect of the Deed of Settlement;
- (b) Mr Irwin did not otherwise understand the true meaning and effect of the Deed of Settlement; and
- (c) the GCGRC would not have entered into the Deed of Settlement if it had understood its true meaning and effect.

If the proposal is not accepted by the GCGRC, the letter of 21 November 2011 would be powerful evidence to refute any claim by the GCGRC, as set out above, that they would not have signed if they had fully understood its terms. This evidence would support RQL's counterclaim, seeking recovery of the \$20,000 settlement payment.

On 30 November 2011, the GCGRC requested an extension of time for the provision of their Reply and Answer to RQL's counter-claim. RQL advised that it was not agreeable to the GCGRC's proposal, and as such, required the GCGRC and Mr Irwin to file documents when required.

On 6 December 2011, the GCGRC filed its Reply and Answer.

On 10 December 2011, the GCGRC rejected RQL's offer to unwind the Deed of Settlement.

Mr Irwin's Reply and Answer is due on 20 December 2011.

Ms Reid to keep the Board updated.

### **Review of Control Body Section 81 Policies – Office of Racing**

Ms Reid updated the Board in relation to the Office of Racing conducting a desktop audit of RQL's website in relation to RQL's Section 81 policies, with a follow up interview on 31

May 2011. The Office of Racing provided RQL with its assessment for RQL's consideration and review. RQL provided further clarification and an Action Plan to the Office of Racing.

The assessment revealed that RQL was compliant with a suggestion that a few minor amendments should be included. The Board noted the advice of the company Secretary and asked that the amendments be incorporated.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bill Ludwig

**Motion carried**

### **Section 81 Policies – Office of Racing Review**

Ms Reid informed the Board that at its 3 September 2010, the Board of RQL confirmed that three (3) formal submissions had been received from Mr Jamie Orchard (Director of Integrity Operations), Mr Darren Beavis (Greyhound Racing Manager) and Shara Murray (Senior Corporate Counsel/Company Secretary in relation to the below named policies:

- (a) Licensing Scheme Policy 81(c)
- (b) Policy for a Program for the Testing and Training of Racing Animals, Including Holding Trials 81(e)
- (c) Policy for First Level Appeals 81(h)
- (d) Policy on the Formation, Management and Licensing of Clubs 81(i)
- (e) Policy on the Standards Required for Licensed Venues, Including Venue Licensing Procedures 81(k)
- (f) Policy for Decision Making by Stewards 81(n)
- (g) Drug and Alcohol Policy (Licence holders and Race Club officials) 81(q)
- (h) Awareness of Duties Policy, Including Sexual Harassment, Bullying and Unlawful Discrimination in the Racing Industry 81(p)

The Board considered the feedback that had been received and confirmed their agreement that the changes made to the following policies be adopted.

1. Drug and Alcohol Policy
2. Licensing Scheme Policy
3. Policy on the Standards required for Licensed Venues, including Venue Licensing Procedures
4. Policy for Decision Making by Stewards

The Board approved and confirmed the above Policies with the above requested changes.

Ms Reid advised the Board that the minutes of the Board meeting of 1 July 2011, in her opinion did not reflect the Policies made under Sections 81(e), 81(h), 81(i) and 81(p) and sought the Board's approval to re-affirm that these policies be approved and confirmed.

The Board approve and confirm the following policies:

1. Policy for a Program for the Testing and Training of Racing Animals, Including Holding Trials 81(e)
2. Policy for First Level Appeals 81(h)
3. Policy on the Formation, Management and Licensing of Clubs 81(i)
4. Awareness of Duties Policy, Including Sexual Harassment, Bullying and Unlawful Discrimination in the Racing Industry 81(p)

**MOVED** by Mr Bob Lette **SECONDED** by Mr Bradley Ryan

**Motion carried****Review of Control Body Section 81 Policies – Clayton Utz**

Following a request from Mr Hanmer that RQL's lawyers should review RQL's section 81 policies in addition to the Office of Racing desktop audit.

Ms Reid informed the Board that she has received comments from Clayton Utz regarding all RQL's Section 81 Policies which they have suggested amendments to certain policies.

The Board instructed the Company Secretary to make the necessary changes and bring the amended policies to the Board for approval.

**MOVED** by Mr Tony Hanmer **SECONDED** Mr Bob Lette

**Motion carried****Race Information – Waterhouse Entities**

The Chairman declared a conflict of interest and left the meeting at 11:13am. Mr Tony Hanmer took the Chair. The Company Secretary advised the remaining Board members that the update was not provided to the Chairman in the Board papers.

Ms Reid updated the Board in relation to the meeting that was held in Sydney between David Quach, CFO of the Waterhouse Entities and Ms Louise Raedler-Waterhouse. The following was discussed:

- (a) Payment of outstanding fees for the authorisation period 1 September 2008 to 31 December 2010, and
- (b) Authorisation for the current authorisation period of 1 January 2011 to 31 July 2012.

After a long discussion, Ms Raedler-Waterhouse proposed the following and for Ms Reid to take her proposal to the next Board meeting for the Board's consideration.

- (a) No retrospective payment – forget the past – do not see why they have to pay a retrospective payment
- (b) The Waterhouse Entities are charged a yearly fee, broken down per month, and
- (c) Credit is taken where there is a loss.

The Board considered at length Ms Raedler-Waterhouse's proposal but did not accept the proposal that was put forward by Ms Raedler-Waterhouse for the Waterhouse entities, and in the absence of the entities entering into the required agreement. The Board determined the Waterhouse Entities be referred to the Office of Racing.

The Board **AGREED** that:

1. The Board does not approve the proposal from the Waterhouse entities and in the absence of the entities entering into the required agreement, inform the Office of Racing that they are in breach of Chapter 3, Part 6 of the Racing Act 2002 (Qld).
2. That the Waterhouse entities be referred to the Office of Racing
3. Ms Reid to inform Ms Raedler-Waterhouse of RQL's Board decision.

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Bob Lette

**Motion carried**

Ms Reid advised the Board that Betezy have confirmed that they will enter into a Deed of Settlement with RQL in relation to the retrospective payments from September 2008 for Queensland Race Information fees.

The Chairman returned to the meeting.

### **Mackay Contract (Contour)**

The Company Secretary advised that the Contract for the construction at Mackay had been executed and tabled the contract.

Contract **NOTED**.

### **Resignation**

The Board **NOTED** the resignation of Ms Wendy Thomas.

The Board **NOTED** the Legal & Compliance Report.

## **2.3 Finance Report**

Mr Adam Carter updated the Board in relation to the management accounts for the period ending 30 November 2011. The Chairman sought the Board's agreement for the November accounts to be noted rather than discussed in detail as the November outcomes would be incorporated and fully discussed in the budget session later in the meeting.

The Board agreed that this would be the most appropriate way to handle the Wagering Report.

Mr Carter directed Board members to the Forecast 2012 and the comparison of current year against budget, full year against budget and the Forecast 2011/2012. The figures point to significant downturn in revenue notwithstanding wagering levels being up by 1%. The accounts record increased expenditure on:

- a. OB Subsidy to Thoroughbred Clubs \$1M.
- b. Increase in Jockey riding fees \$600K increase on FY1011.
- c. Legal fees provision with an increase of \$1M due to impending legal cases. Currently \$400K over budget YTD.
- d. Grant of \$750K to the BRC.

The 2011/12 forecast shows revenue down by approximately \$2M over full year 2011, the prizemoney forecast of \$104.5M compared to full year 2010/2011 of \$98.5M was a budgeted increase of \$6M. Administration costs have been reduced significantly on FY11.

The forecast deficit for 2011/12 currently stands at \$4.6M.

The Board expressed their concerns at the deteriorating revenue projections and resolved that the budget for 2012/13 would need to be framed against the forecasted projections that currently could see a significant downturn in revenue. The Board expressed the view that there would need to be a review of Harness prizemoney distributions, thoroughbred prizemoney distributions as well as race club subsidies, with particular attention to the advantageous position of the Sunshine Coast Turf Club and Rockhampton Jockey Club through their receipt of generous administration subsidy.

Mr Mathofer addressed the Board on wagering trends and expressed an opinion that after discussions with Tattsbet that wagering revenue is predicted to remain flat for the remainder of 2010/11. Mr Carter advised the Board that the forecast for 2011/12 projected

an increase of 1% in wagering revenue. The CEO expressed the view that whilst he did not consider the forecast should be changed, the 1% increase may prove to be a bullish forecast. The Board noted the wagering trends and resolved that they would accept Mr Carter's 1% forecasted increase. The Board members discussed the wagering trends with particular concern to the continuing deteriorating performance of the Harness code.

The Chairman complimented Mr Mathofer for his report and advised that he should monitor closely the trends for Board members consideration.

Mr Tuttle informed the Board that there was a meeting scheduled in January 2012 with RQL Managers to review expenditure for the current year.

Mr Hanmer advised the Board that he would review the marketing budget as to the timing of capital expenditure for the second half of 2012.

Following discussion the Board agreed that a budget session for 2012/13 should be scheduled mid March 2012 to allow sufficient time to notify stakeholders of any prizemoney changes from 1 July 2012 or to any changes to the administration levy.

The Board **RESOLVED** the current levels of prizemoney paid to the 3 codes for the 2011/12 year will remain unchanged and funded from RQL reserves.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Bill Ludwig

Mr Wayne Milner left the meeting at 12:05pm.

As part of the half yearly review of the budgeted forecast, Mr Carter was asked to present a table on the current loan covenants with both the NAB and Westpac for the Board's consideration.

Taking into consideration the forecasted result for the 2011/12 year the forecasted result would place RQL in breach of its loan covenants. The amount outstanding at the 30 November 2011 was NAB - \$8.387M and the loan for the demolition of Albion Park currently stands at \$3.332M.

The Board discussed at length the situation and debated the possibility of paying out the loans and the estimated break fees that may apply. Mr Carter advised he had contacted the NAB and the break fee would be approximately \$450,000 to NAB. The break fee on the Westpac loan had to be determined but would be less than that of the NAB.

Mr Ludwig commented that in his opinion there was no advantage in having loans outstanding at high interest rates and receiving a much lower rate on deposit. Mr Carter advised that the current interest rates on NAB was a fixed rate of 6.99% and Westpac was a variable rate of 6.84%.

Mr Lette advised that in his opinion if there was sufficient capacity to payout the loans and leave RQL with sufficient liquidity then this course of action should be strongly considered.

Mr Ryan inquired of Mr Carter what the cash flow would be at 30 June 2012 if both loans were paid out. Mr Carter advised that there would be \$15M remaining after paying out the NAB and Westpac loans.

After further discussion:

The Board resolved that the loan to NAB and Westpac should be paid out at the earliest.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Bob Lette

**Motion carried**

### **Appendix A – TAB Club Financials FY1011 Update**

Mr Carter presented to the Board the financial positions of TAB Clubs for all codes as at 30 June 2011.

The report discloses that TAB Clubs have had improved results due in large part to the significant upside from the renegotiated SKY agreement for FY10/11. Total upside for all clubs for FY10/11 \$4.8M is due in large part to sign on rights fees from SKY in year 1. Clubs have received a sign on fee, incentive fee, less costs of negotiations. RQL added a new initiative to the clubs \$1M annually in the OB subsidy for steward's footage. The Agreement is due to finalise on 24 December 2010.

Mr Hanmer commented that on examination of the figures he noted that attendance is down at all Clubs and highlighted the fact that the new RISA admission and ticketing at the Sunshine Coast Turf Club had captured all attendees as against previous years arbitrary recording. The new system at the SCTC showed an increase in attendance as well as revenue.

Mr Lette advised that the report was excellent as far as Board directors were concerned, however, to make full use of the report a system of benchmarking clubs against the average should be initiated. Mr Carter advised that his section was currently working on a template to do this for all clubs.

The Board **NOTED** the Report.

### **Appendix B – Review of Strategic Non-TAB Thoroughbred Club Financials FY 10/11**

Mr Carter and Mr Mathofer presented to the Board the Strategic Non-TAB Club financial results for year ended 30 June 2011.

The Chairman suggested that Mr Mathofer write a generic letter to all Clubs acknowledging their input and advising that a report will follow in late February 2012 where clubs will be ranked against a benchmark on a set KPI's.

The Board **NOTED** the Report.

### **Appendix C – Purchasing Policy Addendum – Industry Infrastructure Plan**

Mr Carter tabled the Purchasing Policy Addendum – Industry Infrastructure Plan for Board approval.

The Board discussed the policy and no amendments were requested.

The Board **APPROVED**.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Bob Lette

**Motion carried**

Mr Milner returned to the meeting at 12:50pm.

### **Appendix D**

The CEO advised that he had received a request by the Brisbane Racing Club (**BRC**) for approval of expenditure of \$1.5M, for the acquisition of gaming entitlements and a refurbishment of the BRC Sports and Social Club. This purchase to be debt funded.



The Board discussed the BRC request at length, but Board members were of the opinion that insufficient detail had been provided for a decision to be made at this stage.

Mr Hanmer advised the Board that the additional expenditure proposed by the BRC on non-racing infrastructure needed to be considered carefully as previously the BRC had projected that by this stage the Sports and Social Club would be profitable. However, on the BRC's submission the Sports and Social Club showed a surplus of \$2K on the 2010/11 year and even with the improvements contemplated funded by the proposed loan the Sports and Social Club would continue to show a loss of \$67K for the 2011/12 and not returning a budgeted profit before the year 2012/13. Mr Hanmer had concerns in BRC's ease of loan servicing because of the projected losses for 2011/12, 2012/13 and 2013/14 b the Club.

Mr Ryan commented that Mr Hanmer was correct, however, the non cash item of depreciation for the years quoted would allow the BRC to record a trading profit and positive cashflow at balance sheet cost.

The Chairman discussed with the Board the administration subsidy going forward for all Clubs in the light of the downturn in revenue for the industry and the BRC need to be made aware that the administration subsidy currently paid cannot be guaranteed going forward.

Mr Carter was directed to request the following information from the BRC to be made available to the Directors:

- Business plan for the Sports & Social Club
- Profile of key personnel
- Membership projections/Demographic Analysis
- Gaming machine application

The Board **NOTED** that Mr Carter will seek the above required information from the BRC and this information to be made available to Directors and the request or otherwise to be settled by Flying Minute.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Tony Hanmer

**Motion carried**

#### **Mackay Turf Club Infrastructure Upgrade Request**

Mr Carter tabled a report for the request by the Mackay Turf Club to spend \$500,000 on refurbishment and construction of racing and public facilities in co-ordination with the Infrastructure Plan project expenditure currently underway.

In accordance, with RQL policy on spending by Non-Proprietary Licensed Clubs and conjunction with the Industry Infrastructure Plan project work. The Board **APPROVED** the investment of \$500,000 of the Club's capital into the following:

- Refurbished and improved Members' Bar
- New roof on Members' Deck
- Demolition of existing Jockey and Steward Building
- New public bar (ground level of Member's Bar)
- New furniture and televisions
- Internal and external painting
- Removal of grandstand roof
- Betting ring rectification

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Wayne Milner

**Motion carried****Rockhampton Jockey club Members' Grandstand Redevelopment Request**

Mr Carter tabled a report for the request by the Rockhampton Jockey Club to spend \$2.32M on redevelopment of the Members' grandstand at the Callaghan Park Racecourse Facility. Included was an update of the financial position of the Rockhampton Jockey Club. The concept plans were tabled at the November 4, 2011 board meeting.

As a continuation of the redevelopment of the Callaghan Park Racecourse the Rockhampton Jockey Club proposes to inject a further \$2.32M into the Members' facilities. This proposal is to be funded from club cash funds of \$1.87M as well as \$455K held by Rockhampton Racing Pty Limited on behalf of the Rockhampton Jockey Club. Correspondence from Rockhampton Jockey Club Chief Executive Officer Denis Cox, dated 13 December 2011, outlines the intention of the club to invest club capital in the Members' Grandstand development. Included in the correspondence are scope of works, breakdown of project costs, and sources of funding to provide for this redevelopment.

The Board **APPROVED** the investment of \$2.32M into the clubs infrastructure.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bill Ludwig

**Motion carried****2.4 Product Development Report**

Mr Paul Brennan presented his monthly report.

**Provision of Training Facilities at Sunshine Coast**

Mr Brennan advised the Board that he had been liaising with Mr Peter Smith and the Sunshine Coast TAFE in relation to relocating the main RQL training base to Corbould Park, Caloundra. This move will require a modest capital expenditure of \$100,000 for the transition of student training. The previous Board meeting had approved in the Product Development budget at an amount of \$150,000 for Yeppoon. This amount will no longer be required and Mr Brennan proposed that the \$100,000 be transferred from the previously approved Yeppoon budget. This will produce a neutral effect on the overall RQL budget.

Motion - The Board's approval for the allocation of \$100,000 to enable the current facilities at Corbould Park to be altered to support the provision of student training. These funds will be sourced from the previous allocation for Yeppoon.

This was **APPROVED** by the Board

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

**Motion carried****Magic Millions**

The Board further considered the provision of a financial contribution of 20% to the \$500,000 Magic Millions all female bonus scheme.

This was **APPROVED** by the Board

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

**Motion carried****Events Queensland and Brisbane Racing Club Strategy**

Mr Brennan tabled a report for the Board to consider a request from the Brisbane Racing Club (**BRC**) to provide a financial contribution to a strategy they are currently developing in conjunction with Events Queensland.

Mr Brennan informed the Board that this expense was not included in the 2011/12 budget, and the proposal would see the Stradbroke have 11 ballot free entries to Queensland signature race is not in the best interests of racing in Queensland. Mr Brennan sought the Board's approval that the request from the BRC be **denied**.

**MOVED** by Mr Wayne Milner **SECONDED** Mr Mr Tony Hanmer

**Motion carried**

1. That the Board deny the approval of the requested ballot free entries for the stradbroke and that RQL not fund this request.
2. Mr Brennan to advise the BRC.

**Deagon Thoroughbred Trainers**

Mr Brennan advised the Board that he had previously prepared correspondence to send to the Deagon Training Committee, the compensation package and cut off date for training as of 31 March 2012.

Mr Brennan requested the Board to give consideration to a letter of advice to the Deagon trainers updating them on the current position. The position had changed considerably since the preparation of the original letter and further meetings with the Deagon trainers in particular, Mr Duff and Mr Murdoch a 1000m sand training track had been included in the Brisbane City Council application and there was a question as to whether compensation would be applicable.

The Chairman commented that the Deagon trainers had received a good hearing from RQL and that RQL at the time of the meetings had acted in good faith and were endeavouring to reach an acceptable compensation package and long term resolution to Deagon.

The Board generally agreed and commented that the Deagon trainers had not acted in good faith and that RQL should proceed with the 1000m track seeing as it was a request from the Deagon trainers to continue to train at Deagon.

The Board considered the proposal put forward by Mr Brennan.

The Board resolved that a new letter should be sent to the Deagon trainers advising that a sand training track had now been included in the application drawings at their request (Deagon trainers) and that the compensation package previously offered should be withdrawn.

In relation to the cut off date for training, the Board resolved to advise that the cut off date at this stage on best estimates of the project manager would be 30 June 2012 and should there be any further delays after 30 June 2012, a month by month lease would be an acceptable resolution to give some certainty.

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**Operational/Management Models – IIP Venues**

Following the Gold Coast Turf Club's (**GCTC**) elections and the passing of a motion by the GCTC members on ownership change requiring a 75% vote, the Board needed to consider a revision of the previous policy to seek equity for funds expended from the IIP plan.

Mr Brennan advised that following discussions with the Chairman and CEO, he sought the Board's 'in-principle' support for the following operational/management models for the following racecourses:

The Chairman asked the Board to consider the following operational management models as put forward by Mr Brennan and if they were in agreement, he requested the same mover and seconder.

**Cairns** – The IIP expenditure will be provided to the club as a grant. RQL will enter into an SLA with the Club.

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**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Wayne Milner

**Motion carried**

**Townsville** – RQL enter into a Heads of Agreement with the Townsville Turf Club (**TTC**) for the total funds to be expended at the TTC. The IIP expenditure will be provided to the Club as a grant as part of the Heads of Agreement for the construction of a greyhound track at Cluden. The lease will be 99 years at \$1 per year. This arrangement has not been confirmed in writing at this stage. RQL will enter into an SLA with the Club.

The Board approved the Chairman and Mr Brennan to continue to negotiate with the TTC and report back to the Board if this arrangement is not achievable.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Wayne Milner

**Motion carried**

**Rockhampton** – This is an asset of RQL.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Wayne Milner

**Motion carried**

**Mackay** – The upgraded facilities will be treated as a grant. Mr Brennan is currently working with the Club to review the feasibility of RQL assuming responsibility for maintaining the new facilities for a two year period. Mr Brennan to report back to the Board. An SLA will be entered into for the maintenance.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Wayne Milner

**Motion carried**

**Beaudesert** – This is an asset of RQL. RQL has received an extension of the lease for a further 2 years and will seek a long term of the lease or consider an agreement for the future.

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**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Wayne Milner

**Motion carried**

**Gold Coast Turf Club** – The upgrade facilities will be treated as a grant. An SLA will be entered into. The Board approved the continued negotiations with the Traintech facilities at the Bundall to a maximum of \$3.5M. This will remain an asset of RQL.

Mr Brennan tabled a due diligence report from aQuenta Consulting for Traintech 2000.

The Board approved the GCTC arrangements and the progression of the purchase of Traintech 2000.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Wayne Milner

**Motion carried**

### **Wagering Report**

The board noted the Wagering report and accepted that this report had been fully discussed in the budget session of finance.

The Board **NOTED** the Product Development Report.

## **2.5 Integrity Services Report**

### **Amendments to Local Rules**

Mr Orchard sought the Board's approval to the proposed amendment to the Local Rule 101 (Thoroughbreds), 80 (Greyhounds) and 61 (Harness):

*"Each Way betting*

*Where a Bookmaker bets "Win and Place" or "Each Way", the dividend for the place bet shall be at least 25% of the dividend for the win bet when there are 8 or more runners in the race at the time the bet is made and at least 33.3% of the dividend for the win bet when there are 5, 6 or 7 runners in the race at the time the bet is made."*

The Board **APPROVED** to amend Local Rule Local Rule 101(Thoroughbreds), 80 (Greyhounds) and 61 (Harness) removing the phrase "win and place", or".

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Wayne Milner

**Motion carried**

### **Adoption of National Rules**

Mr Orchard sought the Board's approval to adopt the amendments to the Greyhound Australasian Rules and Australian Harness Racing Rules as presented.

The Board **APPROVED** the adoption of National Rules.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Wayne Milner

**Motion carried**

### **Terry Butts Article**

Mr Orchard informed the Board that he had taken advice from Mr Jim Murdoch in relation an article written by Mr Terry Butts that in his opinion was not in the best interest of racing. An inquiry will be held next week.

Mr Orchard also informed the Board that Mr Murdoch has since declared a conflict of interest and RQL will be represented by Mr Michael Byrne SC.

### **Scanning of Greyhounds**

Mr Orchard informed the Board that from 1 January 2012, all states will start scanning of greyhounds and RQL will also participate, notwithstanding that older greyhounds are not microchipped. Mr Milner commented that it could encourage greyhounds to be microchipped if the stewards adopted the practice of 2 lines for inspection with microchipped greyhounds getting preferential treatment.

### **Finish on Lure**

Mr Orchard advised the Board that marring and injuries have increased over the last 12 months since the Finish on Lure was replaced with the catching pen at Albion Park. Mr Orchard indicated that a proper review will be conducted in January and that he will request more feedback from the industry.

### **Betfair**

The Chairman declared a conflict of interest and advised the he would not take part in the decision making process nor would he vote. The Deputy Chair canvassed the Boards opinion on its Chairman's conflict and whether remaining in the room constituted a conflict. The remaining Board members had no objection to him remaining through the discussion.

Mr Hanmer took the Chair.

Mr Orchard tabled a letter he received from Betfair in relation to RQL requesting Betfair to implement a wagering monitoring system.

Betfair raised the issue that RQL was only focused on Betfair at this stage. Mr Orchard assured betfair that this was not the case and that RQL was in the process of looking at other corporates, and RQL had initially written to Betfair because their risk profile warranted further examination.

Mr Orchard proposed to the Board that he write to Betfair to identify that they do have effective measures in place and that accounts are only used by the identified individuals. Mr Orchard suggested a 'one off' initial audit be conducted by a forensic accountant and then to determine if a 6 monthly audit is needed; this is then to be conducted.

The Board authorised a one off forensic audit to be conducted by a forensic accountant and results advised to the Board when completed.

The Chairman declined to take part in this discussion or vote on the outcome.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bill Ludwig

The Board approved Mr Orchard to proceed with the above recommendations.

The Chairman resumed the Chair.

**Motion carried**

### **Appointment of Investigator**

Mr Orchard advised the Board that the Integrity Department had employed a new investigator but sought the Board's approval for the investigator to have stewards powers.

This was **APPROVED** by the Board.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Tony Hanmer

### **Motion carried**

The Board **NOTED** the Integrity Services Report.

### **Licensing Report**

The Board noted the Licensing Report and no amendments are required.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Tony Hanmer

### **Motion carried**

## **2.6 Industry Infrastructure Report**

### **IIP Amended Budget**

Mr Mark Snowdon sought the Board's approval for the budget with amendments.

The Board discussed the amended IIP budget and requested Mr Snowdon's opinion as to the accuracy of the figures portrayed. Mr Snowdon advised that he had checked the figures and he was confident that the Projects could be delivered within budget.

Mr Snowdon to send a copy to the Office of Racing seeking endorsement.

The Board **APPROVED** the amended IIP budget.

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Tony Hanmer

### **Motion carried**

### **IIP Project Delivery Framework**

As part of the amended IIP plan, Mr Snowdon presented a project management structure for the Board's consideration. The Board had stressed to Mr Snowdon that it was imperative from a Board and government point of view, that a Project Manager must be appointed as a separate discipline from all other contractors

The Board **APPROVED** the IIP Project Delivery Framework.

**MOVED** by Mr Bob Lette **SECONDED** by Mr Bradley Ryan

### **Motion carried**

### **To appoint contractors for the development of the Business Cases**

Mr Snowdon sought the Board's approval for the appointment of Contractors in order to prepare the required information to be included in the business cases for the projects.

The Board confirmed their approval of the Chairman's actions in progressing the business cases and approved the costs incurred to date in developing the business cases for Treasury approval.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Tony Hanmer

**Motion carried**

#### **Appointment of Contractor for Mackay Project**

Mr Snowdon advised the Board that a contractor's appointment had not been ratified to date and sought approval for the appointment of a contractor for the Mackay project.

The Board **APPROVED** Mr Snowdon's recommendation.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Bob Lette

**Motion carried**

#### **Mackay Business Case**

The business case for Mackay was presented to the Board for approval.

Mr Snowdon gave an update on progress and outlined the detailed of the business case.

The Board **APPROVED**.

**MOVED** by Mr Bill Ludwig **SECONDED** by Mr Bradley Ryan

**Motion carried**

#### **Project updates**

The Board approved expenditure of up to \$500,000 on the IIP as may be required prior to each quarterly period for reimbursement from Treasury. The Board acknowledged that at all times that this expenditure would be at RQL's risk.

The Chairman advised that the Board needed to understand the risk, minimal as it maybe, and that under exceptional circumstances, this amount could be at risk.

Mr Snowdon advised the Board that he was working on the GCTC business case and that he was expecting to have a draft business case available by 23 December 2011 and this will be provided to the Office of Racing.

The Chairman advised that a binding Heads of Agreement with the Gold Coast Turf Club was signed on Friday, 16 December 2011 and Mr Brennan was proceeding with the necessary work to prepare and offer to Traintech 2000.

The Board approved the expenditure of up to \$500,000 a quarter on the preparation of the remaining business cases.

### **3.1 Harness Presentation – Mr Bill Dixon and Mr Bob Lutherborrow**

Meeting commenced at 9:07am.

The Board afforded Mr Bill Dixon, President of BOTRA and Mr Bob Lutherborrow, President of the Standardbred Breeders Owners, the opportunity to address the Board in relation to previous submissions made to Mr Paul Brennan on issues concerning the RQIS Harness Scheme and the state of the Harness industry in general.



The Board complimented Mr Lutherborrow of the quality of his written submission and whilst not agreeing with the conclusions reached, none the less understood their concerns.

Mr Lutherborrow advised that:

1. The RQIS scheme payups are consistent with previous years.
2. The 2010/11 season fell by 28%
3. Current season estimated further drop of 30-40% demonstrating a loss of confidence and viability in the industry
4. Closure of Egmont Park is a blow to the Queensland breeding industry
5. Colemountain stud clearance sale was a disaster and mares are being relocated south
6. Western Australian harness breeding is now defunct.
7. Requesting a revision of the RQIS scheme immediately.

Mr Lutherborrow and Mr Dixon offered some solutions to the problem sighting that these solutions would be within the existing budget.

The Board engaged Mr Lutherborrow and Mr Dixon on their submission and the various points raised.

Mr Milner advised that the submission as presented would add an additional \$400,000 to the prizemoney budget in a full year and their submission was based on the fact that all prizemoney would be paid. This is not the budgeted outcome that was approved.

Mr Ludwig in discussing the state of the breeding industry pointed out that the problems of the harness breeding industry, has not suddenly appeared and there had been a steady decline in breeding numbers and the viability of the harness industry over the last 10 years.

The Chairman put the question to Mr Lutherborrow that breeding schemes no matter how well meant were only a stop gap measure and eventually they need to be renewed to be relevant. The harness breeding industry may have to face the fact that they are not competitive and level of subsidisation needed, is beyond the capacity for the Queensland racing industry to support.

The executive members expressed the view that it was not advisable to review the breeding scheme that had only been in operation for 4 months. But they would be prepared to recommend to the Board that the scheme be reviewed at the appropriate time.

Mr Hanmer confirmed that the quality of revenue from the racing product was in decline and additional money in his opinion was not available and that the level of support for harness racing will need to be reviewed in the up coming budget for 2012/2013.

The discussion concluded that Mr Dixon and Mr Lutherborrow be advised that at the time that RQL prepares the budget for 2012/2013 they will be invited to give input and put forward their own statistical review on the RQIS scheme and be consulted on the level of funding of the harness industry for the coming year.

In summing up, the Chairman confirmed the Board's intention for the invitation to be issued and for Mr Dixon and Mr Lutherborrow to fully understand that going forward the level of prizemoney available for Harness racing will be reviewed.

Mr Lutherborrow and Mr Dixon left the Board meeting at 9:57am.

Following the departure of Mr Dixon and Mr Lutherborrow the Board resolved to issue the invitation and for Mr Brennan to advise that the RQIS scheme would not be reviewed for this current year as there was insufficient evidence that a factual decision could be made.

### **3.2 Greyhounds System Replacement**

Mr David Rowan spoke to his Board paper outlining to the Board the options to replace the greyhounds IT system and in doing so, updated the Board on the levels of risk attached to each proposal and the current risk profile currently being experienced.

Mr Rowan recommended that RQL migrate to the Ozchase system in conjunction with RWWA and GRNSW with the overall cost saving of \$26,000 per year.

The Board **APPROVED**.

**MOVED** by Mr Bob Lette **SECONDED** by Mr Bradley Ryan

**Motion carried**

### **3.3 Harness Racing Broadcast Agreement Extension**

Mr Rowan sought the Board's approval to enter into a broadcast service agreement with Camera Control Unit Pty Ltd for 12 months from 30 June 2012, with an extension of 12 months in RQL's favour.

This was **APPROVED** by the Board

**MOVED** by Mr Bob Lette **SECONDED** by Mr Bradley Ryan

**Motion carried**

### **3.4 Review – Apprentice Jockey Recruitment Training and Welfare 2011**

Mr Peter Smith sought the Board's approval for the presented recommendation and expenditure for the Apprentice Jockey Recruitment Training and Welfare scheme.

The Chairman complimented Mr Smith on the quality of his Board paper and the work and recommendations the report made good sense and requested him to speak to the report.

The key recommendations in the report were all endorsed by the Board. The financial impact to the budget for 2011/2012 was \$60,000 with ongoing support of \$130,000 per annum. Mr Smith was instructed to prepare a media release and a shorten version of the report prepared for the website and a letter to all apprentices and trainers, QJA, AJA and ATA.

The Board **APPROVED** the jockey recruitment training and welfare scheme.

**MOVED** by Mr Tony Hanmer **SECONDED** by Mr Bob Lette

**Motion carried**

**3.5 Update on discussions with Sunshine Coast TAFE (SCT)**

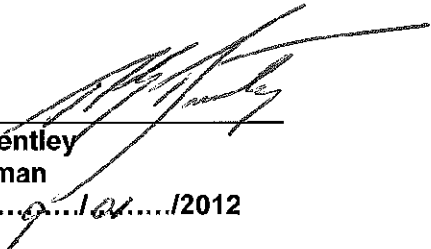
Mr Smith updated the Board in relation to the discussion held with Sunshine Coast TAFE in developing the new model for racing industry training.

The Board **NOTED** the update and encouraged Mr Smith to continue discussions. Mr Smith will keep the Board updated.

**3.6 RQL 2012 Board Dates**

The RQL 2012 Board dates were discussed and amendments were made to particular dates throughout 2012. These new dates will be distributed to the Board.

**Confirmed as a true record.**

  
\_\_\_\_\_  
**R G Bentley**  
**Chairman**  
**Dated... 9.../12.../2012**

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**Attachment 'A'**

**Mr Bob Bentley**

Director of Tatts Group  
Director/Chairman of Sunshine Coast Racing Pty Ltd  
Director/Chairman of Australian Racing Board

**Mr Tony Hanmer**

Member of the Sunshine Coast Turf Club Inc.

**Mr Bob Lette**

Life Member Albion Park Harness Racing Club Inc.  
Member of Brisbane Racing Club  
Consultant to Mullins Lawyers  
Non Executive Director Watpac Limited

**Mr Bill Ludwig**

Secretary of the Australian Workers' Union (including signing of all correspondence and Industrial Instruments)  
Board Member of WorkCover Queensland  
Member of Brisbane Racing Club

**Mr Bradley Ryan**

Member of Brisbane Racing Club  
Member of Tattersalls Club

**Mr Wayne Milner**

Member of the Brisbane Racing Club  
Member of the Sunshine Coast Turf Club  
Member of the Ipswich Turf Club  
Member of the Victoria Racing Club  
Life Member of GROA  
Holder of Victoria Owners Gold Card  
ME Bank Consultant

## BOARD PAPER NUMBER: 3.3 RACE INFORMATION FEES

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### PURPOSE:

To highlight to the Board of RQL the race information fee charged by RQL and the potential fees going forward following the model scenarios.

### BACKGROUND AND ISSUES:

1. Race Information Fees implemented in Queensland from 1 September 2008 to 31 December 2010 to approved wagering operators based on 1.5% of net assessable Turnover, which included a \$5M threshold per annum.
2. All Totes have paid on this formula.
3. Under the new control body RQL, the following Corporate Bookmakers and Betting Exchange signed a Deed of Settlement, Release and Payment based on 10% of Gross Revenue July to April and 15% of Gross Revenue May and June. Retrospective agreements in place from 1 September 2008 to 30 June 2012:
  - Sportsbet
  - Sportingbet
  - Betfair
  - Betchoice, and
  - Centrebet.
4. Corporate Bookmaker Betstar has supplied data and has paid a portion of retrospective fees despite no Deed yet being finalised from 1 September 2008 to date.
4. Corporate Bookmaker Betezy has been authorised from 1 January 2011 and has been paying the race information fee. In regards to retrospective fees, Betezy has been provided a draft Deed but no wagering information has been provided to date from 1 September 2008 to 31 December 2010.
5. As per the RQL Board's resolution of 19 December 2011, the Waterhouse Entities<sup>1</sup> were referred to the Office of Racing.
6. Fees are payable by all wagering operators from 1 January 2011 at 10% of Gross Revenue for the months of July to April and at 15% of Gross Revenue for the May and June on Queensland Race Product.

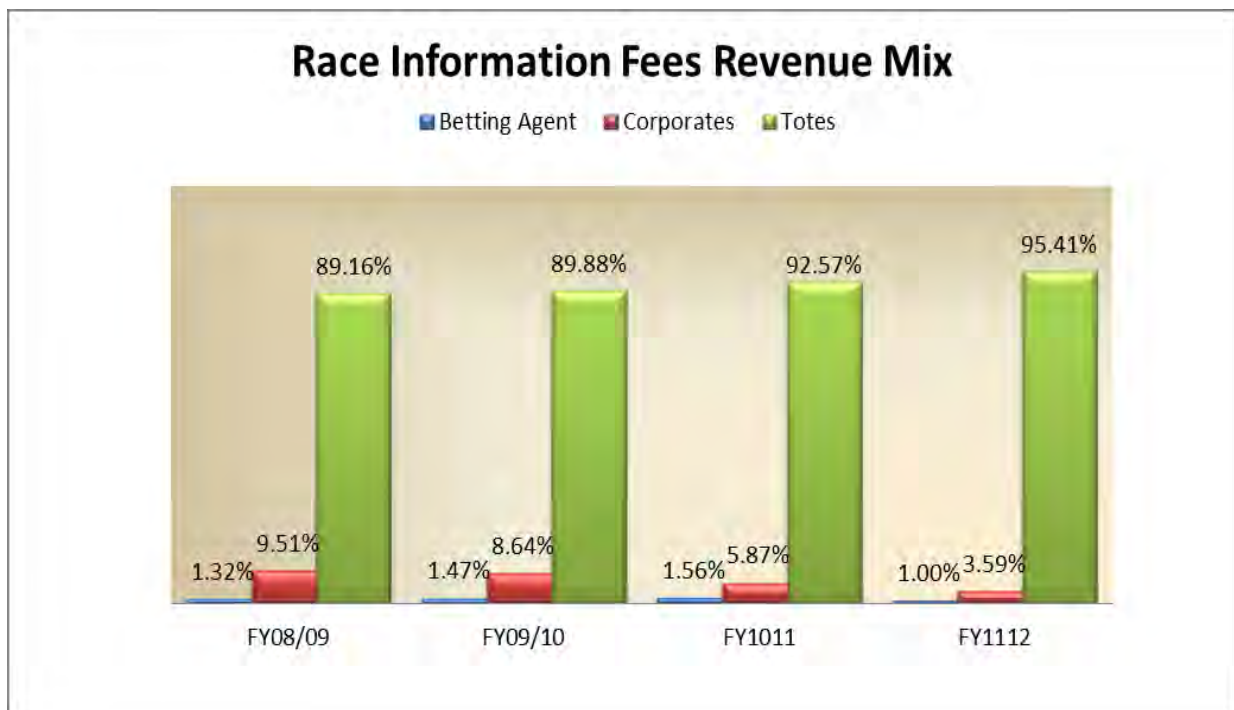
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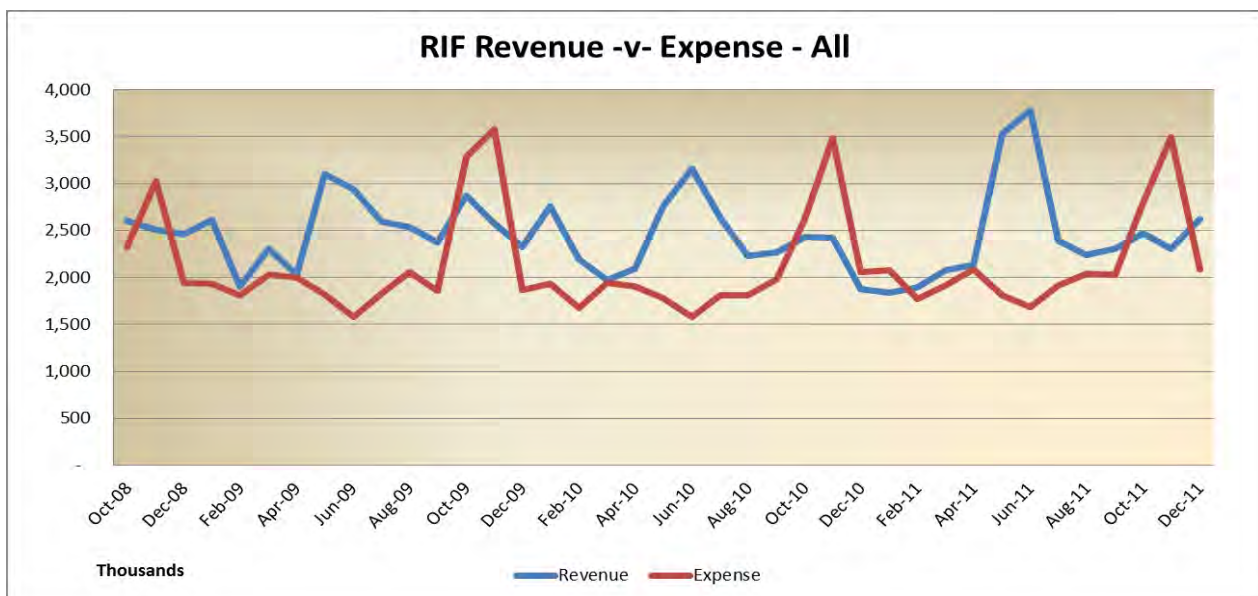
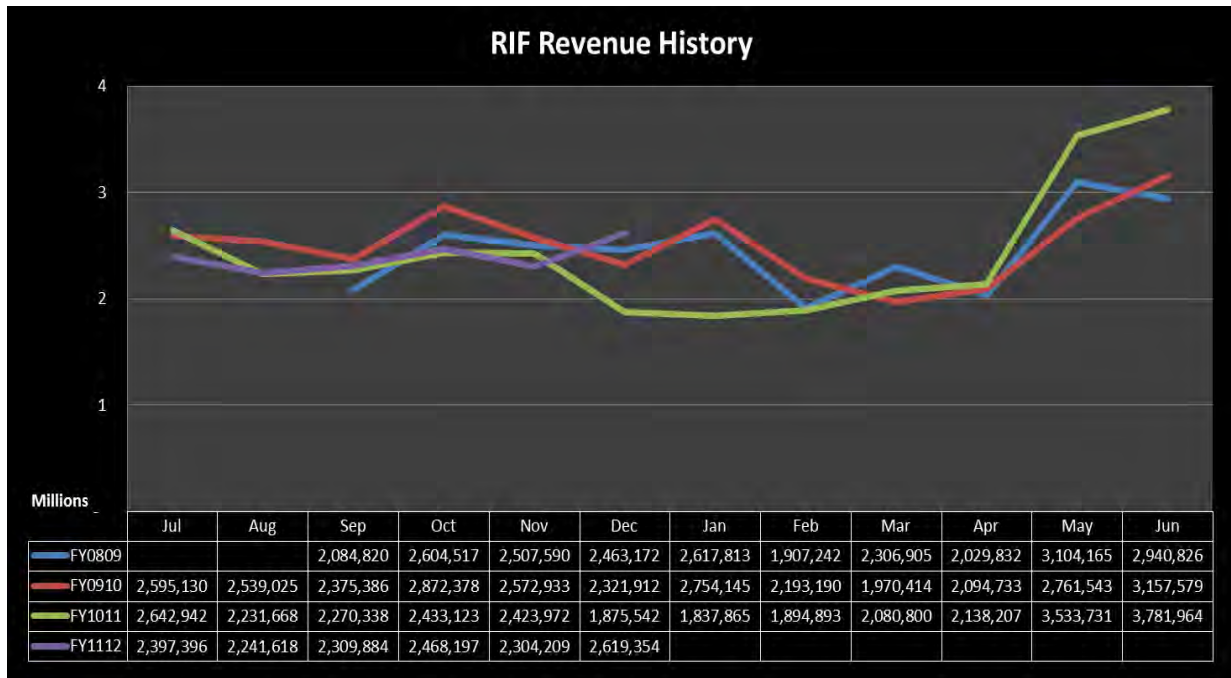
<sup>1</sup> Tom Waterhouse (VIC) Pty Ltd, Tom Waterhouse (NT) Pty Ltd, Tom & Bill Waterhouse Pty Ltd, and Robert Waterhouse t/a Robbie Waterhouse.

7. **Fees Charged by Principal Racing Authorities to Tattsbet and imposed on Racing Queensland Limited by way of 100% deduction from the Product and Program Fee**
8. All fees are deducted from the monthly Product and Program fee RQL receives from Tattsbet for all 3 codes
9. NSW and ACT have charged Tattsbet from 1 September 2008 to date
10. Victoria has charged Tattsbet from 4 September 2008 to date
11. South Australia have charged Tattsbet from 1 September 2008 to date
12. Western Australia have charged Tattsbet from 1 September 2008 to date
13. Tasmania has charged Tattsbet from 1 November 2010 to date
14. Estimated annual RIF revenue 1 July 2011 to 30 June 2012 - \$31M
15. Estimated RIF to be charged by wagering operators from 1 July 2011 to 30 June 2012 - \$24M
16. Therefore QLD is a net exporter of RIF fees from 1 July 2011 to 30 June 2012 of \$7M

**Estimate of Import/ Export Position across all 3 codes**

	FY0809	FY0910	FY1011	Forecast FY1112
<b>Revenue</b>	<b>\$23.4M</b>	<b>\$31.7M</b>	<b>\$30.3M</b>	<b>\$31M</b>
<b>Expenditure</b>	<b>\$17.2M</b>	<b>\$27.1M</b>	<b>\$24.7M</b>	<b>\$24M</b>
<b>Profit/(Loss) or Exporter/(Importer)</b>	<b>\$6.2M</b>	<b>\$4.6M</b>	<b>\$5.6M</b>	<b>\$7M</b>





Note the seasonality with Queensland paying a premium in October and November to import the product, and the nature of wagering during Queensland Winter Racing Carnival in May and June when Queensland exports more wagering product.

RQL currently has the following conditions in place for the publishing and use of Queensland Race Information for all codes as per the RQL Application form.

### Formula for Calculation of Fees for Race Information Authority

As the holder of a Race Information Authority (Authorised Operator) under Chapter 3, Part 6 of the *Racing Act 2002* (Qld), the Authorised Operator must pay to Racing Queensland Limited in relation to each Authority Period an amount or amounts calculated in accordance with the following formula:

$$\text{RIF} = (\text{GR} - \text{GSTA}) \times \text{Rate}$$

RIF – is the fee payable for each Authority Period during the Authorised Period  
GR is Gross Revenue for the Authority Period  
GSTA is the GST Adjustment for the Authority Period

Rate is:-

- (ii) for the whole period, other than May and June at 10% (all Codes), and
- (iii) for the months of May and June at 15% (all Codes).

**Gross Revenue:** means the income derived from betting on races conducted in QLD, whether placed with or through the betting operator, less the amounts payable in respect of winning bets, with any other costs incurred by the betting operator not being deductible. The derived income includes any commissions or fees charged in relation to the bets or winnings and unclaimed dividends will also form part of the betting operator's gross revenue. Gross revenue is not reduced by any betting tax, GST or pooling fees paid. Essentially, gross revenue is defined as turnover, less winnings paid. Bet backs which are made by an Authorised operator on the backers' side will be included in and not deducted from calculating Gross Revenue. GST is deducted from Gross revenue when the race information fee is calculated

**Losses** going forward: where the gross revenue to the Authorised Operator for the Authority Period is zero or less than zero then RQL is under no obligation to pay any amount to the Authorised Operator. Losses cannot be carried forward and cannot be taken into account when the race information fee is payable by the Authorised Operator in relation to future periods.

**Gross Revenue** is worked out in the following way:

The amount determined in:  
*Step 1* Work out Assessable Turnover  
*Step 2* Work out Bets Paid  
*Step 3* Work out Bet Back Revenue  
*Step 4* Subtract Step 2 from Step 1  
*Step 5* Add Step 3 and Step 4

**Assessable Turnover** is worked out in the following way:

The amount determined in:  
*Step 1* Work out Bets Taken  
*Step 2* Work out AB  
*Step 3* Subtract Step 1 from Step 2

Where;

"**AB**" means the aggregate amount paid by the Authorised Operator during the Authority Period under Betting Transactions constituting Bet Backs with an Authorised Operator.

"**Act**" means the *Racing Act 2002* (QLD)

"**Authority**" means an authority pursuant to Chapter 3, Part 6 of the Act.

"**Authorised Operator**" means a holder of an Authority to use Race Information under the Act.

"**Authority Period**" means each period of one month throughout the duration of the Authorised Period".

"**Bet Back**" means a Betting Transaction which is made by an Authorised Operator on the "backers" side of a Betting Transaction:

- (a) which has the purpose or effect or likely effect of reducing or laying-off the Authorised Operator's liability on a Betting Transaction which has already been accepted by the Authorised



Operator and on which the Authorised Operator has taken risk on the "layers" side of the Betting Transaction;

- (b) on the same contingency in relation to the Queensland Race as the Authorised Operator has already accepted risk on the "layers" side of the Betting Transaction.

**"Bet Back Revenue"** means the aggregate amount of all winning Bet Backs made by the Authorised Operator with Authorised operators during the Payment Period but excluding rebates and commissions received by the Authorised Operator in respect of those Bet Backs.

**"Betting Transaction"** means a contract between an Authorised Operator and a Customer, by which a bet is placed by the Customer with, or placed and accepted through, the Authorised Operator in relation to a Queensland Race (or a contingency related to a Queensland Race).

**"Bets Paid"** means the aggregate of all moneys paid or credited to Customers by an Authorised Operator during a Payment Period in respect of winning bets under Betting Transactions.

**"Bets Taken"** means the aggregate of all amounts paid or contracted to be paid by customers to the Authorised Operator under Betting Transactions during a Payment Period, but excludes the amount of any Free Bets.

**"Customer"** means a person, other than a licensed bookmaker, who has entered a Betting Transaction on a Queensland Race.

**"Domestic"** means all wagering generated in Australia.

**"Free Bets"** means the amount of any Betting Transaction where the Authorised Operator's Customer does not make or agree to make a financial contribution at the time the Betting Transaction is made. For the avoidance of any doubt, bad and doubtful debts arising from the non-payment of Betting Transactions by a Customer do not constitute Free Bets.

**"GST"** means goods and services tax or similar value added tax levied or imposed in Australia pursuant to the GST Law or otherwise on a supply.

**"GST Act"** means *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**"GST Adjustment"** means:

- (a) the amount calculated in accordance with the following formula:

$$\text{GSTA} = \text{GR} - \frac{\text{GR}}{1.1}$$

Where

GSTA is the GST Adjustment; and

GR is the Gross Revenue for the Payment Period; or

- (b) if the Authorised Operator makes an election in writing for the Payment Period, the net GST actually payable by the Authorised Operator in respect of all of the transactions taken into account in determining Gross Revenue for the Payment Period.

**"GST Law"** has the same meaning as in the GST Act.

**"International"** means all wagering generated from overseas.

**"Month"** means calendar month or where appropriate or relevant, a part of a calendar month.

**“Monthly Return”** means a month or part of a month during the Authority Period for which a monthly return is prepared.

**“Payment Period”** is the payment period as may be specified in a relevant Authority.

**“Queensland Race”** means a thoroughbred horse race, harness race or greyhound race:

- (a) scheduled to be held; or
- (b) held,

in the State of Queensland under the Rules of Racing.

**“Rules of Racing”** means the rules of racing lawfully made and adopted by RQL from time to time.

### **Discussion Points for Modelling for FY13 and FY14**

1. The Race Information fees calculated above are based on actual data and estimated trends.
2. Racing Victoria recently engaged Price Waterhouse Coopers (PWC) to undertake an assessment of the appropriate Race Fields Product Fee to support Victorian Racing.
3. Racing Victoria currently charge 10% of Gross Revenue July to Sept and Dec to June and 15% Gross Revenue October and November.
4. The Victorian report dated May 2011 confirms that the fee should be adjusted to 13% of Gross Revenue July to Sept and Dec to June and 18% Gross Revenue October and November.
5. This additional fee by RVL if RQL did not adjust its current fee would be approximately \$3M passed on to Racing Queensland by Tattsbet via deduction from Product fees.
6. Are Bet Backs included?
7. Are losses carried forward from period to period?
8. Is there a threshold or band before a charge is implemented?
9. Does the license fee remain the same \$150 for the 3 codes
10. Are losses across the 3 codes offset from one another or paid recorded separately?

### **Model A – Current Fee 10% GR July to April 15% GR May and June**

1. Gross Revenue 10% Gross Revenue July to April and 15% May and June would be \$31M a difference of approximately \$1M on budget.
2. This assumption is based on all operators being issued a licence and all operators making payment.
3. It is to be noted that the Totalisators are impacted the most under the gross revenue model moving from 70.5% under the 1.5% of net assessable turnover model to a forecast of 85% of the RIF contributed under the Gross Revenue model.
4. Totalisators return % of Turnover RIF fee approximate increases from the T/O model to the Gross Revenue model from 1.47% to 1.70%
5. Corporates move from 24% of overall revenue contributed under the 1.5% of net assessable turnover model to 14% under the Gross Revenue model
6. Betting exchanges move from 5% of overall revenue contributed under the 1.5% of net assessable turnover model to 1.5% under the Gross Revenue model

7. Betting exchanges % of Turnover RIF fee decreases from model A to model B from 1.44% to 0.36%
8. To date no revenue has been accounted for oncourse bookmakers.

#### **Model B – 1.5% of Net Assessable Turnover with a Threshold**

1. RIF Revenue excluding deductions received on the 1.5% of net assessable turnover (Turnover less \$5M threshold) is approximately \$35.5M up \$3.7M on Model A – Net RIF down \$3.7M
2. Totes 70.5% of Revenue
3. Betting Exchanges 5.3% of Revenue
4. Corporates 24.1% of Revenue
5. Risks are that a threshold imposed is discriminatory and protectionist and may not be able to be done.

#### **Model C – 13% GR July to April 18% GR May and June**

1. RIF Revenue is approximately \$40M up \$8.6M on Model A and up \$4.9M on Model B – Net RIF up \$5.5M on Model A and up \$4.9M on Model B
2. This takes into account Racing Victoria adjusting their fee to 13% and 18%
3. This does not take into account if all states change their formula in line with Victoria
4. If other states increase to 13% GR approximate additional expense would be \$2M
5. This does not take into Totes 84.2% of Revenue
6. Betting Exchanges 1.6% of Revenue
7. Corporates 14% of Revenue
8. Risks are other states adjusting their fees to offset the additional costs

#### **Model D – The higher of Gross Revenue or Turnover approach**

1. RIF Revenue is approximately \$37.5M up \$8.6M on Model A and up \$4.9M on Model B – Net RIF up \$5.

#### **Other Scenarios**

Other possible model returns and key inputs will be discussed on the day of the board meeting with the interactive model.

#### **Outstanding Race Information Fees as at 31 January 2012**

- All totes and corporate bookmakers with Deeds are up to date with fees
- QLD bookmakers over the previous turnover based threshold are Karangis (\$44,634.10), Flynn (\$280,551.13) and Gallagher (\$67,125.88) with no payments yet received. RQL has drafted Orders requesting that the matters be heard together as one matter in the District Court and that the matter be set down for trial in February 2012 – dates not yet set.

#### **Risks:-**

- The time and effort taken to process an application for little return as is the case with many oncourse bookmakers
- Reluctance of oncourse bookmakers to comply with fee payment requirements

- Queensland oncourse bookmakers do not want to pay the RIF on top of the payment that they currently make to some clubs for turnover tax of 0.33% and fielding fees
- There is the potential for the Gross Revenue formula to be manipulated by operators in comparison to the Turnover approach where it is easier to calculate and is calculated at source before deductions.
- Every state is different in their approach and there needs to be uniformity of approach between states in the application of legislation
- WEBSITE update – Online lodgement operation to commence 1 July 2012 when new authority period commences for wagering operators to input required data by the 10<sup>th</sup> of the following month.

### PRODUCT AND PROGRAM FEE

The correct fee for race information needs to be taken into context as the customers are moving away from the traditional TAB's to corporate bookmakers resulting in lower returns to the racing industry.

Race Information fees make up approximately 23% of total wagering revenue and have continued to increase since inception in September 2008.

Queensland Race Product Co Ltd and the then TABQ entered into a product and program agreement on the 9<sup>th</sup> of June 1999, with exclusivity until 2014.

The agreement allows TattsBet the right to exclusive use of Queensland race product and programs for their TAB wagering operations in return for a fee based on the terms and conditions outlined in the agreement.

The agreement came into being before any race information fees charges were contemplated and therefore initially only the overseas fees, mainly imposed by New Zealand, were deducted from any product and program fees payable to Product Co Ltd.

The agreement provides, in section 10.2 that;

*"TABQ is irrevocably authorised to deduct and set off from the fee payable pursuant to clause 10.1:-*

- (a) The amount of any liquidated debt payable by Product Co or the Queensland Control Bodies under clause 12.3 of this agreement; and*
- (b) The amount of any monetary compensation payable by Product Co or the Queensland Control Bodies under clause 12.5 of this Agreement; and*
- (c) **the Third Party Charge; ...."***

The 'Third Party Charge' is defined under section 1. DEFINITIONS AND INTERPRETATION of the agreement as;

*"...the amount of any fee payable or other consideration given by TABQ to obtain the equivalent of the Australian Racing Product from sources other than Product Co."*

This effectively gives TABQ, now TattsBet, the right to pass on fully all charges by anyone other than Product Co.

With the introduction of race information fees charges by interstate authorities for the use of their product, the amounts deducted from the product and program fees paid by TattsBet to Product Co Ltd have increase dramatically. The table below charts the impact of these charges on revenue to the Queensland racing industry, with total deductions by TattsBet reaching \$30 million in FY1011.

	% Net Wagering	FY0809	FY0910	FY1011	YTD1112
TattsBet	41.00%	145,820,669	143,257,746	142,586,465	48,721,676
<b>Product Co</b>	<b>39.00%</b>	<b>138,707,466</b>	<b>136,269,563</b>	<b>135,631,028</b>	<b>46,345,008</b>
Fed Govt	9.10%	32,365,075	31,796,231	31,647,240	10,813,835
State Govt	10.90%	38,766,958	38,085,596	37,907,134	12,952,836
<b>Net Wagering Revenue</b>	<b>100.00%</b>	<b>355,660,169</b>	<b>349,409,137</b>	<b>347,771,867</b>	<b>118,833,355</b>
X Check		-			
<b>P&amp;P Fees</b>					
Fixed Odds		3,143,250	8,978,533	22,697,197	8,539,794
Pari-Mutuel		135,564,211	127,291,031	112,933,831	37,805,215
<b>Less</b>					
Overseas Product deduction		(2,261,244)	(2,619,366)	(3,623,253)	(1,141,072)
Race Information fees deduction		(12,675,494)	(24,506,286)	(30,445,064)	(8,987,555)
<b>RQL Net Wagering Revenue (after deductions)</b>		<b>123,770,723</b>	<b>109,143,912</b>	<b>101,562,712</b>	<b>36,216,381</b>

If Overseas and Race Information Fees Expenses were absorbed at Revenue return basis

	% Net Wagering	FY0809	FY0910	FY1011	YTD1112
TattsBet	41.00%	139,696,607	132,136,229	128,618,456	44,568,938
<b>Product Co</b>	<b>39.00%</b>	<b>132,882,138</b>	<b>125,690,559</b>	<b>122,344,385</b>	<b>42,394,844</b>
Fed Govt	9.10%	31,005,832	29,327,797	28,547,023	9,892,130
State Govt	10.90%	37,138,854	35,128,900	34,193,687	11,848,815
<b>Net Wagering Revenue</b>		<b>340,723,432</b>	<b>322,283,485</b>	<b>313,703,550</b>	<b>108,704,727</b>
Variance to Actual		9,111,415	16,546,647	20,781,673	6,178,463

Had Queensland Race Product Co Ltd been exposed only to the amount equal to its share of revenue, 39%, the resulting product and program fees returns would have been much better. The above table shows the variance to actual, that is the additional revenue available to Queensland Race Product Co Ltd for distribution to the three codes of racing, to have been approximately \$20 million.

## EXECUTIVE SUMMARY

Current product and programs fees arrangement has the benefit, for TattsBet, of being rightfully able to pass any charges from other state racing control bodies on to Product Co Ltd in its entirety. This means a deduction of 100% of Race Information Fees charged to TattsBet from the product fees distributed to RQL. For the year ended 30 June 2011 the deduction from product fees totalled \$30 million.

Had the original agreement taken a net revenue position then RQL would only have had to absorb 39% of these expenses. The net benefit for RQL in FY1011 would have been in the order of \$20 million.

Future negotiations with operators for product and program exclusivity rights must take this inequity into account in order to minimise the impact to RQL (via Product Co Ltd) of these fees and charges.

## OPTIONS:

The following options will be discussed on the day with the interactive model.

1. Model A - Maintain the RIF at current levels 10% of Gross Revenue July to April and 15% for May and June
2. Model B - Revert back to % of Turnover with or without threshold
3. Model C - 13% GR July to April 18% GR May and June
4. Model D – The higher of the GR or Turnover basis similar to Western Australia
5. Model E – As determined by the Board

**FINANCIAL IMPACT:**

Wagering returns need to be maintained and the potential wagering downturn through the Product and Program fee needs to be offset by an increase in the race information fee.

The financial impact of a change in basis of revenue calculation from original agreement to a net revenue position would mean that RQL would only have to absorb 39% of third party expenses with the net benefit in the order of \$20 million p.a.

**LEGAL IMPLICATIONS:**

Given the legal dispute in Racing NSW it would be proposed that the licence period is for 1 Year and not for 2 years with a further review to be conducted in the second half of FY13.

Contractual arrangements remain binding to the termination date so therefore must seek to minimise risk to Queensland Race Product Co Ltd and the Queensland racing industry.

**STAFF IMPLICATIONS:**

N/A

**OTHER STAKEHOLDER IMPACTS:**

N/A

**COMMUNICATION STRATEGY:**

N/A

**RECOMMENDATION:**

Report to be noted and enable discussion by the RQL Board prior to the RQL board adopting a new race information fee.



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**Adam Carter**  
**Chief Financial Officer**

Actioning Officer: **Ron Mathofer Business Analyst**

**Attachments**

**"A" Current list of fee structures by state authority (Shara to provide)**

"B" Extract from PwC Racing Victoria - Race Information Fees review

<b>Profit &amp; Loss Summary</b>	<b>ACTUALS</b>						
	<b>FY0506</b>	<b>FY 06/07</b>	<b>FY0708</b>	<b>FY0809</b>	<b>FY0910</b>	<b>FY1011</b>	<b>FY1112</b>
Racing Income	1,744,758	1,906,971	1,565,018	1,301,198	2,335,955	2,684,700	2,524,600
Racing Expenditure	1,486,699	1,740,103	1,362,351	1,176,055	2,187,893	2,070,462	2,405,899
Racing Profit/Loss()	258,059	166,868	202,667	125,142	148,061	614,237	118,701
Other Operating/Admin Income	478,983	515,595	502,350	488,602	520,685	532,361	518,422
Other Operating/Admin Expenditure	572,643	495,243	484,499	822,271	937,487	1,053,418	943,818
Other Operating/Admin Profit/Loss()	(93,660)	20,352	17,851	(333,669)	(416,802)	(521,057)	(425,396)
Course & Facilities Repairs & Maint	(654,467)	(759,855)	(799,656)	(872,526)	(1,079,850)	(947,804)	(904,325)
Operating Profit/Loss()	(490,068)	(572,635)	(579,138)	(1,081,053)	(1,348,590)	(854,623)	(1,211,021)
<b>Grants and Subsidies Income</b>							
Operational Subsidy from Qld Racing	950,000	950,000	918,500	760,810	943,500	927,595	841,962
Grants/subsidies - Revenue	326,659	360,099	333,876	397,528	313,211	412,179	647,765
Profit/Loss() before Depreciation	786,591	737,464	673,238	77,285	(91,880)	485,150	278,706
	41.29%	-6.25%	-8.71%	-88.52%	-218.88%	-628.03%	-42.55%
Depreciation	(143,368)	(160,243)	(228,468)	(224,581)	(248,314)	(1,272,435)	(818,994)
Abnormal Items (Loss on disposal of assets/flood damage)	0	(50,000)	0	(890)	0	11,634,057	4,127
Profit/Loss() after Depreciation & Abnormals	643,223	527,221	444,770	(148,186)	(340,194)	10,846,773	(536,161)
<b>Balance Sheet Summary</b>							
Current Assets	1,358,628	1,614,520	2,344,495	2,293,709	1,253,614	1,078,694	1,016,372
Current Liabilities	(283,720)	(242,954)	(457,274)	(11,707,410)	(12,388,156)	(527,563)	(596,712)
Liquidity	1,074,908	1,371,566	1,887,221	(9,413,701)	(11,134,542)	551,132	419,660
	43.64%	27.60%	37.60%	-598.81%	18.28%	-104.95%	-23.85%
Non-Current Assets	7,116,096	7,346,660	7,275,774	18,442,560	19,809,157	19,062,463	18,573,238
Non-Current Liabilities	-	-	-	14,049.00	-	92,207.74	7,701.00
Net Non-Current Assets	7,116,096	7,346,660	7,275,774	18,428,511	19,809,157	18,970,256	18,565,537
Net Assets	8,191,004	8,718,226	9,162,995	9,014,810	8,674,614	19,521,387	18,985,197
Total Equity	8,191,004	8,718,226	9,162,995	9,014,810	8,674,615	19,521,388	18,985,198
<b>KEY NON-FINANCIAL INFORMATION</b>							
Number of Race Meetings	54	54	42	37	58	60	60
Number of Races	371	371	304	258	430	411	397
On-course Wagering	4,435,181	4,485,158	2,844,576	2,384,527	3,098,193	2,279,098	2,277,387
Off-Course Wagering	25,165,659	25,773,182	23,409,144	17,912,375	27,166,518	20,999,075	17,720,601
Fixed Odds Wagering				28,823	1,709,416	7,769,229	9,276,004

	<b>FORECAST</b>				
	<b>YR1</b>	<b>YR2</b>	<b>YR3</b>	<b>YR4</b>	<b>YR5</b>
	2,646,845	2,761,639	2,881,648	3,007,114	3,138,295
	2,441,687	2,539,404	2,641,276	2,747,489	2,858,236
	205,157	222,235	240,371	259,625	280,059
	530,056	541,777	553,781	566,078	578,675
	971,154	1,000,289	1,030,298	1,061,207	1,093,043
	(441,098)	(458,513)	(476,517)	(495,129)	(514,368)
	(931,455)	(959,398)	(988,180)	(1,017,826)	(1,048,360)
	(1,167,396)	(1,195,676)	(1,224,326)	(1,253,329)	(1,282,669)
	841,962	841,962	841,962	841,962	841,962
	397,765	397,765	397,765	397,765	397,765
	72,331	44,051	15,402	(13,602)	(42,942)
	-74.05%	-39.10%	-65.04%	-188.32%	215.70%
	(823,494)	(905,246)	(986,999)	(986,999)	(986,999)
	3,804,976	3,185,223	0	0	0
	3,053,814	2,324,028	(971,597)	(1,000,601)	(1,029,941)
	60	60	60	60	60
	397	397	397	397	397
	2,391,256	2,510,819	2,636,360	2,768,178	2,906,587
	18,606,631	19,536,962	20,513,810	21,539,501	22,616,476
	9,461,524	9,650,754	9,843,769	10,040,645	10,241,458

Total Tote Wagering	29,600,839	30,258,340	26,253,720	20,325,725	31,974,127	31,047,402	29,273,991	30,459,411	31,698,536	32,993,940	34,348,324	35,764,521
Average On-course Wagering	82,133	83,058	67,728	64,447	53,417	37,985	37,956	39,854	41,847	43,939	46,136	48,443
Average Off-Course Wagering	466,031	477,281	557,361	484,897	497,861	479,472	449,943	467,803	486,462	505,960	526,336	547,632
Average Wagering	548,164	560,340	625,089	549,344	551,278	517,457	487,900	507,657	528,309	549,899	572,472	596,075
Attendance Numbers	56,391	54,301	37,716	26,091	53,485	44,023	49,831	52,323	54,939	57,686	60,570	63,598
Number of Starters	4,220	3,945	3,240	2,657	4,014	4,099	3,289					
Average Number of Starters/Races	11.37	10.63	10.66	10.30	9.33	9.97	8.28					
Horses Trained (Training Track Subsidy)	6,233	6,487	4,833	5,994	5,898	5,617						



## Toowoomba Turf Club

	ACTUALS						
	FY0506	FY 06/07	FY0708	FY0809	FY0910	FY1011	FY1112
<b>RACING INCOME</b>							
Prizemoney							
Bar (Gross sales)	827,656	937,788	676,174	498,607	1,010,292	791,416	851,836
Catering (Gross sales)							580,588
Catering (Gross payment for management/outsourcing)	33,307	22,034	16,338	13,891	23,270	297,383	
Tote Income (Gross commissions)	208,816	200,989	125,335	103,417	135,800	110,611	111,534
Advertising	50	190	0	0	0	0	0
Race Day Packages (net)	10,798	12,877	11,927	0	10,207	0	0
Gate takings/Admission Fees	92,199	89,239	83,676	22,263	147,936	101,625	108,843
Race Book Sales	16,948	18,615	7,210	6,091	21,784	24,520	19,982
Bookmakers Fees	43,508	40,818	26,123	30,086	41,204	36,098	27,077
Nominations and Acceptances				0	0	0	0
Other Racing Income	8,503	354,887	375,641	327,582	372,698	374,179	424,045
Sponsorship - Cash equivalent	502,973	222,927	236,247	299,260	572,762	948,868	400,696
Sponsorship - Contra	0	6,607	6,347	0	0	0	0
<b>TOTAL RACING INCOME</b>	<b>1,744,758</b>	<b>1,906,971</b>	<b>1,565,018</b>	<b>1,301,198</b>	<b>2,335,955</b>	<b>2,684,700</b>	<b>2,524,600</b>
<b>RACING EXPENDITURE</b>							
Prizemoney							
Bar - Costs of goods sold	313,143	327,383	202,459	206,204	339,102	285,846	285,224
Bar - wages	213,962	229,362	170,417	154,901	300,280	262,559	225,737
Bar - other expenses	32,549	60,832	64,736	53,605	90,029	55,056	65,617
Catering - Costs of goods sold				0	0	135,977	279,070
Catering - wages				0	0	183,494	288,190
Catering - other expenses				0	0	0	4,398
Tote - wages	125,213	133,518	95,076	101,376	153,842	83,826	68,919
Tote - other expenses	4,806	5,364	2,960	3,769	5,258	5,116	5,865
Advertising/Promotion	69,459	99,074	77,315	91,896	168,041	111,361	99,141
Ambulance	38,314	42,486	36,528	34,712	60,011	72,432	71,078
Closed Circuit/Picture/Broadcaster	103,636	101,236	77,530	77,886	184,255	180,364	3,650
Control Body Fees				0	0		0
Hire of equipment	15,675	19,772	23,189	4,435	109,547	62,461	63,836
Race Books	37,131	39,736	29,550	38,798	53,381	21,824	26,344
Trophies	887	2,861	1,613	568	1,595	1,305	929
Raceday Catering	61,414	18,103	13,019	0	0	0	0
Raceday Entertainment	13,511	23,102	16,880	28,622	34,709	10,812	28,489
Security	40,966	43,648	57,292	42,916	167,048	79,693	66,725
Veterinary & Farrier Fees	28,280	38,197	9,943	15,955	20,371	17,491	16,539
Wages Race Day	255,155	285,368	226,695	137,776	194,996	252,456	295,843
Cleaning (Race day)	81,177	78,482	79,209	51,259	90,710	75,725	73,569
Sponsorship Expenditure	5,000	55,000	50,000	0	941	1,640	11,170
Sponsorship Contra	0	6,607	6,347	0	0	0	0
Other Racing Expenditure	46,421	129,972	121,593	131,377	213,777	171,023	425,566
<b>TOTAL RACING EXPENDITURE</b>	<b>1,486,699</b>	<b>1,740,103</b>	<b>1,362,351</b>	<b>1,176,055</b>	<b>2,187,893</b>	<b>2,070,462</b>	<b>2,405,899</b>
<b>RACING PROFIT/LOSS</b>	<b>258,059</b>	<b>166,868</b>	<b>202,667</b>	<b>125,142</b>	<b>148,061</b>	<b>614,237</b>	<b>118,701</b>
<b>OTHER OPERATING/ADMINISTRATION REVENUE</b>							
Interest Received	36,583	53,832	72,820	67,368	16,798	6,600	8,266
Membership Subscriptions	33,671	26,698	26,536	27,923	30,677	28,936	25,750
Track fees & Rentals	374,580	392,697	395,721	379,812	417,071	472,122	462,942
Bar & Catering (net) - non race day functions				0	0	5,910	11,421
Insurance Recoveries					52,100	0	10,234
Other Operating/Admin Revenue	34,149	42,368	7,273	13,499	4,039	18,793	(190)
<b>TOTAL OTHER OPERATING/ADMIN REVENUE</b>	<b>478,983</b>	<b>515,595</b>	<b>502,350</b>	<b>488,602</b>	<b>520,685</b>	<b>532,361</b>	<b>518,422</b>
<b>OTHER OPERATING/ADMINISTRATION EXPENDITURE</b>							
Accounting/Audit	24,675	24,050	33,175	47,503	47,220	75,421	58,203
Debt Collection & Bad Debts	1,694		0	0	14,288	23,916	850
Consultancy / Legal	0	3,830	5,000	42,333	28,074	90,701	137,806
Cleaning (General)	0			0	391	155	275
Electricity & Gas	51,388	51,455	49,602	53,491	71,029	97,480	95,285
Fees, Permits and Licences	1,864	1,598	835	3,472	11,776	10,556	10,823
Postage & Freight	4,433	5,190	4,878	5,481	5,017	6,254	4,898
Printing & Stationery	11,526	12,680	11,101	14,564	66,845	66,892	45,758
Insurance - Public Liability Fire & General	43,358	59,249	55,098	57,611	84,771	39,434	41,013
Telephone/Fax	16,459	15,805	16,006	51,599	56,591	79,403	75,172
Security (Admin)	35,718	37,260	25,094	35,570	24,825	10,716	13,485
Rates	57,492	49,307	65,225	72,472	90,340	133,646	97,350
Outgoings (Rent)			0				0
Donations (re: statistics sheet)	0	405	0	20	100		100
Committee expenditure (inc travel, entertainment, tel)	994	1,782	2,942	14,606	28,747	8,713	2,745
Wages and Salaries (administration)	210,152	148,413	123,414	293,867	267,452	247,825	263,152
Superannuation	15,255	12,926	11,038	23,904	14,818	20,635	20,267

**Toowoomba Turf Club**

	ACTUALS						
	FY0506	FY 06/07	FY0708	FY0809	FY0910	FY1011	FY1112
Insurance - Workers Compensation	34,152	20,216	24,680	18,538	27,840	40,220	45,617
Repairs & Maintenance	667	537	502	509	6,965	11,628	200
Motor Vehicle	596		0	821	172	447	139
Other Operating/Admin Expenses	57,229	45,866	51,171	80,306	80,642	77,673	21,350
<b>TOTAL OTHER OPERATING/ADMIN EXPENSES</b>	<b>567,652</b>	<b>490,569</b>	<b>479,761</b>	<b>816,666</b>	<b>927,905</b>	<b>1,041,713</b>	<b>934,487</b>
<b>OTHER OPERATING/ADMINISTRATION PROFIT/</b>	<b>(88,669)</b>	<b>25,026</b>	<b>22,589</b>	<b>(328,064)</b>	<b>(407,219)</b>	<b>(509,352)</b>	<b>(416,066)</b>

**Toowoomba Turf Club**

	ACTUALS						
	FY0506	FY 06/07	FY0708	FY0809	FY0910	FY1011	FY1112
<b>COURSE &amp; FACILITIES REPAIRS &amp; MAINTENANCE</b>							
Wages and Salaries (maintenance)	358,101	419,028	453,697	448,418	650,220	576,705	499,158
Superannuation (maintenance)	31,083	36,680	39,760	39,658	55,569	49,383	45,374
Repairs and Maintenance (Track)	124,318	74,866	58,279	127,917	23,438	145,933	96,917
Repairs and Maintenance (Buildings)	34,356	41,922	42,538	38,103	77,903	14,657	95,095
Repairs and Maintenance (Equipment)	33,123	78,107	63,911	71,200	111,299	53,278	49,603
Fuel & Oil	31,328	45,391	28,878	50,737	40,172	38,077	43,343
Fertilizer	1,738	1,612	7,203	4,189	545		0
Other Repairs & Maintenance expenditure	40,420	62,249	105,390	92,305	120,704	69,770	74,836
<b>TOTAL COURSE &amp; FACILITIES REPAIRS &amp; MAIN</b>	<b>654,467</b>	<b>759,855</b>	<b>799,656</b>	<b>872,526</b>	<b>1,079,850</b>	<b>947,804</b>	<b>904,325</b>
<b>GRANTS &amp; SUBSIDIES INCOME</b>							
Operational Subsidy from Qld Racing	950,000	950,000	918,500	760,810	943,500	927,595	841,962
Grants/subsidies	326,659	360,099	333,876	397,528	313,211	412,179	647,765
<b>TOTAL GRANTS &amp; SUBSIDIES INCOME</b>	<b>1,276,659</b>	<b>1,310,099</b>	<b>1,252,376</b>	<b>1,158,338</b>	<b>1,256,711</b>	<b>1,339,774</b>	<b>1,489,727</b>
<b>DEPRECIATION &amp; INTEREST EXPENSE</b>							
Bank Charges & Interest	4,991	4,674	4,738	5,606	9,582	11,705	9,331
Depreciation	143,368	160,243	228,468	224,581	248,314	1,272,435	818,994
<b>TOTAL DEPRECIATION &amp; INTEREST EXPENSE</b>	<b>148,359</b>	<b>164,917</b>	<b>233,206</b>	<b>230,186</b>	<b>257,896</b>	<b>1,284,140</b>	<b>828,325</b>
<b>NET PROFIT BEFORE ABNORMAL ITEMS</b>	<b>643,223</b>	<b>577,221</b>	<b>444,770</b>	<b>(147,296)</b>	<b>(340,194)</b>	<b>(787,285)</b>	<b>(540,288)</b>
Abnormal Items	0	(50,000)	0	(890)	0	11,634,057	4,127
<b>NET PROFIT/LOSS AFTER ABNORMAL ITEMS</b>	<b>643,223</b>	<b>527,221</b>	<b>444,770</b>	<b>(148,186)</b>	<b>(340,194)</b>	<b>10,846,773</b>	<b>(536,161)</b>

## TOOWOOMBA TURF CLUB CALCULATION ASSUMPTIONS

We have assumed that due to the re-instatement of the grass track that the following will occur:-

1. Horse owners, within this region, would prefer to race their horses on a grass track
2. With an increase horse number racing we would expect a higher betting turnover
3. Due to a greater numbers racing we will expect an increase in horse numbers training at the facility
4. There will be an increase in attendance due to the above factors
5. In relation to point 2, on-course wagering will benefit the club directly while the overall industry will benefit from the increase off-course/fixd odds wagering

Financial Effects of the above Assumptions	FY0809	FY0910	FY1011	FY1112	YR 1	YR 2	YR 3	YR 4	YR 5
Attendance will increase by					5%	5%	5%	5%	5%
On-Course Wagering will increase by					5%	5%	5%	5%	5%
Off-Course/fixd Odds Wagering will increase by					5%	5%	5%	5%	5%
Training Fees will increase by					2%	2%	2%	2%	2%
F&B due to Extra Attendance will increase by					5%	5%	5%	5%	5%
CPI factor year on year					3%	3%	3%	3%	3%
<b>Bar (Gross sales)</b>	498,607	1,010,292	791,416	851,836	894,428	939,150	986,107	1,035,412	1,087,183
<b>Bar - Costs of goods sold</b>	313,143	327,383	202,459	206,204	369,900	388,395	407,814	428,205	449,615
% of Sales	63%	66%	41%	41%					
<b>Bar - wages</b>	213,962	229,362	170,417	154,901	277,870	291,763	306,351	321,669	337,752
% of Sales	43%	46%	34%	31%					
<b>Bar - other expenses</b>	32,549	60,832	64,736	53,605	96,160	100,968	106,017	111,318	116,883
% of Sales	7%	12%	13%	11%					
<b>Catering (Gross sales)</b>			297,383	580,588	609,617	640,098	672,103	705,708	740,994
<b>Catering - Costs of goods sold</b>			135,977	279,070	213,366	224,034	235,236	246,998	259,348
% of Sales			46%	48%					
Industry Averages				35%					
<b>Catering - wages</b>			183,494	288,190	182,885	192,029	201,631	211,712	222,298
% of Sales			62%	50%					
Industry Averages				30%					
<b>Catering - other expenses</b>			-	4,398	4,618	4,849	5,091	5,346	5,613
% of Sales			0%	1%					
<b>Tote Income (Gross commissions)</b>									
Tote income is based on 4.9% of on-course Wagering									
On-Course Wagering				2,277,387	2,391,256	2,510,819	2,636,360	2,768,178	2,906,587
Tote Income (Gross commissions) based on	4.90%			111,534	117,172	123,030	129,182	135,641	142,423
<b>Tote - wages</b>				68,919	72,365	75,984	79,783	83,772	87,961
% of on-course wagering				3.03%					
<b>Tote - other expenses</b>				5,865	6,158	6,466	6,789	7,128	7,485
% of on-course wagering				0.26%					
<b>Track fees &amp; Rentals</b>				462,942	472,201	481,645	491,278	501,103	511,126
<b>Gate takings/Admission Fees</b>		147,936	101,625	108,843	127,275	133,639	140,321	147,337	154,704
Attendance		53,485	44,023	49,831	52,323	54,939	57,686	60,570	63,598
Average Admission Fees				2.43					
<b>Race Book Sales</b>	6,091	21,784	24,520	19,982	20,981	22,030	23,132	24,288	25,503
Increase on same % as attendance increase									
<b>Membership Subscriptions</b>	27,923	30,677	28,936	25,750	27,038	28,389	29,809	31,299	32,864
Increase on same % as attendance increase									
<b>Depreciation</b>				818,994	823,494	905,246	986,999	986,999	986,999
Additional Depreciation	Amount	Dep Rate	Dep Amount						
Dam - Functional end of Yr1	450,000	1.00%	4,500						
Track -Functional half way through Yr2	6,540,200	2.50%	163,505						
	6,990,200		168,005						
<b>Abnormal Items</b>									
Grants from RQL as per cashflow					3,804,976	3,185,223			

**IP - TOOWOOMBA PROJECT  
PHASE 1 CASHFLOW FOR CLIFFORD PARK TRACK UPGRADE**

ANALYSIS CODE	DESCRIPTION	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL		
IIP1	<b>Asset Plan</b>																					
	Costs to Date																					
	<b>Subtotal</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IIP54	<b>Legal</b>																					
	Other Legal Costs																					
	<b>Subtotal</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	<b>Consultants</b>																					
IIP2	Concepts Design	3,500	11,500	10,000	11,500	3,500														40,000		
IIP3	Civil Engineering			5,833	13,417	12,833	12,250	13,417	11,667	583											70,000	
IIP4	Environmental Engineering			833	1,917	1,833	1,750	1,917	1,667	83											10,000	
IIP5	Architecture - Basic																					
IIP6	Structural Engineering			1,667	3,833	3,667	3,500	3,833	3,333	167											20,000	
IIP7	Building Hydraulics																				-	
IIP8	Flooding/Drainage - Basic																				-	
IIP9	Surveyor								3,800	4,200	4,400	4,600	3,000								20,000	
IIP10	Architecture - Major																				-	
IIP11	Landscape																				-	
IIP12	Building Mech/Elec/Fire																				-	
IIP13	Sports Arena Lighting																				-	
IIP14	Town Planning																				-	
IIP15	Flooding/Drainage - Major																				-	
IIP16	Traffic/Transport - Major																				-	
IIP17	Building Certification												10,000								10,000	
IIP55	Cultural Heritage																				-	
IIP18	Specialised Racing																				-	
IIP19	Other Consultants							1,855	1,613	1,694	1,774	1,855	1,210								10,000	
	<b>Subtotal</b>	<b>3,500</b>	<b>11,500</b>	<b>18,333</b>	<b>30,667</b>	<b>21,833</b>	<b>17,500</b>	<b>21,022</b>	<b>22,080</b>	<b>6,727</b>	<b>6,174</b>	<b>6,455</b>	<b>14,210</b>	-	-	-	-	-	-	-	<b>180,000</b>	
	<b>Construction</b>																					
IIP20	Demolition																				-	
IIP21	Earthworks																				-	
IIP22	Infrastructure/Services								85,714	90,000	94,286	98,571	81,429								450,000	
IIP23	Road Works								451,458	474,031	496,604	519,177	451,458	519,177	496,604	474,031	519,177	474,031	496,604		5,372,355	
IIP24	Track Works																				-	
IIP25	Tunnels/Crossings																				-	
IIP26	Car Parking																				-	
IIP27	Mounting Yard																				-	
IIP28	Stables/Kennels																				-	
IIP29	Communication Infrastructure																				-	
IIP30	Lighting																				-	
IIP31	Buildings/Grandstands								85,660	89,943	94,226	98,509	85,660								454,000	
IIP59	Fit Outs																				-	
IIP32	Landscaping																				-	
IIP33	Q Leave								40,000												40,000	
IIP34	Contingency								16,807	17,647	18,487	19,328	16,807	19,328	18,487	17,647	19,328	17,647	18,487		200,000	
IIP35	Miscellaneous																				-	
	<b>Subtotal</b>	-	-	-	-	-	-	-	<b>679,640</b>	<b>671,622</b>	<b>703,604</b>	<b>735,586</b>	<b>635,354</b>	<b>538,505</b>	<b>515,092</b>	<b>491,678</b>	<b>538,505</b>	<b>491,678</b>	<b>515,092</b>	<b>491,678</b>	<b>6,516,355</b>	
	<b>Marketing</b>																					
IIP36	Openings/Launches																	6,970	6,364	6,667	20,000	
IIP37	Photography																				-	
IIP38	Brochures																				-	
IIP61	Direct Mail																				-	
IIP62	Functions																				-	
IIP39	Public Relations																				-	
IIP63	Marketing Research																				-	
IIP40	Media Release																				-	
IIP64	TV Advertising																				-	
IIP41	Printing/Stationery																				-	
IIP42	Internet																				-	
IIP43	Signage Fees																				-	
	<b>Subtotal</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,970	6,364	6,667	20,000	
	<b>Authorities</b>																					
IIP44	Application Fees - Council								10,000	10,000												20,000
IIP65	Water Headworks								3,774	3,962	4,151	4,340	3,774								20,000	
IIP66	Sewer Headworks																				-	
IIP67	Transport Headworks																				-	
IIP68	External Contributions																				-	
	<b>Subtotal</b>	-	-	-	-	-	-	-	<b>13,774</b>	<b>13,962</b>	<b>4,151</b>	<b>4,340</b>	<b>3,774</b>	-	-	-	-	-	-	-	<b>40,000</b>	
	<b>Administration</b>																					
IIP45	Project Delivery	10,032	10,488	9,120	10,488	10,032	9,576	10,488	9,120	9,576	10,032	10,488	9,120	10,488	10,032	9,576	10,488	9,576	10,032		178,752	
IIP46	Project Management							3,312	2,880	3,024	3,168	3,312	2,880	3,312	3,168	144					25,200	
IIP47	Administration Expense							2,576	2,240	2,352	2,464	2,576	2,240	2,576	2,464	112					19,600	

IIP48	Travel																			-
IIP49	Accommodation																			-
IIP50	Meals																			-
IIP51	Operational Overheads																			10,293
IIP52	Interest Expense						1,353	1,176	1,235	1,294	1,353	1,176	1,353	1,294	59					-
	<b>Subtotal</b>	<b>10,032</b>	<b>10,488</b>	<b>9,120</b>	<b>10,488</b>	<b>10,032</b>	<b>9,576</b>	<b>17,729</b>	<b>15,416</b>	<b>16,187</b>	<b>16,958</b>	<b>17,729</b>	<b>15,416</b>	<b>17,729</b>	<b>16,958</b>	<b>9,891</b>	<b>10,488</b>	<b>9,576</b>	<b>10,032</b>	<b>233,845</b>
	<b>TOTAL</b>	<b>13,532</b>	<b>21,988</b>	<b>27,453</b>	<b>41,155</b>	<b>31,865</b>	<b>27,076</b>	<b>38,750</b>	<b>730,909</b>	<b>708,498</b>	<b>730,887</b>	<b>764,109</b>	<b>668,754</b>	<b>556,234</b>	<b>532,050</b>	<b>501,569</b>	<b>555,963</b>	<b>507,618</b>	<b>531,790</b>	<b>6,990,200</b>
	<b>CUMM TOTAL</b>	<b>13,532</b>	<b>35,520</b>	<b>62,973</b>	<b>104,128</b>	<b>135,993</b>	<b>163,069</b>	<b>201,820</b>	<b>932,729</b>	<b>1,641,227</b>	<b>2,372,114</b>	<b>3,136,223</b>	<b>3,804,976</b>	<b>4,361,210</b>	<b>4,893,260</b>	<b>5,394,829</b>	<b>5,950,791</b>	<b>6,458,409</b>	<b>6,990,200</b>	

Note: Figures exclude GST

**Balance Sheet Data - Toowoomba TC**

	<b>FY0506</b>	<b>FY0607</b>	<b>FY0708</b>	<b>FY0809</b>	<b>FY0910</b>	<b>FY1011</b>	<b>FY1112</b>
Cash at Bank	459,546	576,804	800,519	789,073	207,317	92,259	440,020
Cash on Hand	63,497	111,902	49,985	49,864	70,084	30,420	18,682
Accounts Recievable	250,163	226,206	279,486	396,539	656,827	767,760	412,769
Prepayments	1,750	16,196	21,948	60,615	12,325	1,130	
Investments - Cash	444,748	468,337	1,003,455	757,767			
Investments - Sharemarket/Portfolio							
Inventory	138,924	215,075	189,102	239,851	307,062	187,124	144,901
<b>TOTAL CURRENT ASSETS</b>	<b>1,358,628</b>	<b>1,614,520</b>	<b>2,344,495</b>	<b>2,293,709</b>	<b>1,253,614</b>	<b>1,078,694</b>	<b>1,016,372</b>
<b>NON-CURRENT ASSETS</b>							
Property, Plant & Equipment	7,116,096	7,346,660	7,275,774	18,442,560	19,809,157	19,062,463	18,573,238
Improvements							
Investments - Cash							
Investments - Sharemarket/Portfolio							
Inventory							
<b>TOTAL NON-CURRENT ASSETS</b>	<b>7,116,096</b>	<b>7,346,660</b>	<b>7,275,774</b>	<b>18,442,560</b>	<b>19,809,157</b>	<b>19,062,463</b>	<b>18,573,238</b>
<b>TOTAL ASSETS</b>	<b>8,474,724</b>	<b>8,961,180</b>	<b>9,620,269</b>	<b>20,736,269</b>	<b>21,062,771</b>	<b>20,141,158</b>	<b>19,589,610</b>
<b>CURRENT LIABILITIES</b>							
Accounts Payable	(222,466)	(150,503)	(161,831)	(487,304)	(252,694)	(281,322)	(282,171)
Bank Overdraft							
Loans					(545,807)	(61,543)	(105,167)
Leases	(1,187)						
Provisions - AL, SL and LSL	(59,794)	(80,451)	(93,362)	(62,539)	(83,433)		
Provisions - Other							
Unearned Income	(273)	(12,000)	(202,081)	(11,157,567)	(11,506,223)	(184,697)	(209,375)
<b>TOTAL CURRENT LIABILITIES</b>	<b>(283,720)</b>	<b>(242,954)</b>	<b>(457,274)</b>	<b>(11,707,410)</b>	<b>(12,388,156)</b>	<b>(527,563)</b>	<b>(596,712)</b>
<b>NON-CURRENT LIABILITIES</b>							
Loans						(84,507)	
Leases							
Provisions - AL, SL and LSL				(14,049)		(7,701)	(7,701)
Provisions - Other							
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,049)</b>	<b>-</b>	<b>(92,208)</b>	<b>(7,701)</b>
<b>TOTAL LIABILITIES</b>	<b>(283,720)</b>	<b>(242,954)</b>	<b>(457,274)</b>	<b>(11,721,459)</b>	<b>(12,388,156)</b>	<b>(619,770)</b>	<b>(604,413)</b>
<b>NET ASSETS</b>	<b>8,191,004</b>	<b>8,718,226</b>	<b>9,162,995</b>	<b>9,014,810</b>	<b>8,674,614</b>	<b>19,521,387</b>	<b>18,985,197</b>
<b>EQUITY</b>							
Retained Profits	(7,547,781)	(8,191,005)	(8,718,226)	(9,162,995)	(9,014,807)	(8,674,615)	(19,521,357)
Reserves							
Profit/Loss	(643,223)	(527,221)	(444,769)	148,186	340,193	(10,846,773)	536,161
<b>TOTAL EQUITY</b>	<b>(8,191,004)</b>	<b>(8,718,226)</b>	<b>(9,162,995)</b>	<b>(9,014,809)</b>	<b>(8,674,614)</b>	<b>(19,521,387)</b>	<b>(18,985,197)</b>

**GOLD COAST TURF CLUB**

	ACTUAL			
	FY 08/09	FY 09/10	FY 10/11	Forecast FY11/12
<b>Financial Results</b>				
Racing income	\$9,679,808	\$10,450,818	\$10,547,973	\$10,988,747
Operating & administrative income	\$1,767,359	\$1,588,902	\$1,389,821	\$1,637,730
RQL Operational Subsidy	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,003
<b>Total Revenue</b>	<b>\$12,497,167</b>	<b>\$13,089,720</b>	<b>\$12,987,794</b>	<b>\$13,676,480</b>
Racing expenditure	\$7,441,525	\$7,978,059	\$7,650,003	\$8,237,714
Operating & administrative expenses	\$2,845,964	\$2,754,743	\$2,382,707	\$2,786,424
Course & facilities repairs & maintenance expense	\$2,039,846	\$2,084,963	\$1,897,896	\$2,095,467
Abnormal Items	\$16,724	\$2,770	\$9,507	\$7,141
<b>Total Expenditure</b>	<b>\$12,344,059</b>	<b>\$12,820,534</b>	<b>\$11,940,114</b>	<b>\$13,126,747</b>
EBITDA	\$153,109	\$269,186	\$1,047,680	\$549,734
Interest Received	\$142,894	\$50,533	\$70,852	\$80,389
Interest Expense				
Depreciation	\$793,186	\$880,171	\$877,217	\$866,259
Operating Surplus(	<b>(\$497,183)</b>	<b>(\$560,452)</b>	<b>\$241,315</b>	<b>(\$236,136)</b>
Extraordinary Items				
Total Surplus/Deficit(				
<b>Liquidity Position</b>				
Cash	\$2,209,062	\$1,093,770	\$2,088,275	\$2,350,000
Current assets	\$986,004	\$1,481,992	\$1,292,262	
Current liabilities	\$1,580,335	\$1,816,781	\$1,911,136	
Net current assets	<b>\$1,614,732</b>	<b>\$758,980</b>	<b>\$1,469,400</b>	
Non-Current assets	\$18,699,190	\$18,907,197	\$18,359,072	
Non-Current liabilities	\$1,580,335	\$1,816,781	\$1,911,136	
Net Non-Current assets	<b>\$17,118,856</b>	<b>\$17,090,415</b>	<b>\$16,447,936</b>	
Net Assets	<b>\$18,733,587</b>	<b>\$17,849,395</b>	<b>\$17,917,336</b>	
<b>Other Key Statistics</b>				
Number of race meetings	53	59	55	58
Number of races	424	466	419	464
Number of starters	4,017	4,474	4,025	4,500
Average starters per race	9.5	9.6	9.6	9.7
Training Starters				
Wagering Turnover	60,645,032	64,580,996	55,984,630	
Average Wagering Turnover per meeting	1,144,246	1,094,593	1,017,902	
Overall Attendance numbers	128,891	160,981	146,023	150,000
Membership numbers	2,590	2,540	2,675	2,800
No Horses registered at facilities				
No Trainers registered				

	FORECAST				
	YR 1	YR 2	YR 3	YR 4	YR 5
Racing income	12,623,349	\$13,002,050	\$13,392,111	\$13,793,875	\$14,207,691
Operating & administrative income	\$1,570,017	\$1,617,118	\$1,665,631	\$1,715,600	\$1,767,068
RQL Operational Subsidy	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000
<b>Total Revenue</b>	<b>\$15,243,366</b>	<b>\$15,669,167</b>	<b>\$16,107,742</b>	<b>\$16,559,475</b>	<b>\$17,024,759</b>
Racing expenditure	\$9,444,766	\$9,728,109	\$10,019,952	\$10,320,551	\$10,630,167
Operating & administrative expenses	\$2,870,017	\$2,956,117	\$3,044,801	\$3,136,145	\$3,230,229
Course & facilities repairs & maintenance expense	\$2,158,331	\$2,223,081	\$2,289,773	\$2,358,467	\$2,429,221
Abnormal Items					
<b>Total Expenditure</b>	<b>\$14,473,114</b>	<b>\$14,907,307</b>	<b>\$15,354,527</b>	<b>\$15,815,162</b>	<b>\$16,289,617</b>
EBITDA	\$770,253	\$761,860	\$753,216	\$744,312	\$735,142
Interest Received	\$80,389	\$82,801	\$85,285	\$87,843	\$90,479
Interest Expense	\$0	\$0	\$0	\$0	\$0
Depreciation	\$1,265,910	\$1,265,910	\$1,265,910	\$1,265,910	\$1,265,910
Operating Surplus(	<b>(\$415,268)</b>	<b>(\$421,249)</b>	<b>(\$427,409)</b>	<b>(\$433,754)</b>	<b>(\$440,289)</b>
Extraordinary Items	\$10,897,541	\$14,572,131	\$9,483,626	\$0	\$0
Total Surplus/Deficit(	<b>\$10,482,272</b>	<b>\$14,150,882</b>	<b>\$9,056,217</b>	<b>(\$433,754)</b>	<b>(\$440,289)</b>
Cash	\$3,200,642	\$4,045,303	\$4,883,803	\$5,715,959	\$6,541,580
Current assets					
Current liabilities					
Net current assets					
Non-Current assets					
Non-Current liabilities					
Net Non-Current assets					
Net Assets					
Number of race meetings	58	58	58	59	60
Number of races	464	464	464	472	480
Number of starters	4,500	4,500	4,500	4,501	4,502
Average starters per race	9.7	9.7	9.7	9.5	9.4
Training Starters					
Wagering Turnover	59,038,337	62,258,610	65,654,534	69,235,691	73,012,183
Average Wagering Turnover per meeting	1,017,902	1,073,424	1,131,975	1,173,486	1,216,870
Overall Attendance numbers	180,000	185,400	190,962	190,962	190,962
Membership numbers	3,360	3,461	3,565	3,565	3,565

Increase	% Increase
3	5%
45	11%
475	12%
0	1%
3,053,707	5%
-	0%
33,977	23%
685	26%

CPI average of 3% for future returns

3% 3% 3% 3% 3%



**Gold Coast Turf Club**

	Actual FY0809	Actual FY0910	Actual FY1011	Forecast FY1112
<b>RACING INCOME</b>				
Bar (Gross sales)	3,372,761	3,834,868	3,576,569	3,985,675
Catering (Gross sales)	2,571,114	2,655,169	2,571,741	2,900,183
Tote Income (Gross commissions)	1,187,275	1,070,470	936,186	969,812
Advertising	-	-	-	-
Race Day Packages (net) Corporate Boxes	438,654	417,437	432,482	481,201
New Corporate Boxes Gross Revenue	-	-	-	-
Gate takings/Admission Fees	628,478	792,667	714,518	764,714
Race Book Sales	152,841	164,309	163,728	182,378
Bookmakers fees	423,051	361,763	279,140	188,013
Nominations and Acceptances	-	-	-	-
Other Racing Income	74,325	173,045	32,711	57,395
Sponsorship - Cash equivalent	831,309	981,089	1,840,898	1,459,377
Sponsorship - Contra	-	-	-	-
Sponsorship - To prizemoney	-	-	-	-
<b>TOTAL RACING INCOME</b>	<b>9,679,808</b>	<b>10,450,818</b>	<b>10,547,973</b>	<b>10,988,747</b>
<b>RACING EXPENDITURE</b>				
Advertising/Promotion	332,808	350,322	288,013	262,522
Ambulance	67,244	75,579	64,937	68,228
Bar - Cost of goods sold	1,186,057	1,222,833	1,208,367	1,346,388
Bar - wages	698,365	814,084	776,223	818,356
Bar - other expenses	129,411	169,516	158,521	147,301
Catering - Cost of goods sold	979,571	972,536	882,656	985,686
Catering - wages	810,363	890,730	965,254	1,102,711
Catering - other expenses	257,079	297,096	324,625	321,041
COGS & Wages - New Corporate Boxes	-	-	-	-
Tote - Direct link/line costs	-	-	-	-
Tote - wages	671,236	609,229	587,823	595,075
Tote - other expenses	147,951	153,165	154,125	174,438
Closed Circuit/Picture/Broadcaster	259,306	248,837	298,458	305,446
Control Body Fees	100,000	100,000	100,000	100,000
Hire of equipment	301,732	408,196	270,465	322,867
Photo finish	-	-	-	-
Race Books	184,666	188,279	187,624	203,419
Trophies	13,951	22,790	26,574	23,524
Raceday Catering	36,122	48,499	40,762	46,684
Raceday Entertainment	47,116	46,758	61,466	61,618
Other Racing Expenditure	210,854	238,440	175,947	209,775
Security (Race Day)	283,098	317,505	318,633	332,342
Veterinary & Farrier Fees	66,287	74,450	70,556	71,054
Wages Race Day	567,076	592,675	576,091	608,378
Cleaning (Race day)	33,147	24,393	10,101	24,474
Race Course Rental	-	-	-	-
Sponsorship expenditure	58,087	112,146	102,784	106,388
Sponsorship contra	-	-	-	-
<b>TOTAL RACING EXPENDITURE</b>	<b>7,441,525</b>	<b>7,978,059</b>	<b>7,650,003</b>	<b>8,237,714</b>
<b>RACING PROFIT/LOSS</b>	<b>2,238,283</b>	<b>2,472,759</b>	<b>2,897,969</b>	<b>2,751,033</b>
<b>OTHER OPERATING/ADMINISTRATION REVENUE</b>				
Operational Subsidy from Qld Racing	1,050,000	1,050,000	1,050,000	1,050,000
Interest Received	142,894	50,533	70,852	80,389
Grants/subsidies	276,050	289,612	282,000	483,528
Membership Subscriptions	478,307	461,305	462,413	492,983
Track fees & Rentals	412,255	423,089	407,808	418,178
Bar and Catering (Net) - Non race day func	-	-	-	-
Donations	-	-	-	-

Forecast					Assumptions
YR 1	YR 2	YR 3	YR 4	YR 5	
4,178,649	4,304,008	4,433,129	4,566,123	4,703,106	Added CPI 3% + membership incremental spend of 20%
3,229,419	3,326,301	3,426,090	3,528,873	3,634,739	Added CPI 3% plus assumptions of increase due to Capital works
969,812	998,906	1,028,873	1,059,740	1,091,532	
-	0	0	0	0	
495,637	510,506	525,821	541,596	557,844	Added CPI 3% plus assumptions of increase due to Capital works
1,018,400	1,048,952	1,080,421	1,112,833	1,146,218	As per Infrastructure Plan Assumptions
787,655	811,285	835,623	860,692	886,513	Added CPI 3%. Note increased members does not add to gate takings
187,849	193,484	199,289	205,268	211,426	Added CPI 3%
193,653	199,463	205,447	211,610	217,958	Added CPI 3%
-	0	0	0	0	
59,117	60,891	62,717	64,599	66,537	Added CPI 3%
1,503,159	1,548,253	1,594,701	1,642,542	1,691,818	Added CPI 3%
-	0	0	0	0	Added CPI 3%
-	0	0	0	0	
<b>12,623,349</b>	<b>13,002,050</b>	<b>13,392,111</b>	<b>13,793,875</b>	<b>14,207,691</b>	
270,397	278,509	286,865	295,471	304,335	Added CPI 3%
70,275	72,383	74,554	76,791	79,095	Added CPI 3%
1,462,527	1,506,403	1,551,595	1,598,143	1,646,087	COGS based on 35%
857,978	883,718	910,229	937,536	965,662	Based on prior year wages %
151,720	156,272	160,960	165,789	170,763	Added CPI 3%
1,130,297	1,164,205	1,199,132	1,235,106	1,272,159	COGS based on 35%
1,227,893	1,264,730	1,302,672	1,341,752	1,382,004	Based on prior year wages %
330,673	340,593	350,810	361,335	372,175	Added CPI 3%
661,960	681,819	702,273	723,342	745,042	
-	0	0	0	0	
612,928	631,316	650,255	669,763	689,856	Added CPI 3%
179,671	185,061	190,613	196,332	202,221	Added CPI 3%
314,609	324,048	333,769	343,782	354,096	Added CPI 3%
100,000	100,000	106,090	109,273	112,551	Added CPI 3%
332,553	342,530	352,806	363,390	374,292	Added CPI 3%
-	0	0	0	0	
209,521	215,807	222,281	228,950	235,818	Added CPI 3%
24,230	24,957	25,706	26,477	27,271	Added CPI 3%
48,085	49,527	51,013	52,544	54,120	Added CPI 3%
63,466	65,370	67,331	69,351	71,432	Added CPI 3%
216,068	222,550	229,226	236,103	243,186	Added CPI 3%
342,313	352,582	363,159	374,054	385,276	Added CPI 3%
73,185	75,381	77,642	79,971	82,371	Added CPI 3%
626,629	645,428	664,791	684,735	705,277	Added CPI 3%
25,208	25,984	26,743	27,545	28,372	Added CPI 3%
-	0	0	0	0	
109,579	112,867	116,253	119,740	123,333	Added CPI 3%
-	0	0	0	0	Added CPI 3%
<b>9,444,766</b>	<b>9,728,109</b>	<b>10,019,952</b>	<b>10,320,551</b>	<b>10,630,167</b>	
<b>3,178,583</b>	<b>3,273,941</b>	<b>3,372,159</b>	<b>3,473,324</b>	<b>3,577,523</b>	
1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	Pending review by working party
80,389	82,801	85,285	87,843	90,479	
297,382	306,303	315,492	324,957	334,706	
591,580	609,327	627,607	646,435	665,828	Added CPI 3% + Infrastructure Plan Assumptions
430,724	443,646	456,955	470,664	484,783	Reduced by Track Subsidy above
-	0	0	0	0	Added CPI 3%
-	0	0	0	0	

<b>Gold Coast Turf Club</b>	Actual FY0809	Actual FY0910	Actual FY1011	Forecast FY1112
Fund Raising Revenue	-	-	-	-
Insurance Recoveries	-	-	-	-
Other Operating/Admin Revenue	600,746	414,897	237,600	243,041
<b>TOTAL OTHER OPERATING/ADMIN REV</b>	<b>2,960,253</b>	<b>2,689,435</b>	<b>2,510,673</b>	<b>2,768,122</b>
<b>OTHER OPERATING/ADMINISTRATION EXPENDITURE</b>				
Accounting/Audit	33,000	30,300	31,350	29,150
Consultancy / Legal	130,932	119,953	170,729	251,847
Bank Charges & Interest	51,242	51,660	45,465	53,291
Debt Collection & Bad Debts	-	-	-	-
Cleaning (General)	155,918	154,049	149,343	146,158
Electricity & Gas	86,738	108,584	107,785	141,320
Fees, Permits and Licences	11,563	7,994	10,468	10,544
Postage & Freight	27,062	21,617	10,578	14,425
Printing & Stationery	71,269	76,057	62,584	62,898
Insurance - Public Liability Fire & General	132,483	126,759	122,636	131,232
Telephone/Fax	43,008	35,490	23,165	21,741
Security (Admin)	20,744	14,206	12,824	17,561
Rates	140,620	163,624	186,329	225,664
Depreciation	793,186	880,171	877,217	866,259
Donations (re: statistics sheet)	-	-	-	-
Fund Raising Expense	-	-	-	-
Repairs & Maintenance	129,377	65,407	23,974	23,063
Other Operating/Admin Expenses	490,320	504,467	526,423	625,178
Committee expenditure (inc travel, entertain	112,314	141,624	123,991	152,362
Fringe Benefits Tax	7,781	21,152	17,092	12,396
Wages and Salaries (administration)	1,026,241	947,893	622,718	727,819
Superannuation (Administration)	84,504	75,845	57,328	69,001
Insurance - Workers Compensation	70,734	72,086	58,993	53,639
Travelling Expenses (Staff only)	-	-	-	-
Motor Vehicle	20,115	15,975	18,933	17,136
<b>TOTAL OTHER OPERATING/ADMIN EXP</b>	<b>3,639,150</b>	<b>3,634,913</b>	<b>3,259,924</b>	<b>3,652,683</b>
<b>OTHER OPERATING/ADMINISTRATION</b>	<b>(678,897)</b>	<b>(945,478)</b>	<b>(749,251)</b>	<b>(884,560)</b>
<b>COURSE &amp; FACILITIES REPAIRS &amp; MAINTENANCE</b>				
Wages and Salaries (maintenance)	1,213,672	1,278,092	1,300,230	1,354,608
Superannuation (maintenance)	90,952	98,360	101,504	100,889
Repairs and Maintenance (Track)	186,024	227,274	187,260	208,685
Repairs and Maintenance (Buildings)	273,373	196,482	132,409	165,013
Repairs and Maintenance (Equipment)	180,331	170,254	132,597	176,756
Fuel & Oil	55,551	56,752	19,967	50,587
Fertilizer	-	-	-	-
Other Repairs & Maintenance expenditure	39,943	57,748	23,930	38,930
<b>TOTAL COURSE &amp; FACILITIES REPAIRS</b>	<b>2,039,846</b>	<b>2,084,963</b>	<b>1,897,896</b>	<b>2,095,467</b>
<b>TOTAL PROFIT/LOSS</b>	<b>(480,460)</b>	<b>(557,682)</b>	<b>250,822</b>	<b>(228,995)</b>
ABNORMAL ITEMS (+ are losses)	16,724	2,770	9,507	7,141
<b>NET PROFIT/LOSS AFTER ABNORMAL</b>	<b>(497,183)</b>	<b>(560,452)</b>	<b>241,315</b>	<b>(236,136)</b>

<b>Forecast</b>					<b>Assumptions</b>
YR 1	YR 2	YR 3	YR 4	YR 5	
-	0	0	0	0	0
-	0	0	0	0	0
250,332	257,842	265,577	273,544	281,751	Added CPI 3%
<b>2,700,406</b>	<b>2,749,919</b>	<b>2,800,916</b>	<b>2,853,444</b>	<b>2,907,547</b>	
30,025	30,925	31,853	32,809	33,793	Added CPI 3%
259,402	267,184	275,200	283,455	291,959	Added CPI 3%
54,890	56,537	58,233	59,980	61,779	Added CPI 3%
-	-	-	-	-	Added CPI 3%
150,542	155,059	159,710	164,502	169,437	Added CPI 3%
145,560	149,926	154,424	159,057	163,829	Added CPI 3%
10,861	10,861	11,522	11,868	12,224	Added CPI 3%
14,857	15,303	15,762	16,235	16,722	Added CPI 3%
64,785	66,728	68,730	70,792	72,916	Added CPI 3%
135,169	139,224	143,401	147,703	152,134	Added CPI 3%
22,394	23,065	23,757	24,470	25,204	Added CPI 3%
18,088	18,630	19,189	19,765	20,358	Added CPI 3%
232,434	239,407	246,589	253,987	261,607	Added CPI 3%
1,265,910	1,265,910	1,265,910	1,265,910	1,265,910	Includes addit dep'n for grandstand works
-	0	0	0	0	0
-	0	0	0	0	0
23,755	24,467	25,201	25,957	26,736	Added CPI 3%
643,934	663,252	683,149	703,644	724,753	Added CPI 3%
156,933	161,641	166,490	171,485	176,630	Added CPI 3%
12,768	13,151	13,545	13,952	14,370	Added CPI 3%
749,653	772,143	795,307	819,167	843,742	Added CPI 3%
71,071	73,203	75,399	77,661	79,991	Added CPI 3%
55,248	56,905	58,613	60,371	62,182	Added CPI 3%
-	0	0	0	0	Added CPI 3%
17,650	18,179	18,725	19,286	19,865	Added CPI 3%
<b>4,135,927</b>	<b>4,222,027</b>	<b>4,310,711</b>	<b>4,402,055</b>	<b>4,496,139</b>	
<b>(1,435,520)</b>	<b>(1,472,109)</b>	<b>(1,509,795)</b>	<b>(1,548,611)</b>	<b>(1,588,592)</b>	
1,395,247	1,437,104	1,480,217	1,524,624	1,570,362	Added CPI 3%
103,916	107,033	110,244	113,551	116,958	Added CPI 3%
214,945	221,393	228,035	234,876	241,923	Added CPI 3%
169,963	175,062	180,314	185,723	191,295	Added CPI 3%
182,059	187,520	193,146	198,940	204,909	Added CPI 3%
52,104	53,667	55,277	56,936	58,644	Added CPI 3%
-	-	-	-	-	-
40,098	41,301	42,540	43,816	45,130	Added CPI 3%
<b>2,158,331</b>	<b>2,223,081</b>	<b>2,289,773</b>	<b>2,358,467</b>	<b>2,429,221</b>	
<b>(415,268)</b>	<b>(421,249)</b>	<b>(427,409)</b>	<b>(433,754)</b>	<b>(440,289)</b>	
<b>(10,897,541)</b>	<b>(14,572,131)</b>	<b>(9,483,626)</b>			
<b>10,482,272</b>	<b>14,150,882</b>	<b>9,056,217</b>	<b>(433,754)</b>	<b>(440,289)</b>	
Revenue	15,323,756	15,751,968	16,193,027	16,647,318	17,115,238
Expenses	15,739,024	16,173,217	16,620,436	17,081,072	17,555,527

## Gold Coast Turf Club Calculations

### Key Assumptions - Deed of Agreement

Upgrade Public Facilities	15,461,696
Equine Pool	1,000,000
Preliminary Consultancy to date	524,350
Phase 2 Preliminary Consultancy	500,000

Total Project 17,486,046

### Facilities Upgrades

Revenue		Net contribution			
Skyline Restaurant	Proposed increase	\$	Gross Rev	Costs	Margin
Current		256,027	711,186	455,159	36%
	25%	62,229	177,797	113,790	35%
	30%	74,675	213,356	136,548	35%
	50%	124,458	355,593	227,580	35%

Corporate Boxes **Proposed Increase** 356,440 1,018,400 661,960 **35%**

### Membership revenue

#### Members Bar/Catering

	Gross Revenue	Costs Bar	Costs restaurant	Net Contribution	Average per member 2645 members (2011 actual)
Existing members revenue		55%	72%		
Champions restaurant	58,877		42,391	16,486	22
Skyline Bar	149,677	82,322		67,355	57
Total	<u>208,554</u>	<u>82,322</u>	<u>42,391</u>	<u>83,840</u>	

#### New members revenue\*

Champions restaurant	12,465		8,975	3,490
Skyline Bar	31,690	17,429		14,260
Total	<u>44,155</u>	<u>17,429</u>	<u>8,975</u>	<u>17,751</u>

#### Increase by 20% + CPI

Champions restaurant	23%	87,751	-	63,181	19,976	3360 members	26
Skyline Bar		223,081	122,695	-	81,615		66
Total		<u>310,832</u>	<u>122,695</u>	<u>63,181</u>	<u>124,957</u>		

#### Increment

Champions restaurant	23%	28,874	-	20,789	3,490		9
Skyline Bar		73,404	40,372	-	14,260		22
Total		<u>102,278</u>	<u>40,372</u>	<u>20,789</u>	<u>41,117</u>		

### Based on GCTC projections

		FY11	CPI	Increase
Membership Attendance increase	<b>20%</b>			
Membership increase	<b>20%</b>	492,983		98,597
Revenue increase	<b>20%</b>			591,580
Overall Attendance Increase	<b>20%</b>			
CPI increase	<b>3%</b>			

#### Depreciation Calculations Required

	Method	Value	Approximate	Rate
Buildings & Facilities Improvements	40yrs @ 2.5% p.a	15,461,696	386,542	2.50%
Equine Pool	40yrs @ 2.5% p.a	1,000,000	25,000	2.50%
Preliminary Consultancy to date	40yrs @ 2.5% p.a	524,350	13,109	2.50%
Phase 2 Preliminary Consultancy	40yrs @ 2.5% p.a	500,000	12,500	2.50%

Infrastructure Plan Funding 17,486,046 437,151

Extraordinary Revenue 17,486,046

#### Extraordinary Expenditure

Net Extraordinary Items 17,486,046

YR 1	10,897,541	First financial year of cashflow
YR 2	6,588,505	Second financial year of cashflow
Phase 2 - Remainder of Project		
YR 2	-	
YR 3	-	

Total Approved Funding Agreement 34,953,297

Phase 2 - Remainder of Project 17,467,251



**IP - GOLD COAST PROJECT  
PHASE 1 CASHFLOW FOR GRANDSTAND, CORPORATE BOX & TRAINING POOL**

ANALYSIS CODE	DESCRIPTION	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
IIP40	Media Release	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IIP64	TV Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IIP41	Printing/Stationery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IIP42	Internet	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IIP43	Signage Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Subtotal</b>	-	-	-	-	-	-	10,000	-	-	-	-	-	-	-	-	-	-	-	10,000
	<b>Authorities</b>																			
IIP44	Application Fees - Council	-	-	53,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,000
IIP65	Water Headworks	-	-	150,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150,000
IIP66	Sewer Headworks	-	-	150,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150,000
IIP67	Transport Headworks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IIP68	External Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Subtotal</b>	-	-	353,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	353,000
	<b>Administration</b>																			
IIP45	Project Delivery	18,216	19,044	16,560	19,044	18,216	17,388	19,044	16,560	17,388	18,216	19,044	16,560	19,044	18,216	17,388	19,044	17,388	14,904	321,264
IIP46	Project Management	4,752	4,968	4,320	4,968	4,752	4,536	4,968	4,320	4,536	4,752	4,968	4,320	4,968	4,752	4,536	4,968	4,536	3,888	83,808
IIP47	Administration Expense	2,992	3,128	2,720	3,128	2,992	2,856	3,128	2,720	2,856	2,992	3,128	2,720	3,128	2,992	2,856	3,128	2,856	2,448	52,768
IIP48	Travel	-	966	840	966	924	882	966	840	882	924	966	840	-	-	-	-	-	-	10,000
IIP49	Accommodation	-	966	840	966	924	882	966	840	882	924	966	840	-	-	-	-	-	-	10,000
IIP50	Meals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IIP51	Operational Overheads	-	272	272	313	300	286	313	272	286	300	313	272	313	300	286	313	286	300	5,000
IIP52	Interest Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Subtotal</b>	25,960	29,345	25,553	29,386	28,108	26,831	29,386	25,553	26,831	28,108	29,386	25,553	27,453	26,260	25,066	27,453	25,066	21,540	482,840
	<b>TOTAL</b>	179,136	155,857	1,031,657	880,439	837,159	796,925	1,820,033	1,051,195	1,091,255	1,081,315	1,071,375	901,195	1,011,790	967,800	923,809	610,109	557,056	493,592	15,461,696
	<b>CUMM TOTAL</b>	179,136	334,993	1,366,650	2,247,089	3,084,247	3,881,172	5,701,205	6,752,400	7,843,655	8,924,970	9,996,345	10,897,541	11,909,331	12,877,131	13,800,939	14,411,048	14,968,104	15,461,696	

Note: Figures exclude GST

***Scope of Works:***

**Member and Public Facilities**

- (a) The GCTC to continue to work with Lend Lease to develop the proposed scope of works within the \$14.97M budget.
- (b) Awarding of the engagement of contractors must satisfy all Requirements of Racing Queensland and the Government.
- (c) The GCTC to provide Racing Queensland with the final scope of works for the \$14.97M expenditure and a business case outlining the benefits of this investment to the long term sustainability of the GCTC. This will be included within the Business Case to be submitted to the Government.
- (d) Once approved by the Government, Racing Queensland, as per the Requirements, will be responsible for managing this expenditure and will be required to ensure an appropriate tender process is adhered to prior to the engagement of contractors.
- (e) Racing Queensland will consult with the GCTC prior to the engagement of contractors.
- (f) The commencement date for works will be contingent upon the timing of the Government approval for the Business Case.

**Cairns Facility**  
**Cairns Jockey Club and Cairns Amateurs**

	Actuals				Forecast			
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY13	FY14	FY15	FY16
<b><u>Financial Results</u></b>								
Revenue Combined	\$3,365,303	\$3,092,652	\$2,519,048	\$2,280,928	\$2,506,871	\$2,569,050	\$2,679,479	\$2,784,751
<b>Total Revenue</b>	<b>\$3,365,303</b>	<b>\$3,092,652</b>	<b>\$2,519,048</b>	<b>\$2,280,928</b>	<b>\$2,506,871</b>	<b>\$2,569,050</b>	<b>\$2,679,479</b>	<b>\$2,784,751</b>
	\$3,531,455	\$3,260,556	\$2,512,947	\$2,190,480	\$2,444,508	\$2,480,273	\$2,563,437	\$2,649,809
<b>Total Expenditure</b>	<b>\$3,531,455</b>	<b>\$3,260,556</b>	<b>\$2,512,947</b>	<b>\$2,190,480</b>	<b>\$2,444,508</b>	<b>\$2,480,273</b>	<b>\$2,563,437</b>	<b>\$2,649,809</b>
<b>EBITDA</b>	<b>(\$166,152)</b>	<b>(\$167,904)</b>	<b>\$6,101</b>	<b>\$90,448</b>	<b>\$62,363</b>	<b>\$88,777</b>	<b>\$116,042</b>	<b>\$134,942</b>
Depreciation	\$189,810	\$154,772	\$145,733	\$164,875	\$215,565	\$215,565	\$216,050	\$216,549
<b>Operating surplus/(deficit)</b>	<b>(\$355,962)</b>	<b>(\$322,676)</b>	<b>(\$139,632)</b>	<b>(\$74,427)</b>	<b>(\$153,202)</b>	<b>(\$126,788)</b>	<b>(\$100,008)</b>	<b>(\$81,607)</b>
Extraordinary Items					\$1,966,833			
<b>Total surplus/(deficit)</b>	<b>(\$355,962)</b>	<b>(\$322,676)</b>	<b>(\$139,632)</b>	<b>(\$74,427)</b>	<b>\$1,813,630</b>	<b>(\$126,788)</b>	<b>(\$100,008)</b>	<b>(\$81,607)</b>
Number of Meetings	12	12	14	13	14	14	14	14
Attendance	18,000	18,000	20,000	23,100	22,450	23,573	24,751	25,989

**CAIRNS FACILITY**

	Actuals				Forecast			
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY13	FY14	FY15	FY16
<b><u>Financial Results</u></b>								
Racing income	\$1,261,143	\$941,965	\$740,871	\$740,629	\$773,933	\$828,504	\$887,453	\$939,834
Operating & administrative income	\$395,476	\$283,164	\$259,294	\$254,032	\$240,797	\$248,404	\$256,200	\$264,096
RQL Operational Subsidy	\$81,450	\$47,150	\$38,325	\$38,000	\$36,000	\$36,000	\$36,000	\$36,000
<b>Total Revenue</b>	<b>\$1,738,069</b>	<b>\$1,272,279</b>	<b>\$1,038,490</b>	<b>\$1,032,661</b>	<b>\$1,050,729</b>	<b>\$1,112,908</b>	<b>\$1,179,653</b>	<b>\$1,239,931</b>
Racing expenditure	\$1,068,561	\$764,561	\$593,114	\$458,899	\$562,049	\$587,006	\$613,372	\$641,243
Operating & administrative expenses	\$585,594	\$379,646	\$294,794	\$405,931	\$312,665	\$321,910	\$331,567	\$341,514
Course & facilities repairs & maintenance expense	\$100,764	\$78,186	\$74,157	\$54,162	\$106,586	\$108,148	\$111,393	\$114,734
<b>Total Expenditure</b>	<b>\$1,754,919</b>	<b>\$1,222,392</b>	<b>\$962,065</b>	<b>\$918,991</b>	<b>\$981,299</b>	<b>\$1,017,064</b>	<b>\$1,056,332</b>	<b>\$1,097,491</b>
<b>EBITDA</b>	<b>(\$16,850)</b>	<b>\$49,887</b>	<b>\$76,425</b>	<b>\$113,670</b>	<b>\$69,430</b>	<b>\$95,844</b>	<b>\$123,321</b>	<b>\$142,439</b>
Depreciation	\$170,000	\$141,036	\$129,000	\$150,240	\$199,411	\$199,411	\$199,411	\$199,411
<b>Operating surplus/(deficit)</b>	<b>(\$186,850)</b>	<b>(\$91,149)</b>	<b>(\$52,575)</b>	<b>(\$36,570)</b>	<b>(\$129,981)</b>	<b>(\$103,567)</b>	<b>(\$76,089)</b>	<b>(\$56,972)</b>
Extraordinary Items	\$0	\$106,533	\$136,159	\$280,105	\$1,966,833			
<b>Total surplus/(deficit)</b>	<b>(\$186,850)</b>	<b>(\$197,682)</b>	<b>(\$188,734)</b>	<b>(\$316,675)</b>	<b>\$1,836,852</b>	<b>(\$103,567)</b>	<b>(\$76,089)</b>	<b>(\$56,972)</b>
<b><u>Liquidity Position</u></b>								
Cash	\$2,200	\$8,193	\$2,200	\$45,534				
Current assets	\$157,722	\$135,039	\$99,077	\$123,139				
Current liabilities	\$672,290	\$763,913	\$614,059	\$1,353,503				
Net current assets	<b>(\$512,368)</b>	<b>(\$620,681)</b>	<b>(\$512,782)</b>	<b>(\$1,184,830)</b>				
Non-Current assets	\$19,926,402	\$5,237,556	\$5,057,492	\$4,924,639				
Non-Current liabilities	\$5,492	\$34,386	\$0	\$0				
Net Non-Current assets	<b>\$19,920,910</b>	<b>\$5,203,170</b>	<b>\$5,057,492</b>	<b>\$4,924,639</b>				
Net Assets	<b>\$19,408,543</b>	<b>\$4,582,489</b>	<b>\$4,544,710</b>	<b>\$3,739,809</b>				
<b><u>Other Key Statistics</u></b>								

Increase	% Increase
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Number of race meetings	10	10	12	11	12	12	12	12	1	9%
Number of races	67	55	79	59	80	80	80	80	21	36%
Number of starters	647	467	766	497	720	720	720	720	223	45%
Average starters per race	9.7	8.5	9.7	8.4	9.0	9.0	9.0	9.0	1	7%
Training Starters	708	757	805	830	830	840	850	850	10	1%
Attendance numbers	8,000	8,000	9,000	8,500	9,450	9,923	10,419	10,940	1,423	17%
Member numbers	647	507	271	122	130	140	150	160	18	15%
No Horses registered at facilities	110	110	120	120	120	120	120	120	-	0%
No Trainers registered	12	12	12	12	12	12	12	12		
CPI average of 3% for future returns					3%	3%	3%	3%		
Number of Horses to Training Starters Ratio	15.54%	14.53%	14.91%	14.46%	14.46%	14.29%	14.12%	14.12%		

**CAIRNS FACILITY**

		Actual	Actual	Actual	Actual	Forecast			
		FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY13	FY14	FY15	FY16
<b>Prizemoney club envisages to pay over the RQL scheduled Prizemoney (Profit)/Loss</b>		15	\$21,250	74,000	15,000	-	-	-	-
<b>RACING INCOME</b>									
Bar (Gross sales)	1	678,336	516,804	403,252	326,151	393,009	425,039	459,680	497,144
Catering (Gross sales)	1A	42,558	99,972	30,968	22,318	31,948	32,907	33,894	34,911
Tote Income (Gross commissions)	1D	57,623	45,873	29,596	22,733	32,734	33,716	34,727	35,769
Advertising	1B	65,008	0	0		10,705	10,705	11,026	11,357
Race Day Packages (net)	1C	-6,861	17,706	0		-	-	-	-
Gate takings/Admission Fees	1G	16,872	66,649	86,854	114,562	75,600	89,303	104,186	109,396
Race Book Sales	1C	955	534	4,174		2,354	2,425	2,497	2,572
Bookmakers fees	1C	36,309	24,527	37,159	21,684	27,790	28,624	29,483	30,367
Nominations and Acceptances	1C	0	0	0		-	-	-	-
Other Racing Income	1C	11,861	7,466	3,015	31,331	13,937	14,355	14,786	15,230
Sponsorship - Cash equivalent	1B	358,484	162,434	145,853	139,920	149,402	153,884	158,501	163,256
SKY Racing Broadcast Fee (Net of Signage)	1B	0	0	0	11,453	11,453	11,797	12,150	12,515
	1B	0	0	0	50,477	25,000	25,750	26,523	27,318
<b>TOTAL RACING INCOME</b>		<b>1,261,143</b>	<b>941,965</b>	<b>740,871</b>	<b>740,629</b>	<b>773,933</b>	<b>828,504</b>	<b>887,453</b>	<b>939,834</b>
<b>RACING EXPENDITURE</b>									
Advertising/Promotion	4G	135,749	79,024	58,740	74,967	70,910	73,038	75,229	77,486
Ambulance	4D	6,592	6,043	8,329		6,988	7,198	7,414	7,636
Bar - Costs of goods sold	2	46,390	260,565	177,509	157,730	157,204	170,016	183,872	198,857
Bar - wages	4A	47,368	60,153	56,669	52,144	54,083	55,706	57,377	59,098
Bar - other expenses	4A	0	0	0		-	-	-	-
Catering - Costs of goods sold	3	56,955	35,088	26,894	11,541	19,169	19,744	20,336	20,946
Catering - wages	4B	0	0	0		-	-	-	-
Catering - other expenses	4B	0	0	0		-	-	-	-
Tote - wages	4F	28,194	20,712	12,509		20,471	21,086	21,718	22,370
Tote - other expenses	4F	0	0	0		-	-	-	-
Closed Circuit/Picture/Broadcaster	4D	27,238	22,443	14,727		21,469	22,113	22,777	23,460
Control Body Fees	4D	0	0	0		-	-	-	-
Hire of equipment	4D	126,302	56,105	57,464	17,004	37,234	38,351	39,502	40,687
Photo finish	4D	1,699	2,556	3,298		3,298	3,397	3,499	3,604
Race Books	4D	12,298	14,589	9,785		12,224	12,591	12,969	13,358
Trophies	4D	0	0	0		-	-	-	-
Raceday Catering	4D	0	0	0		-	-	-	-
Raceday Entertainment	4G	19,396	100	0	9,376	7,218	7,435	7,658	7,887
Other Racing Expenditure	4D	461,643	40,968	54,539	69,334	47,754	49,186	50,662	52,182
Security (Race Day)	4D	49,814	38,269	30,983	34,068	43,462	44,766	46,109	47,492
Veterinary & Farrier Fees	4D	4,179	4,782	6,862		9,000	9,270	9,548	9,835
Wages Race Day	4E	7,719	30,398	18,563	17,081	24,000	24,720	25,462	26,225

Cleaning (Race day)
Race Course Rental
Sponsorship expenditure
Sponsorship contra

**TOTAL RACING EXPENDITURE**

**RACING PROFIT/LOSS**

	Actual FY 07/08	Actual FY 08/09	Actual FY 09/10	Actual FY 10/11
4D	15,774	18,767	41,243	15,654
4D	0	0	0	
4C	0	0	0	
4C	0	0	0	
	<b>1,047,311</b>	<b>690,561</b>	<b>578,114</b>	<b>458,899</b>
	<b>192,582</b>	<b>177,404</b>	<b>147,757</b>	<b>281,730</b>

Forecast			
FY13	FY14	FY15	FY16
27,564	28,391	29,243	30,120
-	-	-	-
-	-	-	-
-	-	-	-
<b>562,049</b>	<b>587,006</b>	<b>613,372</b>	<b>641,243</b>
<b>211,884</b>	<b>241,497</b>	<b>274,081</b>	<b>298,591</b>

		Actual	Actual	Actual	Actual	Forecast			
		FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY13	FY14	FY15	FY16
<b>OTHER OPERATING/ADMINISTRATION REVENUE</b>									
Interest Received	13	4	0						
Operational Subsidy from RQL		81,450	47,150	38,325	38,000	36,000	36,000	36,000	36,000
Grants/subsidies - Training Tracks	1E	116,013	35,939	41,696	40,727	15,719	15,812	15,905	15,905
Membership Subscriptions	1F	80,860	63,329	33,842	15,232	16,250	17,500	18,750	20,000
Track fees & Rentals	1H	85,563	181,660	184,165	177,462	172,000	177,160	182,475	187,949
Bar & Catering (net) - non race day functions	1H	35,505	0	0		11,835	12,190	12,556	12,932
Donations	9	-	-	-		-	-	-	-
Fund Raising Revenue	9	-	0	0		-	-	-	-
Insurance Recoveries	9	-	0	0		-	-	-	-
Other Operating/Admin Revenue	9	77,533	2,236	-409	20,611	24,993	25,742	26,515	27,310
<b>TOTAL OTHER OPERATING/ADMIN REVENUE</b>		<b>476,926</b>	<b>330,314</b>	<b>297,619</b>	<b>292,032</b>	<b>276,797</b>	<b>284,404</b>	<b>292,200</b>	<b>300,096</b>
<b>OTHER OPERATING/ADMINISTRATION EXPENDITURE</b>									
Accounting/Audit	7C	6,000	8,000	12,000	21,000	11,750	12,103	12,466	12,840
Consultancy/Legal	7C	15,094	7,149	0		5,000	5,150	5,305	5,464
Bank Charges & Interest	7C	25,799	24,714	24,928	24,585	25,007	25,757	26,529	27,325
Debt Collection and Bad Debts	7C	57	0	6,001				0	0
Cleaning (General)	7C	55,600	33,823	13,338	7,497	10,418	10,730	11,052	11,383
Electricity & Gas	7H	50,293	42,983	42,827	50,789	46,723	48,125	49,569	51,056
Fees, Permits and Licences	7C	13,383	1,907	4,878	1,047	2,611	2,689	2,770	2,853
Postage & Freight	7C	571	1,337	1,272		1,060	1,092	1,125	1,158
Printing & Stationery	7C	18,605	4,620	2,628	93,801	8,618	8,876	9,143	9,417
Insurance - Public Liability Fire & General	7G	29,079	29,004	15,116	31,101	26,075	26,857	27,663	28,493
Telephone/Fax	7H	17,232	10,768	12,933	9,127	12,515	12,890	13,277	13,675
Security (Admin)	7C	0	7,742	5,066		4,269	4,397	4,529	4,665
Rates	7H	24,959	43,270	63,218	34,526	41,493	42,738	44,020	45,341
Depreciation	8	170,000	141,036	129,000	150,240	199,411	199,411	199,411	199,411
Donations (re: statistics sheet)	7C	400	0	0		-	-	-	-
Fund Raising Expense	7C	0	0	0		-	-	-	-
Repairs & Maintenance	7B	12,405	5,690	6,243		2,000	2,000	2,060	2,122
Other Operating/Admin Expenses	7C	53,019	6,576	4,519	5,443	-	-	-	-
Committee expenditure (inc travel, entertainment, tele)	7D	0	0	0		1,000	1,000	1,030	1,061
Fringe Benefits Tax	7E	0	0	0		-	-	-	-
Wages and Salaries (administration)	7E	256,353	115,452	61,647	100,977	90,000	92,700	95,481	98,345
Superannuation and On costs	7E	0	19,536	10,387		20,548	21,142	21,776	22,430
Insurance - Workers Compensation	7E	4,808	3,082	0		3,578	3,663	3,773	3,886
Travelling Expenses (Staff only)	7C	1,936	0	0		-	-	-	-
Motor Vehicle	7C	-0	13,992	7,793	26,038	-	-	-	-
<b>TOTAL OTHER OPERATING/ADMIN EXPENSES</b>		<b>755,594</b>	<b>520,682</b>	<b>423,794</b>	<b>556,171</b>	<b>512,075</b>	<b>521,320</b>	<b>530,978</b>	<b>540,925</b>
<b>OTHER OPERATING/ADMINISTRATION PROFIT/LOSS</b>		<b>(278,667)</b>	<b>(190,367)</b>	<b>(126,175)</b>	<b>(264,139)</b>	<b>(235,279)</b>	<b>(236,916)</b>	<b>(238,778)</b>	<b>(240,828)</b>

**COURSE & FACILITIES REPAIRS & MAINTENANCE**

Wages and Salaries (maintenance)
Superannuation
Repairs and Maintenance (Track)
Repairs and Maintenance (Buildings)
Repairs and Maintenance (Equipment)
Fuel & Oil
Fertilizer
Other Repairs & Maintenance expenditure

**TOTAL COURSE & FACILITIES REPAIRS & MAINTENANCE**

**TOTAL PROFIT/LOSS**

**ABNORMAL ITEMS (+ are losses)**

**NET PROFIT/LOSS AFTER ABNORMAL ITEMS**

Revenue

Expense

	Actual FY 07/08	Actual FY 08/09	Actual FY 09/10	Actual FY 10/11
7F	53,416	56,469	46,343	42,643
7F	-	-	-	-
7A	29,400	6,677	3,978	-
7B	-	-	-	-
7B	-	10,480	18,031	-
7B	17,948	4,560	5,805	11,519
7A	-	-	-	-
7B	-	-	-	-
	<b>100,764</b>	<b>78,186</b>	<b>74,157</b>	<b>54,162</b>
	<b>(186,850)</b>	<b>(91,149)</b>	<b>(52,575)</b>	<b>(36,570)</b>
16		106,533	136,159	280,105
	<b>(186,850)</b>	<b>(197,682)</b>	<b>(188,734)</b>	<b>(316,675)</b>
			-	0
Revenue	1,738,069	1,272,279	1,038,490	1,032,661
Expense	1,924,919	1,363,428	1,091,065	1,069,231

Forecast			
FY13	FY14	FY15	FY16
50,000	50,000	51,500	53,045
4,500	4,500	4,635	4,774
30,000	30,900	31,827	32,782
5,000	5,150	5,305	5,464
7,128	7,342	7,562	7,789
9,958	10,257	10,564	10,881
-	-	-	-
-	-	-	-
<b>106,586</b>	<b>108,148</b>	<b>111,393</b>	<b>114,734</b>
<b>(129,981)</b>	<b>(103,567)</b>	<b>(76,089)</b>	<b>(56,972)</b>
<b>(129,981)</b>	<b>(103,567)</b>	<b>(76,089)</b>	<b>(56,972)</b>
1,050,729	1,112,908	1,179,653	1,239,931
1,180,710	1,216,475	1,255,743	1,296,902

Actual	Actual	Actual	Actual
FY 07/08	FY 08/09	FY 09/10	FY 10/11

Forecast			
FY13	FY14	FY15	FY16

### Assumptions

#### Training and Racing Facilities Members and Public Facilities

Start  
1 April 2012  
1 April 2012

#### Fully Operational CPI increase p.a.

1 July 2013

#### Number of Meetings

#### Attendees based on Information supplied by the club

#### - Normal Meeting

#### - Cairns Cup Weekend

#### Total Cairns Jockey Club Attendance

#### Growth in Attendance with all meetings going ahead

#### Average Attendance Per Meeting

	100%	100%	100%	100%
	3%	3%	3%	3%
Number of Meetings	12	12	12	12
Attendees based on Information supplied by the club	9,450	9,923	10,419	10,940
- Normal Meeting	525	551	579	608
- Cairns Cup Weekend	4,200	4,410	4,631	4,862
Total Cairns Jockey Club Attendance	9,450	9,923	10,419	10,940
Growth in Attendance with all meetings going ahead	5%	5%	5%	5%
Average Attendance Per Meeting	788	827	868	912
	11%	5%	5%	5%

Based on Historical and Trends and similar clubs meetings and a better marketed facility and full race program going ahead due to the upgraded track

#### Bar (Gross sales)

Based on Historical GP% and Trends and frequency in meetings

Average Spend per meeting

Average Spend per attendee

Gross Sales

67,833.57	51,680.37	33,604.33	29,650.09	32,750.74	35,419.93	38,306.65	41,428.64
84.79	64.60	44.81	38.37	41.59	42.84	44.12	45.44
678,336	516,804	403,252	326,151	393,009	425,039	459,680	497,144

Racing Bar and Catering increase due to more consistency in meetings

Bar GP %	93.16%	49.58%	55.98%	51.64%	60.00%	60.00%	60.00%	60.00%
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#### Catering (Gross sales)

Based on Historical GP% and Trends and full race program going ahead due to upgraded track

Gross Sales

Average Spend per meeting

Average Spend per attendee

Gross Sales

Catering GP %

42,558	99,972	30,968	22,318	31,948	32,907	33,894	34,911
4,255.85	9,997.22	2,580.67	2,028.91	2,662.35	2,742.22	2,824.48	2,909.22
5.32	12.50	3.44	2.63	5.97	5.97	6.15	6.33
42,558	99,972	30,968	22,318	56,423.26	59,244.43	64,072.85	69,294.79
-33.83%	64.90%	13.16%	48.29%	40.00%	40.00%	40.00%	40.00%

#### Tote Income (Gross commissions)

Based on Historical GP% and Trends and full race program going ahead due to upgraded track

#### Advertising

Based on Historical and Trends and Increase in meetings and more Saturday meetings and more exposure with better quality meetings

#### Gate takings/Admission Fees

	Actual	Actual	Actual	Actual	Forecast			
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY13	FY14	FY15	FY16
Average Attendance Per Meeting	800	800	750	773	788	827	868	912
Attendance numbers	8,000	8,000	9,000	8,500	9,450	9,923	10,419	10,940
Average Admission Charge Per Meeting	2.11	8.33	9.65	13.48	8.00	9.00	10.00	10.00
Total Gate Takings/Admission Fees	<b>16,872</b>	<b>66,649</b>	<b>86,854</b>	<b>114,562</b>	<b>75,600</b>	<b>89,303</b>	<b>104,186</b>	<b>109,396</b>
Based on Historical and Trends and similar clubs meetings and a better marketed facility and full race program going ahead due to the upgraded track								
Average Attendance on a Saturday		500						
Average Attendance on a Feature Day		5000						

**Bookmakers fees**

Based on Historical and Trends

**Sponsorship - Cash equivalent**

Based on Historical and Trends

**SKY Racing Broadcast Fee (Net of**

Based on Historical and Trends

**Signage**

Based on Historical information from similar clubs and Trends and meetings and TAB Saturday meetings and more exposure

Actual	Actual	Actual	Actual
FY 07/08	FY 08/09	FY 09/10	FY 10/11

Forecast			
FY13	FY14	FY15	FY16

### RACING EXPENDITURE

Based on Historical information from similar clubs and Trends and meetings and TAB Saturday meetings and more exposure  
Increased with CPI annually

#### Wages on Race Day

Security (Race Day)

Average Cost Per Meeting

4,981.45	3,827	2,582	3,097
10	10	12	11
<b>49,814</b>	<b>38,269</b>	<b>30,983</b>	<b>34,068</b>

3,622	3,731	3,842	3,958
12	12	12	12
<b>43,462</b>	<b>44,766</b>	<b>46,109</b>	<b>47,492</b>

#### Veterinary & Farrier Fees

Veterinarian fee per meeting

Farrier fee per meeting

Total

Number of Meetings

Total Cost Per Meeting

<b>4,179</b>	<b>4,782</b>	<b>6,862</b>	<b>0</b>

500	515	530	546
250	258	265	273
<b>750</b>	<b>773</b>	<b>796</b>	<b>820</b>
12	12	12	12
<b>9,000</b>	<b>9,270</b>	<b>9,548</b>	<b>9,835</b>

#### Wages Race Day Includes

Assistant Starter

Treader/Mounting Yard

Horse Entrance and Tie up stalls attendants

Barrier Attendant

Scales Room Attendant

Clerk Of Course

Judge

Photo finish Operator

Shoeing Inspector

Gate Entrance Staff

Total Cost Per Race Day

Number of Meetings

Total Cost Per Annum

772	3,040	1,547	1,553
10	10	12	11
<b>7,719</b>	<b>30,398</b>	<b>18,563</b>	<b>17,081</b>

2,000	2,060	2,122	2,185
12	12	12	12
<b>24,000</b>	<b>24,720</b>	<b>25,462</b>	<b>26,225</b>

Based on historical trends per meeting charge and similar clubs

#### Cleaning (Race day)

Average Cost Per Meeting

1,577.44	1,876.72	3,436.92	1,423.09
10	10	12	11
<b>15,774</b>	<b>18,767</b>	<b>41,243</b>	<b>15,654</b>

2,297.03	2,365.94	2,436.92	2,510.02
12	12	12	12
<b>27,564</b>	<b>28,391</b>	<b>29,243</b>	<b>30,120</b>

### OTHER OPERATING/ADMINISTRATION REVENUE

Grants & Subsidies

Operational Subsidy per Race Meeting

3,000	3,000	3,000	3,000
-------	-------	-------	-------

3,000	3,000	3,000	3,000
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Actual	Actual	Actual	Actual
FY 07/08	FY 08/09	FY 09/10	FY 10/11
30,000	30,000	36,000	33,000

Total Subsidy  
Operational Subsidy Based on the existing per meeting payment and similar Non TAB clubs

Forecast			
FY13	FY14	FY15	FY16
36,000	36,000	36,000	36,000

#### Training Track Subsidy Provided by Queensland State Government

Starters	708	757	805	830	830	840	850	850
Incentive Subsidy Per Starter	17.37	14.03	13.89	14.89	9.30	9.30	9.30	9.30
Training Track Subsidy = \$14.00 per starter @ 850 starters	12,300	10,619	11,182	12,361	7,719	7,812	7,905	7,905
Training Track Subsidy - \$8,000 threshold payment	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Total Government Grants	20,300	18,619	19,182	20,361	15,719	15,812	15,905	15,905
Other Grants		17,320	22,514	20,366	-			
Total Grants	50,300	65,939	77,696	73,727	51,719	47,661	51,905	51,905

#### Membership Subscriptions

Number of Members	647	507	271	122	130	140	150	160
Annual Subscription	125	125	125	125	125	125	125	125
Total \$ Member Subscriptions	80,860	63,329	33,842	15,232	16,250	17,500	18,750	20,000

Increase numbers due to better facility and more appeal and more benefits and no admission fee

	Actual				Forecast			
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY13	FY14	FY15	FY16
<b>Track fees &amp; Rentals</b>								
Rental Fees	45,573	102,292	92,225	100,583	100,000	103,000	106,090	109,273
Track Fees - 120 horses @ \$50 per month								
Number of Horses					120	120	120	120
Rate per Horse based on Industry Standard similar to other training Venues					50	52	53	55
Total Annual Track Fees					<b>72,000</b>	<b>74,160</b>	<b>76,385</b>	<b>78,676</b>
Stable Rent								
<b>Bar &amp; Catering (net) - non race day functions</b>								
Other functions					11,835	12,190	12,556	12,932
Based on Historical information from similar clubs and Trends and meetings and TAB Saturday meetings and more exposure								
Non Racing Venue Revenue (functions etc.) calculated on average cost of function types							3%	3%
<b>OTHER OPERATING/ADMINISTRATION EXPENDITURE</b>								
All Operating and Administrative Expenditure based on Historical information from similar clubs and more exposure with better quality meetings								
Increased with CPI annually								
<b>Wages and Salaries (administration)</b>								
Based on 1 Full Time Resource					50,000	51,500	53,045	54,636
Other Perm Part Time					40,000	41,200	42,436	43,709
Superannuation and On costs					25,048	25,642	26,411	27,204
Insurance - Workers Compensation					3,578	3,663	3,773	3,886
Total Wages								
Bar - wages	47,368	60,153	56,669	52,144	54,083	55,706	57,377	59,098
Catering - wages	-	-	-	-	-	-	-	-
Tote - wages	28,194	20,712	12,509	-	20,471	21,086	21,718	22,370
Wages Race Day	7,719	30,398	18,563	17,081	24,000	24,720	25,462	26,225
Wages and Salaries (administration)	256,353	115,452	61,647	100,977	90,000	92,700	95,481	98,345
Wages and Salaries (maintenance)	53,416	56,469	46,343	42,643	50,000	50,000	51,500	53,045
	<b>393,049</b>	<b>283,183</b>	<b>195,731</b>	<b>212,844</b>	<b>238,555</b>	<b>244,211</b>	<b>251,538</b>	<b>259,084</b>
<b>Depreciation</b>								
<b>Current Depreciation less disposals</b>	170,000	141,036	129,000	150,240	150,240	150,240	150,240	150,240
Depreciation Calculations Required	<b>Method</b>	<b>Value</b>	<b>Approximate</b>	<b>Rate</b>				
Racing Surfaces	40yrs @ 2.5%	1,966,833	49,171	2.50%				
Buildings & Facilities Improvements								
Infrastructure Plan Funding	40yrs @ 2.5%	-	-	2.50%				
Approximate Depreciation impact		1,966,833	49,171		<b>49,171</b>	<b>49,171</b>	<b>49,171</b>	<b>49,171</b>

Total Depreciation

Actual	Actual	Actual	Actual
FY 07/08	FY 08/09	FY 09/10	FY 10/11

Forecast			
FY13	FY14	FY15	FY16
199,411	199,411	199,411	199,411

**COURSE & FACILITIES REPAIRS & MAINTENANCE**

All Course and Facilities Repairs and Maintenance Expenditure based on Historical information from similar clubs where the meeting have transferred from and Trends and Increase in meetings and TAB Saturday meeting Increased with CPI annually

**Wages and Salaries (maintenance)**

Course wages & salaries based on 1 (FTE) employee @ \$50,000 TRV

Superannuation calculated at 9% of wages & salaries

50,000	50,000	51,500	53,045
4,500	4,500	4,635	4,774

**Repairs and Maintenance**

Based on Historical information from similar clubs where the meeting have transferred from and Trends and more exposure with better quality meetings

Also based on the number of meetings and the more maintenance required for a TAB meeting. This may be reduce due to the better quality of the new track with better drainage etc.

**Extraordinary Item**

This is the Infrastructure Plan Funding Grant as a grant to the Cairns Facility

**1,966,833**

The Return to Racing Queensland from Operating a TAB facility which is line with a historical returns.

These funds are returned to the industry in the form of prizemoney and other incentives as well as funding clubs through the operational subsidy Industry Returns via Product Fees from TattsBet

**Cairns Jockey Club**  
**Balance Sheet**

<b>CURRENT ASSETS</b>	<b>NOTES</b>	<b>2007/2008</b>	<b>2008/2009</b>	<b>2009/2010</b>	<b>2010/2011</b>
Cash at Bank	38	2,200	6,553	2,200	45,534
Cash on Hand	38		1,640	-	
Accounts Recievable	33	104,508	97,353	57,554	72,793
Prepayments	38			8,733	4,144
Investments - Cash	45				
Investments - Sharemarket/Portfolio	45				
Inventory	34	53,214	37,686	32,790	46,202
<b>TOTAL CURRENT ASSETS</b>		<b>159,922</b>	<b>143,232</b>	<b>101,277</b>	<b>168,673</b>
<b>NON-CURRENT ASSETS</b>					
Property, Plant & Equipment	43	19,926,402	5,237,556	5,057,492	4,924,639
Improvements	43				
Investments - Cash	45				
Investments - Sharemarket/Portfolio	45				
Inventory	34				
<b>TOTAL NON-CURRENT ASSETS</b>		<b>19,926,402</b>	<b>5,237,556</b>	<b>5,057,492</b>	<b>4,924,639</b>
<b>TOTAL ASSETS</b>		<b>20,086,324</b>	<b>5,380,788</b>	<b>5,158,769</b>	<b>5,093,312</b>
<b>CURRENT LIABILITIES</b>					
Accounts Payable	39	345,555	379,132	291,447	545,344
Bank Overdraft	29	104,831	205,008	67,223	47,825
Loans	29	196,662	100,000	154,514	639,601
Leases	29			19,798	
Provisions - AL, SL and LSL	41	10,576	10,455	14,504	18,774
Provisions - Other	41				
Unearned Income	42	14,667	69,318	66,573	101,959

<b>TOTAL CURRENT LIABILITIES</b>		<b>672,290</b>	<b>763,913</b>	<b>614,059</b>	<b>1,353,503</b>
<b>NON-CURRENT LIABILITIES</b>					
Loans	30	313,114	312,292	484,505	
Leases	30	59,896	41,366	3,477	
Provisions - AL, SL and LSL	41			246	
Provisions - Other	41	24,445			
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>397,455</b>	<b>353,658</b>	<b>488,228</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>1,069,745</b>	<b>1,117,571</b>	<b>1,102,287</b>	<b>1,353,503</b>
<b>NET ASSETS</b>		<b>19,016,580</b>	<b>4,263,217</b>	<b>4,056,482</b>	<b>3,739,809</b>

**Cairns Amateurs Financial Summary to 31 March**

<b>Revenue</b>	<b>Actuals</b>				<b>Forecast</b>			
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
Advertising	2,000		103,182					
Bookmakers Fees	11,991	14,605	18,273	19,727	16,633	16,633	17,132	17,646
Functions & Corporate Areas	442,237	273,455	134,429	106,435	176,583	176,583	181,880	187,337
Gate Takings	187,962	185,980	165,411	117,535	169,149	169,149	174,223	179,450
Interest	21,273	20,323	1,788		14,895	14,895	15,342	15,802
Members Subscriptions & Entrance Fees	318,540	502,053	508,754	425,801	451,951	451,951	465,509	479,474
Merchandise & Bar Sales	372,694	340,205	255,258	244,974	312,381	312,381	321,753	331,405
Nominations & Acceptances			2,744		2,826	2,826	2,911	2,998
Rent			9,545	17,500	13,928	13,928	14,346	14,776
Sponsorship	249,841	457,841	265,320	272,545	270,446	270,446	278,559	286,916
Sundry Income	3,218	10,651	1,150	25,475	10,427	10,427	10,740	11,062
T.A.B. Commission	17,478	15,260	14,704	18,275	16,922	16,922	17,430	17,953
<b>Total Revenue</b>	<b>1,627,234</b>	<b>1,820,373</b>	<b>1,480,558</b>	<b>1,248,267</b>	<b>1,456,142</b>	<b>1,456,142</b>	<b>1,499,826</b>	<b>1,544,821</b>
<b>Expenses</b>								
Administration Costs	157,948	158,363	102,422	192,840	157,480	157,480	162,204	167,071
Audit	4,935	5,230	6,000	6,300	6,335	6,335	6,525	6,720
Depreciation	19,810	13,736	16,733	14,635	16,155	16,155	16,639	17,138
Merchandise & Bar Purchases	323,633	294,272	180,076	113,641	151,264	151,264	155,802	160,476
Prize Monies	29,161	-	12,396	15,276	19,513	19,513	20,098	20,701
Promotions & Marketing	48,699	58,696	75,585	45,390	58,805	58,805	60,569	62,387
Race Course Expenses	428,902	536,864	387,404	302,385	355,241	355,241	365,899	376,876
Social Functions & Corporate Areas	764,627	921,739	732,146	539,089	654,686	654,686	674,327	694,556
Track Rental	18,631	63,000	54,853	56,568	59,885	59,885	61,681	63,532
<b>Total Expenditure</b>	<b>1,796,346</b>	<b>2,051,900</b>	<b>1,567,615</b>	<b>1,286,124</b>	<b>1,479,363</b>	<b>1,479,363</b>	<b>1,523,744</b>	<b>1,569,456</b>
<b>Surplus/Deficit(-)</b>	<b>(169,112)</b>	<b>(231,527)</b>	<b>(87,057)</b>	<b>(37,857)</b>	<b>(23,222)</b>	<b>(23,222)</b>	<b>(23,918)</b>	<b>(24,636)</b>
<b>Balance Sheet</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>				
Cash	197,065	159,946	5,106	11,481				
Current Assets	60,936	17,591	19,994	20,080				
Current Liabilities	27,270	182,362	112,514	146,412				
Liquidity	230,731	(4,825)	(87,414)	(114,851)				
Non-Current Assets	124,411	127,990	123,522	113,102				
Non-Current Liabilities	0	0	0	0				
Net Assets	355,142	123,165	36,108	(1,749)				
Meetings Scheduled	2	2	2	2	2	2	2	2
Meetings Held	1	1	2	2	2	2	2	2
Race Day Attendance	10,000	10,000	11,000	14,600	13,000	13,650	14,333	15,049
Average Friday Attendance	3,000	3,000	4,000	4,000	5%	5%	5%	5%
Average Saturday Attendance	7,000	7,000	7,000	8,000	8,000	8,400	8,820	9,261
<b>Combined Raceday TAB Wagering information</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>				
On-Course	444,856	1,387,083	266,297	913,299	910,000			
Off-Course	2,528,817	1,506,456	1,895,949	1,716,377	1,800,000			
Fixed Odds	-	7,457	81,290	487,898				
Approx Return to Industry	168,844	104,408	137,129	149,117				
CPI					3%	3%	3%	3%

## BEAUDESERT FACILITY

	FY 07/08	FY 08/09	FY 09/10	FY 10/11	Jan 1, 2013 to 30 June 2013	FY14	FY15	FY16
<b><u>Financial Results</u></b>								
Racing income	\$250,996	\$298,314	\$227,551	\$197,878	\$279,244	\$553,724	\$593,399	\$636,073
Operating & administrative income	\$89,115	\$184,051	\$151,940	\$140,735	\$98,025	\$191,660	\$214,787	\$239,703
RQL Operational Subsidy	\$0	\$27,751	\$21,000	\$21,000	\$88,920	\$177,840	\$177,840	\$177,840
<b>Total Revenue</b>	<b>\$340,111</b>	<b>\$510,116</b>	<b>\$400,491</b>	<b>\$359,613</b>	<b>\$466,189</b>	<b>\$923,224</b>	<b>\$986,027</b>	<b>\$1,053,616</b>
Racing expenditure	\$263,600	\$374,152	\$287,203	\$276,521	\$233,393	\$466,786	\$480,790	\$495,214
Operating & administrative expenses	\$12,084	(\$13,390)	(\$5,439)	(\$325)	\$137,096	\$165,992	\$170,972	\$176,101
Course & facilities repairs & maintenance expense	\$54,754	\$139,570	\$89,128	\$79,477	\$140,468	\$280,936	\$289,364	\$298,045
<b>Total Expenditure</b>	<b>\$330,438</b>	<b>\$500,331</b>	<b>\$370,892</b>	<b>\$355,673</b>	<b>\$510,957</b>	<b>\$913,715</b>	<b>\$941,126</b>	<b>\$969,360</b>
<b>EBITDA</b>	<b>\$9,673</b>	<b>\$9,785</b>	<b>\$29,599</b>	<b>\$3,940</b>	<b>(\$44,769)</b>	<b>\$9,510</b>	<b>\$44,901</b>	<b>\$84,256</b>
Depreciation	\$29,586	\$9,383	\$9,629	\$7,144	\$107,654	\$210,307	\$210,307	\$210,307
<b>Operating surplus/(deficit)</b>	<b>(\$19,913)</b>	<b>\$402</b>	<b>\$19,970</b>	<b>(\$3,204)</b>	<b>(\$152,422)</b>	<b>(\$200,797)</b>	<b>(\$165,406)</b>	<b>(\$126,051)</b>
Extraordinary Items					\$8,212,290			
<b>Total surplus/(deficit)</b>	<b>(\$19,913)</b>	<b>\$402</b>	<b>\$19,970</b>	<b>(\$3,204)</b>	<b>\$8,059,868</b>	<b>(\$200,797)</b>	<b>(\$165,406)</b>	<b>(\$126,051)</b>
<b><u>Liquidity Position</u></b>								
Cash	\$38,058	\$24,045	\$20,478	\$1,997				
Current assets	\$44,059	\$36,179	\$41,505	\$37,271				
Current liabilities	\$4,282	\$39,083	\$32,742	\$27,069				
<b>Net current assets</b>	<b>\$77,835</b>	<b>\$21,141</b>	<b>\$29,241</b>	<b>\$12,199</b>				
Non-Current assets	\$61,821	\$94,472	\$47,691	\$40,547				
Non-Current liabilities	\$5,492	\$34,386	\$0	\$0				
<b>Net Non-Current assets</b>	<b>\$56,329</b>	<b>\$60,086</b>	<b>\$47,691</b>	<b>\$40,547</b>				
<b>Net Assets</b>	<b>\$134,165</b>	<b>\$81,227</b>	<b>\$76,932</b>	<b>\$52,746</b>				

**Other Key Statistics**

Number of race meetings	5	7	7	7
Number of races	31	37	37	32
Number of starters	328	431	424	377
Average starters per race	10.6	11.6	11.5	11.8
Training Starters	999	1,256	1,473	1,471
Attendance numbers	4,489	4,578	5,500	5,148
Member numbers	23	40	40	55
No Horses registered at facilities	N/A	157	160	200
No Trainers registered	N/A	45	57	59
CPI average of 3% for future returns				
Number of Horses to Training Starters Ratio		12.50%	10.86%	13.60%

					Increase	% Increase
	9	18	18	18	11	157%
	63	121	121	121	89	278%
	693	1,331	1,331	1,331	954	253%
	11.0	11.0	11.0	11.0	1	-7%
	750	1,500	1,650	1,815	29	2%
	6,750	13,238	13,900	14,595	8,090	157%
	65	75	100	120	20	36%
	195	195	215	236	5	-3%
	60	60	60	60		
	3%	3%	3%	3%		
	13.00%	13.00%	13.00%	13.00%		



**BEAUDESERT FACILITY**

		Actual	Actual	Actual	Actual	Forecast			
		FY 07/08	FY 08/09	FY 09/10	FY 10/11	Jan 1, 2013 to 30 June 2013	FY14	FY15	FY16
<b>Prizemoney club envisages to pay over the RQL scheduled Prizemoney (Profit)/Loss</b>		15	\$0	-	5,000	-	-	-	-
<b>RACING INCOME</b>									
Bar (Gross sales)	1	110,905	176,029	134,062	109,174	135,000	264,754	286,332	309,668
Catering (Gross sales)	1A	26,200	48,206	30,369	37,164	49,118	96,328	104,179	112,669
Tote Income (Gross commissions)	1D	7,000	8,710	10,465	7,183	9,235	18,471	19,025	19,595
Advertising	1B	2,521	2,991	4,680	4,163	5,352	10,705	11,026	11,357
Race Day Packages (net)	1C				-	-	-	-	-
Gate takings/Admission Fees	1G	17,934	15,473	18,891	15,176	23,625	49,641	55,598	62,027
Race Book Sales	1C	2,231	5,869	5,856	4,122	5,300	10,599	10,917	11,245
Bookmakers fees	1C	4,772	16,909	6,359	5,591	7,188	14,377	14,808	15,252
Nominations and Acceptances	1C				-	-	-	-	-
Other Racing Income	1C				4,696	6,038	12,075	12,438	12,811
Sponsorship - Cash equivalent	1B	79,433	24,127	14,757	10,609	13,640	27,280	28,099	28,942
SKY Racing Broadcast Fee (Net of Signage)	1B					18,747	37,493	38,618	39,776
	1B					6,000	12,000	12,360	12,731
<b>TOTAL RACING INCOME</b>		<b>250,996</b>	<b>298,314</b>	<b>225,440</b>	<b>197,878</b>	<b>279,244</b>	<b>553,724</b>	<b>593,399</b>	<b>636,073</b>
<b>RACING EXPENDITURE</b>									
Advertising/Promotion	4G	11,158	21,011	5,718	8,316	10,692	21,384	22,026	22,686
Ambulance	4D		7,071	5,713	7,130	9,167	18,334	18,884	19,451
Bar - Costs of goods sold	2	53,533	59,493	55,283	42,156	54,201	108,401	111,653	115,003
Bar - wages	4A	9,376	15,576	11,518	14,216	18,278	36,555	37,652	38,782
Bar - other expenses	4A		10,375	601	0	0	0	0	0
Catering - Costs of goods sold	3	17,240	32,406	15,520	15,971	20,534	41,068	42,300	43,569
Catering - wages	4B	4,972	7,381	6,152	9,269	11,917	23,835	24,550	25,286
Catering - other expenses	4B		636	318	0	0	0	0	0
Tote - wages	4F		9,009	7,639	8,800	11,314	22,629	23,307	24,007
Tote - other expenses	4F	9,014	3,500	3,500	3,500	4,500	9,000	9,270	9,548
Closed Circuit/Picture/Broadcaster	4D		8,825	7,400	9,136	11,746	23,493	24,197	24,923
Control Body Fees	4D			0	0	0	0	0	0
Hire of equipment	4D	4,878	769	3,403	5,219	2,500	5,000	5,150	5,305
Photo finish	4D	4,350	6,262	1,809	1,200	0	0	0	0
Race Books	4D	2,095	6,674	4,510	6,440	4,500	9,000	9,270	9,548
Trophies	4D	1,806	1,255	1,123	1,392	2,500	5,000	5,150	5,305
Race day Catering	4D			0	0	0	0	0	0
Race day Entertainment	4G	4,803	1,245	2,064	2,150	2,764	5,529	5,694	5,865
Other Racing Expenditure	4D	10,455	4,448	0	0	0	0	0	0
Security (Race Day)	4D	10,718	14,017	15,971	14,253	18,900	37,800	38,934	40,102
Veterinary & Farrier Fees	4D	893	6,175	7,185	6,176	9,000	18,000	18,540	19,096
Wages Race Day	4E	22,106	15,875	21,304	24,874	36,000	72,000	74,160	76,385

Cleaning (Race day)
Race Course Rental
Sponsorship expenditure
Sponsorship contra

**TOTAL RACING EXPENDITURE**

**RACING PROFIT/LOSS**

	Actual FY 07/08	Actual FY 08/09	Actual FY 09/10	Actual FY 10/11
4D	2,068	3,768	4,722	2,411
4D		0	220	0
4C		0	0	0
4C		0	0	0
	<b>169,465</b>	<b>235,774</b>	<b>181,672</b>	<b>182,609</b>
	<b>81,531</b>	<b>62,540</b>	<b>38,768</b>	<b>15,269</b>

Forecast			
Jan 1, 2013 to 30 June 2013	FY14	FY15	FY16
4,880	9,759	10,052	10,353
0	0	0	0
0	0	0	0
0	0	0	0
<b>233,393</b>	<b>466,786</b>	<b>480,790</b>	<b>495,214</b>
<b>45,850</b>	<b>86,938</b>	<b>112,609</b>	<b>140,860</b>

		Actual	Actual	Actual	Actual	Forecast			
		FY 07/08	FY 08/09	FY 09/10	FY 10/11	Jan 1, 2013 to 30 June 2013	FY14	FY15	FY16
<b>OTHER OPERATING/ADMINISTRATION REVENUE</b>									
Interest Received	13								
Operational Subsidy from RQL		-	27,751	21,000	21,000	88,920	177,840	177,840	177,840
Grants/subsidies - Training Tracks	1E	-	50,385	33,915	22,046	14,975	21,950	23,345	24,880
Membership Subscriptions	1F	3,910	2,738	2,000	2,570	3,900	9,000	12,360	15,277
Track fees & Rentals	1H	-	74,271	92,847	88,253	52,650	107,710	121,132	136,162
Bar & Catering (net) - non race day functions	1H	44,720	10,253	4,130	-	24,000	48,000	52,800	58,080
Donations	9	-	-	-	-	-	-	-	-
Fund Raising Revenue	9	-	11,688	7,648	-	-	-	-	-
Insurance Recoveries	9	-	3,193	0	2,185	-	-	-	-
Other Operating/Admin Revenue	9	40,485	3,772	3,063	4,681	2,500	5,000	5,150	5,305
<b>TOTAL OTHER OPERATING/ADMIN REVENUE</b>		<b>89,115</b>	<b>184,051</b>	<b>164,602</b>	<b>140,735</b>	<b>186,945</b>	<b>369,500</b>	<b>392,627</b>	<b>417,543</b>
<b>OTHER OPERATING/ADMINISTRATION EXPENDITURE</b>									
Accounting/Audit	7C	1,350	1,036	3,105	4,003	5,000	5,000	5,150	5,305
Consultancy / Legal	7C					2,000	2,000	2,060	2,122
Bank Charges & Interest	7C	1,353	3,563	3,208	2,787	3,000	3,000	3,090	3,183
Debt Collection & Bad Debts	7C		1,652	1,152				0	0
Cleaning (General)	7C				3,850	4,000	4,000	4,120	4,244
Electricity & Gas	7H	10,855	8,849	9,111	9,298	20,000	20,000	20,600	21,218
Fees, Permits and Licensees	7C	5,013	771	1,466	1,497	2,000	2,000	2,060	2,122
Postage & Freight	7C	996	1,204	362		250	500	515	530
Printing & Stationery	7C	1,574	1,625	1,417	1,450	750	1,500	1,545	1,591
Insurance - Public Liability Fire & General	7G	7,606	12,382	14,314	14,672	15,000	15,000	15,450	15,914
Telephone/Fax	7H	10,091	10,373	7,311	7,141	5,000	10,000	10,300	10,609
Security (Admin)	7C					5,000	10,000	10,300	10,609
Rates	7H	456	598	602	855	1,200	1,200	1,236	1,273
Depreciation	8	29,586	9,383	9,629	7,144	107,654	210,307	210,307	210,307
Donations (re: statistics sheet)	7C	263						0	0
Fund Raising Expense	7C		13,002	0	0	0	0	0	0
Repairs & Maintenance	7B	11,191	825	1,109	1,832	1,000	2,000	2,060	2,122
Other Operating/Admin Expenses	7C	47,374	10,818	1,159	0	0	0	0	0
Committee expenditure (inc travel, entertainment, tele)	7D	760	19	47	640	500	1,000	1,030	1,061
Fringe Benefits Tax	7E				0	0	0	0	0
Wages and Salaries (administration)	7E	7,201	46,936	41,836	37,836	50,000	50,000	51,500	53,045
Superannuation and On costs	7E		4,224	3,765	3,405	18,556	31,862	32,818	33,802
Insurance - Workers Compensation	7E	136	1,384	5,128	4,321	3,840	6,930	7,138	7,352
Travelling Expenses (Staff only)	7C		575	0		0		0	0
Motor Vehicle	7C		5,150	0	0	0	0	0	0
<b>TOTAL OTHER OPERATING/ADMIN EXPENSES</b>		<b>135,805</b>	<b>134,370</b>	<b>104,721</b>	<b>100,731</b>	<b>244,750</b>	<b>376,299</b>	<b>381,279</b>	<b>386,408</b>
<b>OTHER OPERATING/ADMINISTRATION PROFIT/LOSS</b>		<b>(46,690)</b>	<b>49,681</b>	<b>59,881</b>	<b>40,004</b>	<b>(57,805)</b>	<b>(6,799)</b>	<b>11,348</b>	<b>31,135</b>

**COURSE & FACILITIES REPAIRS & MAINTENANCE**

Wages and Salaries (maintenance)
Superannuation
Repairs and Maintenance (Track)
Repairs and Maintenance (Buildings)
Repairs and Maintenance (Equipment)
Fuel & Oil
Fertilizer
Other Repairs & Maintenance expenditure
<b>TOTAL COURSE &amp; FACILITIES REPAIRS &amp; MAINTENANCE</b>

**TOTAL PROFIT/LOSS**

**ABNORMAL ITEMS (+ are losses)**

**NET PROFIT/LOSS AFTER ABNORMAL ITEMS**

Revenue	340,111	482,365	390,042	338,613
Expense	360,024	509,714	380,521	362,817

	Actual FY 07/08	Actual FY 08/09	Actual FY 09/10	Actual FY 10/11
7F	19,264	72,806	51,955	49,312
7F		5,011	1,885	2,886
7A	8,111	25,030	11,833	10,928
7B	8,298	12,080	4,830	1,513
7B	1,454	5,397	3,117	0
7B	4,327	5,150	4,709	4,038
7A		5,995	0	0
7B	13,300	8,100	10,800	10,800
	<b>54,754</b>	<b>139,570</b>	<b>89,128</b>	<b>79,477</b>
	<b>(19,913)</b>	<b>(27,349)</b>	<b>9,521</b>	<b>(24,204)</b>
16				
	<b>(19,913)</b>	<b>(27,349)</b>	<b>9,521</b>	<b>(24,204)</b>

Forecast			
Jan 1, 2013 to 30 June 2013	FY14	FY15	FY16
92,500	185,000	190,550	196,267
8,325	16,650	17,150	17,664
15,000	30,000	30,900	31,827
3,440	6,881	7,087	7,300
1,283	2,567	2,644	2,723
6,034	12,067	12,429	12,802
0	0	0	0
13,886	27,771	28,605	29,463
<b>140,468</b>	<b>280,936</b>	<b>289,364</b>	<b>298,045</b>
<b>(152,422)</b>	<b>(200,797)</b>	<b>(165,406)</b>	<b>(126,051)</b>
<b>(152,422)</b>	<b>(200,797)</b>	<b>(165,406)</b>	<b>(126,051)</b>

466,189	923,224	986,027	1,053,616
618,611	1,124,022	1,151,433	1,179,667

Actual	Actual	Actual	Actual
FY 07/08	FY 08/09	FY 09/10	FY 10/11

Forecast			
Jan 1, 2013 to 30 June 2013	FY14	FY15	FY16

#### Assumptions

**Training and Racing Facilities**  
**Members and Public Facilities**

Start  
1 October 2013  
1 January 2013

**Fully Operational**  
**CPI increase p.a.**

1 January 2013

**Number of Meetings**  
**Attendees**  
**Average Attendance Per Meeting**

				50%	100%	100%	100%
				3%	3%	3%	3%
	5	7	7	7	18	18	18
	4,489	4,578	5,500	5,148	6,750	13,238	13,900
	898	654	786	735	750	735	772
		2%	20%	-6%	31%	96%	5%

Based on Historical and Trends and similar clubs and Increase in meetings and more Saturday meetings and more exposure with better quality meetings and a better marketed facility

#### Bar (Gross sales)

Based on Historical GP% and Trends and Increase in meetings and more Saturday meetings

Average Spend per meeting	22,181.06	25,147.01	19,151.76	15,596.29	15,000.00	14,708.57	15,907.32	17,203.77
Average Spend per attendee	24.71	38.45	24.37	21.21	20.00	20.00	20.60	21.22
Gross Sales	110,905	176,029	134,062	109,174	135,000	264,754	286,332	309,668

Racing Bar and Catering increase due to more meetings (TAB status)

Bar GP %	51.73%	66.20%	58.76%	61.39%	59.85%	59.06%	61.01%	62.86%
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#### Catering (Gross sales)

Based on Historical GP% and Trends and Increase in meetings and more Saturday meetings

Average Spend per meeting	5,240.00	6,886.52	4,338.50	5,309.14	5,457.59	5,351.56	5,787.71	6,259.41
Average Spend per attendee	5.84	10.53	5.52	7.22	7.28	7.28	7.50	7.72
Gross Sales	26,200	48,206	30,369	37,164	49,118	96,328	104,179	112,669
Catering GP %	34.20%	32.78%	48.90%	57.03%	58.19%	57.37%	59.40%	61.33%

#### Tote Income (Gross commissions)

Based on Historical GP% and Trends and Increase in meetings and more Saturday meetings

#### Advertising

Based on Historical and Trends and Increase in meetings and more Saturday meetings and more exposure with better quality meetings

#### Gate takings/Admission Fees

Average Attendance Per Meeting	898	654	786	735	750	735	772	811
Attendance numbers	4,489	4,578	5,500	5,148	6,750	13,238	13,900	14,595
Average Admission Charge Per Meeting	4.00	3.38	3.43	2.95	3.50	3.75	4.00	4.25
Total Gate Takings/Admission Fees	<b>17,934</b>	<b>15,473</b>	<b>18,891</b>	<b>15,176</b>	<b>23,625</b>	<b>49,641</b>	<b>55,598</b>	<b>62,027</b>

Based on Historical and Trends and Increase in meetings and more Saturday meetings and more exposure with better quality meetings

Average Attendance on a Saturday

Actual	Actual	Actual	Actual
FY 07/08	FY 08/09	FY 09/10	FY 10/11

Forecast			
Jan 1, 2013 to 30 June 2013	FY14	FY15	FY16

Average Attendance on a Feature Day

**Race Book Sales**

Based on Historical and Trends and Increase in meetings and more Saturday meetings and more exposure with better quality meetings

**Bookmakers fees**

Based on Historical and Trends and Increase in meetings and more Saturday meetings and more exposure with better quality meetings

**Sponsorship - Cash equivalent**

Based on Historical and Trends and Increase in meetings and more Saturday meetings and more exposure with better quality meetings

**SKY Racing Broadcast Fee (Net of**

Based on Historical information from similar clubs where the meeting have transferred from and Trends and Increase in meetings and TAB Saturday meetings and more exposure with better quality meetings

**Signage**

Based on Historical information from similar clubs where the meeting have transferred from and Trends and Increase in meetings and TAB Saturday meetings and more exposure with better quality meetings \$1,000 per month with more exposure on SKY Channel and increased attendance numbers

Actual	Actual	Actual	Actual
FY 07/08	FY 08/09	FY 09/10	FY 10/11

Forecast			
Jan 1, 2013 to 30 June 2013	FY14	FY15	FY16

## RACING EXPENDITURE

All Racing Expenditure based on Historical information from similar clubs where the meeting have transferred from and Trends and Increase in meetings and TAB Saturday meetings and more exposure with better quality m Increased with CPI annually

### Wages on Race Day

Security (Race Day)  
Average Cost Per Meeting

2,143.60	2,002.44	2,281.50	2,036.14
5	7	7	7
<b>10,718</b>	<b>14,017</b>	<b>15,971</b>	<b>14,253</b>

2,100.00	2,100.00	2,163.00	2,227.89
9	18	18	18
<b>18,900</b>	<b>37,800</b>	<b>38,934</b>	<b>40,102</b>

### Veterinary & Farrier Fees

Veterinarian fee per meeting  
Farrier fee per meeting  
Total  
Number of Meetings  
Total Cost Per Meeting

<b>893</b>	<b>6,175</b>	<b>7,185</b>	<b>6,176</b>

700.00	700.00	721.00	742.63
300.00	300.00	309.00	318.27
<b>1,000.00</b>	<b>1,000.00</b>	<b>1,030.00</b>	<b>1,060.90</b>
9.00	18.00	18.00	18.00
<b>9,000</b>	<b>18,000</b>	<b>18,540</b>	<b>19,096</b>

### Wages Race Day Includes

Assistant Starter  
Treader/Mounting Yard  
Horse Entrance and Tie up stalls attendants  
Barrier Attendant  
Scales Room Attendant  
Clerk Of Course  
Judge  
Photo finish Operator  
Shoeing Inspector  
Gate Entrance Staff

Total Cost Per Race Day  
Number of Meetings  
Total Cost Per Annum

4,421.20	2,267.82	3,043.36	3,553.43
5	7	7	7
<b>22,106</b>	<b>15,875</b>	<b>21,304</b>	<b>24,874</b>

4,000.00	4,000.00	4,120.00	4,243.60
9	18	18	18
<b>36,000</b>	<b>72,000</b>	<b>74,160</b>	<b>76,385</b>

Based on historical trends per meeting charge and similar clubs

### Cleaning (Race day)

Average Cost Per Meeting

413.60	538.34	674.57	344.43
5	7	7	7
<b>2,068</b>	<b>3,768</b>	<b>4,722</b>	<b>2,411</b>

542.17	542.17	558.44	575.19
9	18	18	18
<b>4,880</b>	<b>9,759</b>	<b>10,052</b>	<b>10,353</b>

As per the Business Case with the Race Day Staff, the facility will employ more race day staff due to transferring of meetings from a Non TAB venue to a TAB venue. At Non TAB venues more volunteer labour is used. In addition to these staff there are security staff and cleaning staff per meeting

## OTHER OPERATING/ADMINISTRATION REVENUE

### Grants & Subsidies

Operational Subsidy per Race Meeting

3,000	3,000	3,000	3,000
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9,880	9,880	9,880	9,880
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	Actual FY 07/08	Actual FY 08/09	Actual FY 09/10	Actual FY 10/11
Total Subsidy	15,000	21,000	21,000	21,000
Operational Subsidy Based on the same per meeting payment to a similar TAB club - Mackay Turf Club First Year of Operation 1 Full Year of Subsidy				

Forecast			
Jan 1, 2013 to 30 June 2013	FY14	FY15	FY16
88,920	177,840	177,840	177,840

#### Training Track Subsidy Provided by Queensland State Government

Starters	999	1,256	1,473	1,471
Incentive Subsidy Per Starter	9.47	9.03	8.96	9.56
Training Track Subsidy = \$14.00 per starter @ 1,500 starters	9456	11,345	13,203	14,064
Training Track Subsidy - \$8,000 threshold payment	8,000	8,000	8,000	8,000
Total Government Grants	17,456	19,345	21,203	22,064
Other Grants		31,040	12,712	
Total Grants	32,456	71,385	54,915	43,064

750	1,500	1,650	1,815
9.30	9.30	9.30	9.30
6,975	13,950	15,345	16,880
8,000	8,000	8,000	8,000
14,975	21,950	23,345	24,880
103,895	203,179	201,185	202,720

#### Membership Subscriptions

Number of Members	23	40	40	55
Annual Subscription	170.00	68.46	50.00	46.73
Total \$ Member Subscriptions	3,910	2,738	2,000	2,570
Increase numbers due to better facility and more appeal and more benefits and no admission fee				

65	75	100	120
60	120	123.60	127.31
3,900	9,000	12,360	15,277



Actual	Actual	Actual	Actual
FY 07/08	FY 08/09	FY 09/10	FY 10/11

Forecast			
Jan 1, 2013 to 30 June 2013	FY14	FY15	FY16

**Track fees & Rentals**

Track Fees - 250 horses @ \$45 per month

Number of Horses

Rate per Horse based on Industry Standard similar to other training Venues

Total Annual Track Fees

195	195	215	236
45	46	47	48
<b>52,650</b>	<b>107,710</b>	<b>121,132</b>	<b>136,162</b>

**Bar & Catering (net) - non race day functions**

Other functions \$100 p.p x 50 x 24 events p.a x 40% return rate

Based on the increased exposure of the facility and better marketing as a venue increased by 10% per annum and the lack of venues in Beaudesert area

24,000	48,000	52,800	58,080
		10%	10%

Non Racing Venue Revenue (functions etc.) calculated on average cost of function types

**OTHER OPERATING/ADMINISTRATION EXPENDITURE**

All Operating and Administrative Expenditure based on Historical information from similar clubs where the meeting have transferred from and Trends and Increase in meetings and TAB Saturday meetings and more exposure Increased with CPI annually

**Wages and Salaries (administration)**

Based on 1 Full Time Resource

Superannuation and On costs

Insurance - Workers Compensation

50,000	51,500	53,045	54,636
26,881	48,512	49,967	51,466
3,840	6,930	7,138	7,352

Total Wages

Bar - wages

Catering - wages

Tote - wages

Wages Race Day

Wages Race Day

Wages and Salaries (administration)

Wages and Salaries (maintenance)

9,376	15,576	11,518	14,216
4,972	7,381	6,152	9,269
-	9,009	7,639	8,800
22,106	15,875	21,304	24,874
22,106	15,875	21,304	24,874
7,201	46,936	41,836	37,836
19,264	72,806	51,955	49,312
<b>85,025</b>	<b>183,458</b>	<b>161,706</b>	<b>169,181</b>

18,278	36,555	37,652	38,782
11,917	23,835	24,550	25,286
11,314	22,629	23,307	24,007
36,000	72,000	74,160	76,385
36,000	72,000	74,160	76,385
50,000	50,000	51,500	53,045
92,500	185,000	190,550	196,267
<b>256,009</b>	<b>462,019</b>	<b>475,879</b>	<b>490,156</b>

**Depreciation**

**Current Depreciation less disposals**

29,586	9,383	9,629	7,144
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5,000	5,000	5,000	5,000
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Depreciation Calculations Required

Racing Surfaces

Method	Value	Approximate	Rate
40yrs @ 2.5%	4,803,512	120,088	2.50%

Buildings & Facilities Improvements

Infrastructure Plan Funding

40yrs @ 2.5%	3,408,778	85,219	2.50%
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Approximate Depreciation impact

8,212,290	205,307
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<b>102,654</b>	<b>205,307</b>	<b>205,307</b>	<b>205,307</b>
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Total Depreciation

<b>107,654</b>	<b>210,307</b>	<b>210,307</b>	<b>210,307</b>
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Actual	Actual	Actual	Actual
FY 07/08	FY 08/09	FY 09/10	FY 10/11

Forecast			
Jan 1, 2013 to 30 June 2013	FY14	FY15	FY16

**COURSE & FACILITIES REPAIRS & MAINTENANCE**

All Course and Facilities Repairs and & Maintenance Expenditure based on Historical information from similar clubs where the meeting have transferred from and Trends and Increase in meetings and TAB Saturday meeting Increased with CPI annually

**Wages and Salaries (maintenance)**

Course wages & salaries based on 4 (FTE) employees @ \$50,000 TRV  
Superannuation calculated at 9% of wages & salaries

92,500	185,000	190,550	196,267
8,325	16,650	17,150	17,664

**Repairs and Maintenance**

Based on Historical information from similar clubs where the meeting have transferred from and Trends and Increase in meetings and TAB Saturday meetings and more exposure with better quality meetings Also based on the increase in the number of meetings and the more maintenance required for a TAB meeting. This may be reduce due to the better quality of the new track with better drainage etc.

The Members and Public Facility is new and therefore will not require as much maintenance but the model is based on worst case scenario ensuring that the facility is sufficiently maintained.

**Extraordinary Item**

This is the Infrastructure Plan Funding Grant as a grant to the Beaudesert Facility **8,212,290**

The Return to Racing Queensland from Operating a TAB facility which is line with a similar club such as Mackay. These funds are returned to the industry in the form of prizemoney and other incentives as well as funding clubs through the operational subsidy Industry Returns via Product Fees from TattsBet

**Average Turnover per weekday race meeting (TAB)**

Turnover	450,000	4,050,000	8,100,000	8,262,000	8,427,240
Product Fee	25,000	225,000	450,000	459,000	468,180
Return %	5.6%	5.6%	5.6%	5.6%	5.6%

**MACKAY FACILITY - THOROUGHBRED**

	ACTUAL		FORECAST				Increase	% Increase
	FY0910	FY1011	FY13	FY14	FY15	FY16		
<b>Financial Results</b>								
Racing income	\$865,677	\$916,169	\$1,581,724	\$1,699,582	\$1,826,692	\$1,963,798		
Operating & administrative income	\$84,683	\$217,832	\$149,238	\$155,581	\$162,218	\$169,166		
RQL Operational Subsidy	\$246,890	\$289,669	\$289,900	\$289,900	\$289,900	\$289,900		
<b>Total Revenue</b>	<b>\$1,197,250</b>	<b>\$1,423,670</b>	<b>\$2,020,862</b>	<b>\$2,145,062</b>	<b>\$2,278,810</b>	<b>\$2,422,863</b>		
Racing expenditure	\$549,587	\$720,271	\$1,198,197	\$1,262,048	\$1,330,088	\$1,402,628		
Operating & administrative expenses	\$395,792	\$370,871	\$374,990	\$386,240	\$397,827	\$409,762		
Course & facilities repairs & maintenance expense	\$218,753	\$324,942	\$253,100	\$260,693	\$268,514	\$276,569		
<b>Total Expenditure</b>	<b>\$1,164,132</b>	<b>\$1,416,083</b>	<b>\$1,826,288</b>	<b>\$1,908,980</b>	<b>\$1,996,428</b>	<b>\$2,088,959</b>		
<b>EBITDA</b>	<b>\$33,118</b>	<b>\$7,587</b>	<b>\$194,574</b>	<b>\$236,082</b>	<b>\$282,382</b>	<b>\$333,904</b>		
Depreciation	\$167,362	\$192,570	\$272,981	\$272,981	\$272,981	\$272,981		
<b>Operating surplus/(deficit)</b>	<b>(\$134,244)</b>	<b>(\$184,983)</b>	<b>(\$78,407)</b>	<b>(\$36,900)</b>	<b>\$9,401</b>	<b>\$60,923</b>		
Extraordinary Items	\$29,792	\$29,792	(\$8,119,258)	\$0	\$0	\$0		
<b>Total surplus/(deficit)</b>	<b>(\$164,036)</b>	<b>(\$214,775)</b>	<b>(\$8,197,665)</b>	<b>(\$36,900)</b>	<b>\$9,401</b>	<b>\$60,923</b>		
<b>Liquidity Position</b>								
Cash	\$863,466	\$624,802						
Current assets	\$142,904	\$123,504						
Current liabilities	\$230,839	\$124,314						
Net current assets	<b>\$775,531</b>	<b>\$623,992</b>						
Non-Current assets	\$2,806,591	\$2,743,355						
Non-Current liabilities	\$0	\$0						
Net Non-Current assets	<b>\$2,806,591</b>	<b>\$2,743,355</b>						
Net Assets	<b>\$3,582,122</b>	<b>\$3,367,347</b>						
<b>Other Key Statistics</b>								
Number of race meetings	20	24	26	26	26	26	2	0.08
Number of TAB race meetings	13	24	25	25	25	25		
Number of races	131	161	208	208	208	208	47	29%
Number of starters	981	1,226	1,664	1,664	1,664	1,664	438	36%
Average starters per race	7.5	7.6	8.0	8.0	8.0	8.0	0	5%
Attendance numbers	20,000	25,925	28,518	29,943	31,441	33,013	2,593	#DIV/0!
Member numbers	127	129	142	149	156	164	13	#DIV/0!
Wagering T/Over	6,362,048	7,885,475	8,000,000	8,000,000	8,000,000	8,000,000	114,525	7%
Wagering Return	391,405	476,764	482,400	482,400	482,400	482,400		
Average Wagering Return	30,108	19,865	19,296	19,296	19,296	19,296		
CPI average of 3% for future returns			3%	3%	3%	3%		
Attendance Increase Factor			10%	5%	5%	5%		
Membership Increase Factor			10%	5%	5%	5%		

**MACKAY FACILITY - THOROUGHBRED**

		Actual	Actual	Forecast			
		FY 09/10	FY 10/11	FY13	FY14	FY15	FY16
<b>Prizemoney club envisages to pay over the RQL scheduled Prizemoney (Profit)/Loss</b>		15	-	-	-	-	-
<b>RACING INCOME</b>							
Bar (Gross sales)	1	529,274	526,341	712,938	771,042	833,882	901,843
Catering (Gross sales)	1A	0	0	427,763	462,625	500,329	541,106
Tote Income (Gross commissions)	1D	33,578	33,026	35,778	36,852	37,957	39,096
Advertising	1B	0	0	500	515	530	546
Race Day Packages (net)	1C	0	0	-	-	-	-
Gate takings/Admission Fees	1G	172,712	155,213	199,623	215,892	233,487	252,516
Race Book Sales	1C	0	0	12,833	14,597	16,506	18,570
Bookmakers fees	1C	13,691	12,890	13,276	13,675	14,085	14,507
Nominations and Acceptances	1C	0	0	-	-	-	-
Other Racing Income	1C	54,079	16,518	17,014	17,524	18,050	18,592
Sponsorship - Cash equivalent	1B	62,342	172,180	150,000	154,500	159,135	163,909
Signage	1B	0	0	12,000	12,360	12,731	13,113
<b>TOTAL RACING INCOME</b>		<b>865,677</b>	<b>916,169</b>	<b>1,581,724</b>	<b>1,699,582</b>	<b>1,826,692</b>	<b>1,963,798</b>
<b>RACING EXPENDITURE</b>							
Advertising/Promotion	4G	14,753	17,186	18,618	19,177	19,752	20,345
Ambulance	4D	0	0	0	0	0	0
Bar - Costs of goods sold	2	263,648	246,453	285,175	308,417	333,553	360,737
Bar - wages	4A	11,641	27,997	106,941	110,149	113,453	116,857
Bar - other expenses	4A	2,406	37,797	40,946	42,175	43,440	44,743
Catering - Costs of goods sold	3	4,395	113	256,658	277,575	300,197	324,664
Catering - wages	4B	0	0	64,164	66,089	68,072	70,114
Catering - other expenses	4B	0	0	0	0	0	0
Tote - Direct link/line costs	4F	0	0	0	0	0	0
Tote - wages	4F	17,046	16,291	17,648	18,178	18,723	19,285
Tote - other expenses	4F	0	290	315	324	334	344
Closed Circuit/Picture/Broadcaster	4D	0	0	0	0	0	0
Control Body Fees	4D	0	0	0	0	0	0
Hire of equipment	4D	14,464	30,235	32,755	33,738	34,750	35,792
Photo finish	4D	0	0	0	0	0	0
Race Books	4D	11,841	11,099	12,024	12,384	12,756	13,138
Trophies	4D	2,000	4,341	4,703	4,844	4,989	5,139
Raceday Catering	4D	0	0	0	0	0	0
Raceday Entertainment	4G	15,336	10,648	11,536	11,882	12,238	12,605
Other Racing Expenditure	4D	94,169	155,437	168,390	173,441	178,645	184,004
Security	4D	46,235	48,904	52,980	54,569	56,206	57,892
Veterinary & Farrier Fees	4D	6,346	13,704	14,846	15,291	15,750	16,223
Wages Race Day	4E	45,307	58,735	65,000	66,950	68,959	71,027
Cleaning (Race day)	4D	0	41,041	45,500	46,865	48,271	49,719
Race Course Rental	4D	0	0	0	0	0	0
Sponsorship expenditure	4C	0	0	0	0	0	0
Sponsorship contra	4C	0	0	0	0	0	0
<b>TOTAL RACING EXPENDITURE</b>		<b>549,587</b>	<b>720,271</b>	<b>1,198,197</b>	<b>1,262,048</b>	<b>1,330,088</b>	<b>1,402,628</b>
<b>RACING PROFIT/LOSS</b>							
		<b>316,089</b>	<b>195,898</b>	<b>383,527</b>	<b>437,534</b>	<b>496,605</b>	<b>561,169</b>
<b>OTHER OPERATING/ADMINISTRATION REVENUE</b>							
Interest Received	13	20,952	32,730	1,000	1,030	1,061	1,093
Operational Subsidy from Racing Qld		246,890	289,669	289,900	289,900	289,900	289,900
Grants/subsidies	1E	43,004	51,143	51,143	52,677	54,258	55,885
Membership Subscriptions	1F	4,450	5,440	7,095	7,673	8,299	8,975
Track fees & Rentals	1H	16,277	11,952	15,000	15,450	15,914	16,391
Bar & Catering (net) - non race day functions	1H	0	0	75,000	78,750	82,688	86,822
Donations	9	-	-	-	-	-	-
Fund Raising Revenue	9	0	0	-	-	-	-
Insurance Recoveries	9	0	0	-	-	-	-
Other Operating/Admin Revenue	9	0	116,566	0	0	0	0
<b>TOTAL OTHER OPERATING/ADMIN REVENUE</b>		<b>331,573</b>	<b>507,501</b>	<b>439,138</b>	<b>445,481</b>	<b>452,118</b>	<b>459,066</b>
<b>OTHER OPERATING/ADMINISTRATION EXPENDITURE</b>							
Accounting/Audit	7C	5,750	8,110	10,000	10,300	10,609	10,927
Consultancy / Legal	7C	18,879	31,847	5,000	5,150	5,305	5,464
Bank Charges & Interest	7C	3,458	3,782	1,500	1,545	1,591	1,639
Debt Collection & Bad Debts	7C	0	14,134	0	0	0	0
Cleaning (General)	7C	21,314	0	10,000	10,300	10,609	10,927
Electricity & Gas	7H	20,522	27,040	27,851	28,686	29,547	30,433
Fees, Permits and Licences	7C	1,730	7,020	5,000	5,150	5,305	5,464
Postage & Freight	7C	1,265	4,279	5,000	5,150	5,305	5,464
Printing & Stationery	7C	3,366	6,619	5,000	5,150	5,305	5,464
Insurance - Public Liability Fire & General	7G	43,612	40,453	45,000	46,350	47,741	49,173
Telephone/Fax	7H	8,070	8,207	10,000	10,300	10,609	10,927
Security (Admin)	7C	0	0	0	0	0	0
Rates	7H	41,054	50,669	52,189	53,755	55,367	57,028
Depreciation	8	167,362	192,570	272,981	272,981	272,981	272,981
Donations (re: statistics sheet)	7C	1,098	5,295	0	0	0	0
Fund Raising Expense	7C	0	0	0	0	0	0
Repairs & Maintenance	7B	0	0	0	0	0	0
Other Operating/Admin Expenses	7C	22,542	25,153	20,000	20,600	21,218	21,855

Committee expenditure (inc travel, entertainment, tele)
Fringe Benefits Tax
Wages and Salaries (administration)
Superannuation
Insurance - Workers Compensation
Travelling Expenses (Staff only)
Motor Vehicle

	Actual	Actual
	FY 09/10	FY 10/11
7D	0	171
7E	0	0
7E	162,625	96,427
7E	21,845	26,527
7E	2,909	5,132
7C	10,305	1,467
7C	5,448	8,541
<b>TOTAL OTHER OPERATING/ADMIN EXPENSES</b>	<b>563,153</b>	<b>563,441</b>
<b>OTHER OPERATING/ADMINISTRATION PROFIT/LOSS</b>	<b>(231,580)</b>	<b>(55,940)</b>

Forecast			
FY13	FY14	FY15	FY16
0	0	0	0
0	0	0	0
100,000	103,000	106,090	109,273
58,144	59,888	61,685	63,536
8,306	8,555	8,812	9,077
2,000	2,060	2,122	2,185
10,000	10,300	10,609	10,927
<b>647,972</b>	<b>659,221</b>	<b>670,809</b>	<b>682,743</b>
<b>(208,834)</b>	<b>(213,741)</b>	<b>(218,690)</b>	<b>(223,678)</b>

**COURSE & FACILITIES REPAIRS & MAINTENANCE**

Wages and Salaries (maintenance)
Superannuation (maintenance)
Repairs and Maintenance (Track)
Repairs and Maintenance (Buildings)
Repairs and Maintenance (Equipment)
Fuel & Oil
Fertilizer
Other Repairs & Maintenance expenditure

**TOTAL COURSE & FACILITIES REPAIRS & MAINTENANCE**

**TOTAL PROFIT/LOSS**

**ABNORMAL ITEMS (+ are losses)**

**NET PROFIT/LOSS AFTER ABNORMAL ITEMS**

Revenue  
Expense

	Actual FY 09/10	Actual FY 10/11
7F	124,630	211,480
7F	0	0
7A	43,962	25,311
7B	32,098	28,333
7B	11,734	20,809
7B	6,329	7,765
7A	0	0
7B	0	31,243
	<b>218,753</b>	<b>324,942</b>
	<b>(134,244)</b>	<b>(184,983)</b>
16	29,792	29,792
	<b>(164,036)</b>	<b>(214,775)</b>

Forecast			
FY13	FY14	FY15	FY16
200,000	206,000	212,180	218,545
18,000	18,540	19,096	19,669
13,000	13,390	13,792	14,205
10,400	10,712	11,033	11,364
6,500	6,695	6,896	7,103
5,200	5,356	5,517	5,682
0	0	0	0
0	0	0	0
<b>253,100</b>	<b>260,693</b>	<b>268,514</b>	<b>276,569</b>
<b>(78,407)</b>	<b>(36,900)</b>	<b>9,401</b>	<b>60,923</b>
<b>(8,119,258)</b>	0	0	0
<b>8,040,851</b>	<b>(36,900)</b>	<b>9,401</b>	<b>60,923</b>

1,197,250      1,423,670  
1,331,494      1,608,653

2,020,862      2,145,062      2,278,810      2,422,863  
2,099,269      2,181,962      2,269,410      2,361,941

	Actual		Forecast			
	FY 09/10	FY 10/11	FY13	FY14	FY15	FY16
<b>Assumptions</b>						
<b>Training and Racing Facilities</b>	July 2012					
<b>Members and Public Facilities</b>	July 2012					
<b>Fully Operational</b>			100%	100%	100%	100%
<b>CPI increase p.a.</b>			3%	3%	3%	3%
<b>Number of Meetings</b>	20	24	26	26	26	26
<b>Attendees</b>	20,000	25,925	28,518	29,943	31,441	33,013
<b>Average Attendance Per Meeting</b>	1,000	1,080	1,100	1,100	1,100	1,100
		30%	10%	5%	5%	5%
Based on similar clubs and more exposure with better quality and marketed facility						
<b>Bar (Gross sales)</b>						
Based on industry Trends and TAB status of meetings						
Average Spend per meeting	26,463.72	21,930.88	27,420.67	29,655.46	32,072.38	34,686.28
Average Spend per attendee	26.46	20.30	25.00	25.75	26.52	27.32
Gross Sales	529,274	526,341	712,938	771,042	833,882	901,843
Based on similar clubs and more exposure with better quality and marketed facility						
Bar GP %	50.19%	53.18%	60.00%	60.00%	60.00%	60.00%
<b>Catering (Gross sales)</b>						
Based on new facilities and Increase in TAB meetings						
Average Spend per meeting	-	-	16,452.40	17,793.27	19,243.43	20,811.77
Average Spend per attendee	-	-	15.00	15.45	15.91	16.39
Gross Sales	-	-	427,762.50	462,625	500,329	541,106
Catering GP %	#DIV/0!	#DIV/0!	40.00%	40.00%	40.00%	40.00%
<b>Tote Income (Gross commissions)</b>						
Based on similar clubs and more exposure with better quality and marketed facility						
<b>Advertising</b>						
Based on similar clubs and more exposure with better quality and marketed facility						
<b>Gate takings/Admission Fees</b>						
Average Attendance Per Meeting	1,000	1,080	1,100	1,100	1,100	1,100
Attendance numbers	20,000	25,925	28,518	29,943	31,441	33,013
Average Admission Charge Per Meeting	8.64	5.99	7.00	7.21	7.43	7.65
Total Gate Takings/Admission Fees	<u>172,712</u>	<u>155,213</u>	<u>199,623</u>	<u>215,892</u>	<u>233,487</u>	<u>252,516</u>
Based on similar clubs and more exposure with better quality and marketed facility						
Average Attendance on a Saturday						
Average Attendance on a Feature Day						
<b>Race Book Sales</b>						
Based on similar clubs and more exposure with better quality and marketed facility						
Attendees	20,000	25,925	28,518	29,943	31,441	33,013
% of Attendees who will purchase a race book	0%	0%	15%	15%	15%	15%
Price per Race Book (increase by 25c pa)	3	3	3.00	3.25	3.50	3.75
	<u>-</u>	<u>-</u>	<u>12,833</u>	<u>14,597</u>	<u>16,506</u>	<u>18,570</u>
<b>Bookmakers fees</b>						
Based on similar clubs and more exposure with better quality and marketed facility						
<b>Sponsorship - Cash equivalent</b>						
Based on similar clubs and more exposure with better quality and marketed facility						
<b>SKY Racing Broadcast Fee (Net)</b>						
Based on similar clubs and more exposure with better quality and marketed facility						
<b>Signage</b>						
Based on similar clubs and more exposure with better quality and marketed facility						
\$1,000 per month with more exposure on SKY Channel and increased attendance numbers						
<b>RACING EXPENDITURE</b>						
Based on similar clubs and more exposure with better quality and marketed facility						
Increased with CPI annually						
<b>Wages on Race Day</b>						
Security (Race Day)						
Average Cost Per Meeting	2,311.77	2,037.69	2,100.00	2,163.00	2,227.89	2,294.73
	20	24	26	26	26	26
	<u>46,235</u>	<u>48,904</u>	<u>54,600</u>	<u>56,238</u>	<u>57,925</u>	<u>59,663</u>
<b>Veterinary &amp; Farrier Fees</b>						
Veterinarian fee per meeting						
			700.00	721.00	742.63	764.91
Total			<u>700.00</u>	<u>721.00</u>	<u>742.63</u>	<u>764.91</u>
Number of Meetings			26.00	26.00	26.00	26.00
Total Cost Per Meeting	<u>6,175</u>	<u>7,185</u>	<u>18,200</u>	<u>18,746</u>	<u>19,308</u>	<u>19,888</u>

Actual	Actual
FY 09/10	FY 10/11

Forecast			
FY13	FY14	FY15	FY16

**Wages Race Day Includes**

Assistant Starter  
Treader/Mounting Yard  
Horse Entrance and Tie up stalls attendants  
Barrier Attendant  
Scales Room Attendant  
Clerk Of Course  
Judge  
Photo finish Operator  
Shoeing Inspector  
Gate Entrance Staff

Total Cost Per Race Day	2,265.34	2,447.30	2,500.00	2,575.00	2,652.25	2,731.82
Number of Meetings	20	24	26	26	26	26
Total Cost Per Annum	<u>45,307</u>	<u>58,735</u>	<u>65,000</u>	<u>66,950</u>	<u>68,959</u>	<u>71,027</u>

Based on historical trends per meeting charge and similar clubs

**Cleaning (Race day)**

Average Cost Per Meeting

	-	1,710.03	1,750.00	1,802.50	1,856.58	1,912.27
	20	24	26	26	26	26
	<u>-</u>	<u>41,041</u>	<u>45,500</u>	<u>46,865</u>	<u>48,271</u>	<u>49,719</u>

**OTHER OPERATING/ADMINISTRATION REVENUE**

Grants & Subsidies

Operational Subsidy per Race Meeting

Total Subsidy

	12,344.50	12,069.56	11,150	11,150	11,150	11,150
	<u>246,890</u>	<u>289,669</u>	<u>289,900.00</u>	<u>289,900</u>	<u>289,900</u>	<u>289,900</u>

**Membership Subscriptions**

Number of Members

Annual Subscription

Total \$ Member Subscriptions

Increase numbers due to better facility and more appeal and more benefits

	127	129	142	149	156	164
	35.04	42.17	50.00	51.50	53.05	54.64
	<u>4,450</u>	<u>5,440</u>	<u>7,095</u>	<u>7,673</u>	<u>8,299</u>	<u>8,975</u>

**Bar & Catering (net) - non race day functions**

Other functions

Based on the increased exposure of the facility and better marketing as a venue increased by 5% per annum

Addition of a conference/function centre is expected to return the club good no race day returns

Non Racing Venue Revenue (functions etc.) calculated on average cost of function types

	75,000	78,750	82,688	86,822
		5%	5%	5%

**OTHER OPERATING/ADMINISTRATION EXPENDITURE**

All Operating and Administrative Expenditure based on Historical information from similar clubs and improved facilities

Increased with CPI annually

**Wages and Salaries (administration)**

Based on XX Full Time Resources

Superannuation and On costs

Insurance - Workers Compensation

			100,000	103,000	106,090	109,273
			58,144	59,888	61,685	63,536
			8,306	8,555	8,812	9,077
Total Wages						
Bar - wages	11,641	27,997	106,941	110,149	113,453	116,857
Catering - wages	-	-	64,164	66,089	68,072	70,114
Tote - wages	17,046	16,291	17,648	18,178	18,723	19,285
Wages Race Day	45,307	58,735	65,000	66,950	68,959	71,027
Wages and Salaries (administration)	162,625	96,427	100,000	103,000	106,090	109,273
Wages and Salaries (maintenance)	124,630	211,480	200,000	206,000	212,180	218,545
	<u>361,249</u>	<u>410,929</u>	<u>553,753</u>	<u>570,366</u>	<u>587,477</u>	<u>605,101</u>

**Depreciation**

Current Depreciation less disposals

	167,362	192,570	70,000	70,000	70,000	70,000
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Depreciation Calculations Required

Racing Surfaces

Method	Approximate	Rate
40yrs @ 2.5% p.	75,000	2.50%

Buildings & Facilities Improvements

Infrastructure Plan Funding

40yrs @ 2.5% p.	127,981	2.50%
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Approximate Depreciation impact

	<u>202,981</u>	<u>202,981</u>	<u>202,981</u>	<u>202,981</u>
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Total Depreciation

	<u>272,981</u>	<u>272,981</u>	<u>272,981</u>	<u>272,981</u>
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**COURSE & FACILITIES REPAIRS & MAINTENANCE**

All Course and Facilities Maint Expenditure based on Historical information from similar clubs and improved facilities

Increased with CPI annually

Repairs and Maintenance (Track)

	13,000	13,390	13,792	14,205
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Repairs and Maintenance (Buildings)  
 Repairs and Maintenance (Equipment)  
 Fuel & Oil

Actual	Actual
FY 09/10	FY 10/11

Forecast			
FY13	FY14	FY15	FY16
10,400	10,712	11,033	11,364
6,500	6,695	6,896	7,103
5,200	5,356	5,517	5,682
<b>35,100</b>	<b>36,153</b>	<b>37,238</b>	<b>38,355</b>

**Wages and Salaries (maintenance)**

Course wages & salaries based on XX(FTE) employees @ \$50,000 TRV  
 Superannuation calculated at 9% of wages & salaries

200,000	206,000	212,180	218,545
18,000	18,540	19,096	19,669

The Members and Public Facility is new and therefore will not require as much maintenance but the model is based on worst case scenario ensuring that the facility is sufficiently maintained.

**Extraordinary Item**

This is the Infrastructure Plan Funding Grant as a grant to the Mackay Facility

**8,119,258**

These funds are returned to the industry in the form of prizemoney and other incentives as well as funding clubs through the operational subsidy  
 Industry Returns via Product Fees from TattsBet

**Average Turnover per weekday race meeting (TAB)**

Turnover	391,405	476,764	496,629	496,629	496,629	496,629
Product Fee	30,108	4,921	5,126	5,126	5,126	5,126
Return %	7.7%	1.0%	1.0%	1.0%	1.0%	1.0%

**ROCKHAMPTON FACILITY**

	FY0910	FY1011	FY13	FY14	FY15	FY16
<b><u>Financial Results</u></b>						
Racing income	\$80,342	\$61,841	\$193,925	\$213,554	\$233,771	\$246,581
Operating & administrative income	\$610	\$830	\$1,800	\$1,981	\$2,066	\$2,263
RQL Operational Subsidy	\$74,547	\$67,749	\$41,080	\$41,080	\$41,080	\$41,080
<b>Total Revenue</b>	<b>\$155,499</b>	<b>\$130,421</b>	<b>\$236,805</b>	<b>\$256,615</b>	<b>\$276,917</b>	<b>\$289,924</b>
Racing expenditure	\$117,555	\$107,834	\$201,561	\$213,239	\$225,270	\$234,404
Operating & administrative expenses	\$19,593	\$15,379	\$110,883	\$114,210	\$117,636	\$121,165
Course & facilities repairs & maintenance expense	\$22,997	\$18,491	\$114,300	\$117,729	\$121,261	\$124,899
<b>Total Expenditure</b>	<b>\$160,145</b>	<b>\$141,704</b>	<b>\$426,744</b>	<b>\$445,178</b>	<b>\$464,167</b>	<b>\$480,468</b>
<b>EBITDA</b>	<b>(\$4,646)</b>	<b>(\$11,283)</b>	<b>(\$189,939)</b>	<b>(\$188,562)</b>	<b>(\$187,251)</b>	<b>(\$190,544)</b>
Depreciation	\$3,804	\$0	\$49,088	\$49,088	\$49,088	\$49,088
<b>Operating surplus/(deficit)</b>	<b>(\$8,450)</b>	<b>(\$11,283)</b>	<b>(\$239,026)</b>	<b>(\$237,650)</b>	<b>(\$236,338)</b>	<b>(\$239,632)</b>
Extraordinary Items	\$0	\$0	\$1,803,508	\$0	\$0	\$0
<b>Total surplus/(deficit)</b>	<b>(\$8,450)</b>	<b>(\$11,283)</b>	<b>\$1,564,482</b>	<b>(\$237,650)</b>	<b>(\$236,338)</b>	<b>(\$239,632)</b>
<b><u>Liquidity Position</u></b>						
Cash	\$52,253	\$29,801				
Current assets	\$13,165	\$23,423				
Current liabilities	\$16,498	\$15,587				
Net current assets	<b>\$48,920</b>	<b>\$37,637</b>				
Non-Current assets	\$21,322	\$21,322				
Non-Current liabilities						
Net Non-Current assets	<b>\$21,322</b>	<b>\$21,322</b>				
Net Assets	<b>\$70,242</b>	<b>\$58,958</b>				
<b><u>Other Key Statistics</u></b>						
Number of race meetings	46	42	52	52	52	52
Number of TAB race meetings	2	3	52	52	52	52
Number of races	391	333	416	416	416	416
Number of starters	2,879	2,486	3,328	3,328	3,328	3,328
Average starters per race	7.4	7.5	8.0	8.0	8.0	8.0
Attendance numbers	2,300	2,100	3,900	4,420	4,940	5,200
Member numbers	25	25	25	30	30	35
Wagering T/Over	151,880	195,913	3,395,828	3,395,828	3,395,828	3,395,828
Wagering Return	9,489	11,628	2,005,052	201,544	201,544	201,544
Average Wagering Return	4,745	3,876	38,559	3,876	3,876	3,876
CPI average of 3% for future returns			3%	3%	3%	3%

Increase	% Increase
35	206%
280	206%
2,297	223%
0	6%
3,570	420%
30	#DIV/0!
2,232,749	192%

ROCKHAMPTON FACILITY

		Actual	Actual	Forecast			
		FY 09/10	FY 10/11	FY13	FY14	FY15	FY16
<b>Prizemoney club envisages to pay over the RQL scheduled Prizemoney (Profit)/Loss</b>		15	-	-	-	-	-
<b>RACING INCOME</b>							
Bar (Gross sales)	1	10,133	6,079	58,500	66,300	74,100	78,000
Catering (Gross sales)	1A	-173	-405	39,000	45,526	52,408	56,822
Tote Income (Gross commissions)	1D	31,666	29,568	36,608	37,706	38,837	40,002
Advertising	1B	0	0	500	515	530	546
Race Day Packages (net)	1C	0	0	-	-	-	-
Gate takings/Admission Fees	1G	10,456	7,521	17,550	20,487	23,584	25,570
Race Book Sales	1C	1,551	1,104	1,599	1,647	1,696	1,747
Bookmakers fees (Offcourse T/O Levy)	1C	12,330	8,984	0	0	0	0
Nominations and Acceptances	1C	2,422	2,718	3,365	3,466	3,570	3,677
Other Racing Income	1C	5,618	4,363	6,956	7,164	7,379	7,601
Sponsorship - Cash equivalent	1B	6,338	1,909	7,847	8,083	8,325	8,575
SKY Racing Broadcast Fee (Net)	1B	0	0	10,000	10,300	10,609	10,927
Signage	1B	0	0	12,000	12,360	12,731	13,113
<b>TOTAL RACING INCOME</b>		<b>80,342</b>	<b>61,841</b>	<b>193,925</b>	<b>213,554</b>	<b>233,771</b>	<b>246,581</b>
<b>RACING EXPENDITURE</b>							
Advertising/Promotion	4G	1,849	2,294	2,840	2,926	3,013	3,104
Ambulance	4D	0	0	0	0	0	0
Bar - Costs of goods sold	2	0	0	23,400	26,520	29,640	31,200
Bar - wages	4A	0	0	8,775	9,038	9,309	9,589
Bar - other expenses	4A	0	0	0	0	0	0
Catering - Costs of goods sold	3	0	0	23,400	27,316	31,445	34,093
Catering - wages	4B	0	0	5,850	6,026	6,206	6,392
Catering - other expenses	4B	0	0	0	0	0	0
Tote - Direct link/line costs	4F	2,004	2,004	2,481	2,556	2,632	2,711
Tote - wages	4F	10,990	8,852	10,960	11,289	11,627	11,976
Tote - other expenses	4F	0	0	0	0	0	0
Closed Circuit/Picture/Broadcaster	4D	0	0	0	0	0	0
Control Body Fees	4D	9,660	9,330	11,551	11,898	12,255	12,623
Hire of equipment	4D	0	0	0	0	0	0
Photo finish	4D	9,233	8,320	10,301	10,610	10,928	11,256
Race Books	4D	0	0	0	0	0	0
Trophies	4D	592	1,021	1,264	1,302	1,341	1,382
Race day Catering	4D	0	0	0	0	0	0
Race day Entertainment	4G	0	0	0	0	0	0
Other Racing Expenditure	4D	13,644	13,019	16,119	16,603	17,101	17,614
Security	4D	4,350	4,350	5,386	5,547	5,714	5,885
Veterinary & Farrier Fees	4D	2,853	9,310	11,527	11,873	12,229	12,596
Wages Race Day	4E	41,313	30,480	44,200	45,526	46,892	48,299
Cleaning (Race day)	4D	2,208	1,968	2,600	2,678	2,758	2,841
Race Course Rental	4D	18,860	16,885	20,905	21,532	22,178	22,844
Sponsorship expenditure	4C	0	0	0	0	0	0
Sponsorship contra	4C	0	0	0	0	0	0
<b>TOTAL RACING EXPENDITURE</b>		<b>117,555</b>	<b>107,834</b>	<b>201,561</b>	<b>213,239</b>	<b>225,270</b>	<b>234,404</b>
<b>RACING PROFIT/LOSS</b>							
		<b>-37,213</b>	<b>-45,993</b>	<b>-7,635</b>	<b>315</b>	<b>8,501</b>	<b>12,177</b>
<b>OTHER OPERATING/ADMINISTRATION REVENUE</b>							
Interest Received	13	109	314	100	103	106	109
Operational Subsidy from Racing Qld		74,547	67,749	41,080	41,080	41,080	41,080
Grants/subsidies - Training Tracks	1E	0	0	0	0	0	0
Membership Subscriptions	1F	492	516	500	618	637	765
Track fees & Rentals	1H	0	0	0	0	0	0
Bar & Catering (net) - non race day functions	1H	0	0	1,200	1,260	1,323	1,389
Donations	9	-	-	-	-	-	-
Fund Raising Revenue	9	0	0	-	-	-	-
Insurance Recoveries	9	0	0	-	-	-	-
Other Operating/Admin Revenue	9	9	0	0	0	0	0
<b>TOTAL OTHER OPERATING/ADMIN REVENUE</b>		<b>75,157</b>	<b>68,580</b>	<b>42,880</b>	<b>43,061</b>	<b>43,146</b>	<b>43,343</b>
<b>OTHER OPERATING/ADMINISTRATION EXPENDITURE</b>							
Accounting/Audit	7C	2,300	2,300	3,000	3,090	3,183	3,278
Consultancy / Legal	7C	0	0	0	0	0	0
Bank Charges & Interest	7C	214	266	500	515	530	546
Debt Collection & Bad Debts	7C	0	0	0	0	0	0
Cleaning (General)	7C	0	0	500	515	530	546
Electricity & Gas	7H	0	0	12,000	12,360	12,731	13,113
Fees, Permits and Licensees	7C	0	0	1,000	1,030	1,061	1,093
Postage & Freight	7C	247	277	500	515	530	546
Printing & Stationery	7C	4,847	4,169	5,000	5,150	5,305	5,464
Insurance - Public Liability Fire & General	7G	4,901	591	6,000	6,180	6,365	6,556
Telephone/Fax	7H	1,658	2,001	2,000	2,060	2,122	2,185
Security (Admin)	7C	0	0	0	0	0	0
Rates	7H	0	0	0	0	0	0
Depreciation	8	3,804	0	49,088	49,088	49,088	49,088
Donations (re: statistics sheet)	7C	0	0	0	0	0	0
Fund Raising Expense	7C	0	0	0	0	0	0
Repairs & Maintenance	7B	180	180	0	0	0	0

Other Operating/Admin Expenses
Committee expenditure (inc travel, entertainment, tele)
Fringe Benefits Tax
Wages and Salaries (administration)
Superannuation and On costs
Insurance - Workers Compensation
Travelling Expenses (Staff only)
Motor Vehicle

**TOTAL OTHER OPERATING/ADMIN EXPENSES**

**OTHER OPERATING/ADMINISTRATION PROFIT/LOSS**

	Actual	Actual
	FY 09/10	FY 10/11
7C	625	1,617
7D	0	0
7E	0	0
7E	1,620	0
7E	0	0
7E	729	1,251
7C	0	0
7C	2,273	2,727
	<b>23,397</b>	<b>15,379</b>
	<b>51,760</b>	<b>53,201</b>

Forecast			
FY13	FY14	FY15	FY16
2,000	2,060	2,122	2,185
0	0	0	0
0	0	0	0
50,000	51,500	53,045	54,636
22,210	22,877	23,563	24,270
3,173	3,268	3,366	3,467
0	0	0	0
3,000	3,090	3,183	3,278
<b>159,971</b>	<b>163,298</b>	<b>166,724</b>	<b>170,253</b>
<b>(117,091)</b>	<b>(120,237)</b>	<b>(123,578)</b>	<b>(126,910)</b>

**COURSE & FACILITIES REPAIRS & MAINTENANCE**

Wages and Salaries (maintenance)
Superannuation
Repairs and Maintenance (Track)
Repairs and Maintenance (Buildings)
Repairs and Maintenance (Equipment)
Fuel & Oil
Fertilizer
Other Repairs & Maintenance expenditure

**TOTAL COURSE & FACILITIES REPAIRS & MAINTENANCE**

**TOTAL PROFIT/LOSS**

**ABNORMAL ITEMS (+ are losses)**

**NET PROFIT/LOSS AFTER ABNORMAL ITEMS**

Revenue  
Expense

	Actual FY 09/10	Actual FY 10/11
7F	4,152	5,060
7F	0	0
7A	2,898	176
7B	0	0
7B	3,079	5,768
7B	1,412	1,187
7A	0	0
7B	11,457	6,300
	<b>22,997</b>	<b>18,491</b>
	<b>(8,450)</b>	<b>(11,283)</b>
16	0	0
	<b>(8,450)</b>	<b>(11,283)</b>

Forecast			
FY13	FY14	FY15	FY16
91,743	94,495	97,330	100,250
8,257	8,505	8,760	9,023
5,200	5,356	5,517	5,682
2,600	2,678	2,758	2,841
260	268	276	284
6,240	6,427	6,620	6,819
0	0	0	0
0	0	0	0
<b>114,300</b>	<b>117,729</b>	<b>121,261</b>	<b>124,899</b>
<b>(239,026)</b>	<b>(237,650)</b>	<b>(236,338)</b>	<b>(239,632)</b>
1,803,508	0	0	0
<b>(2,042,534)</b>	<b>(237,650)</b>	<b>(236,338)</b>	<b>(239,632)</b>

155,499 130,421  
163,949 141,704

236,805 256,615 276,917 289,924  
475,831 494,265 513,255 529,556

	Actual		Forecast			
	FY 09/10	FY 10/11	FY13	FY14	FY15	FY16
<b>Assumptions</b>						
<b>Training and Racing Facilities</b>						
<b>Members and Public Facilities</b>						
<b>Fully Operational</b>			100%	100%	100%	100%
<b>CPI increase p.a.</b>			3%	3%	3%	3%
<b>Number of Meetings</b>	46	42	52	52	52	52
<b>Attendees</b>	2,300	2,100	3,900	4,420	4,940	5,200
<b>Average Attendance Per Meeting</b>	50	50	75	100	125	150
		-9%	359%	13%	12%	5%
Based on similar clubs and more exposure with better quality meetings and a better marketed facility						
<b>Bar (Gross sales)</b>						
Based on industry Trends and TAB status of meetings						
Average Spend per meeting	220.29	144.74	1,125.00	1,275.00	1,425.00	1,500.00
Average Spend per attendee	4.41	2.89	15.00	15.00	15.00	15.00
Gross Sales	10,133	6,079	58,500	66,300	74,100	78,000
Racing Bar and Catering increase due to more TAB status meetings						
Bar GP %	100.00%	100.00%	60.00%	60.00%	60.00%	60.00%
<b>Catering (Gross sales)</b>						
Based on new facilities and Increase in TAB meetings						
Average Spend per meeting	- 3.76 -	9.63	750.00	875.50	1,007.86	1,092.73
Average Spend per attendee	- 0.08 -	0.19	10.00	10.30	10.61	10.93
Gross Sales	- 173 -	405	39,000.00	45,526	52,408	56,822
Catering GP %	100.00%	100.00%	40.00%	40.00%	40.00%	40.00%
<b>Tote Income (Gross commissions)</b>						
Based on Historical GP% and Trends and Increase in meetings and more Saturday meetings						
<b>Advertising</b>						
Based on Historical and change in status of meetings to TAB						
<b>Gate takings/Admission Fees</b>						
Average Attendance Per Meeting	50	50	75	100	125	150
Attendance numbers	2,300	2,100	3,900	4,420	4,940	5,200
Average Admission Charge Per Meeting	4.55	3.58	4.50	4.64	4.77	4.92
Total Gate Takings/Admission Fees	<u>10,456</u>	<u>7,521</u>	<u>17,550</u>	<u>20,487</u>	<u>23,584</u>	<u>25,570</u>
Based on Historical and change in status of meetings to TAB						
Average Attendance on a Saturday						
Average Attendance on a Feature Day						
<b>Race Book Sales</b>						
Based on Historical and change in status of meetings to TAB						
<b>Bookmakers fees</b>						
N/A - Paid to Rockhampton Jockey Club						
<b>Sponsorship - Cash equivalent</b>						
Based on Historical and change in status of meetings to TAB						
<b>SKY Racing Broadcast Fee (Net)</b>						
Based on Historical and change in status of meetings to TAB						
<b>Signage</b>						
Based on Historical and change in status of meetings to TAB						
\$1,000 per month with more exposure on SKY Channel and increased attendance numbers						
<b>RACING EXPENDITURE</b>						
Based on Historical and change in status of meetings to TAB						
Increased with CPI annually						
<b>Wages on Race Day</b>						
Security (Race Day)						
Average Cost Per Meeting	94.57	103.57	120.00	123.60	127.31	131.13
	46	42	52	52	52	52
	<u>4,350</u>	<u>4,350</u>	<u>6,240</u>	<u>6,427</u>	<u>6,620</u>	<u>6,819</u>
<b>Veterinary &amp; Farrier Fees</b>						
Veterinarian fee per meeting						
			350.00	360.50	371.32	382.45
Total			<u>350.00</u>	<u>360.50</u>	<u>371.32</u>	<u>382.45</u>
Number of Meetings			52.00	52.00	52.00	52.00
Total Cost Per Meeting	<u>6,175</u>	<u>7,185</u>	<u>18,200</u>	<u>18,746</u>	<u>19,308</u>	<u>19,888</u>

Actual	Actual
FY 09/10	FY 10/11

Forecast			
FY13	FY14	FY15	FY16

**Wages Race Day Includes**

Assistant Starter  
Treader/Mounting Yard  
Horse Entrance and Tie up stalls attendants  
Barrier Attendant  
Scales Room Attendant  
Clerk Of Course  
Judge  
Photo finish Operator  
Shoeing Inspector  
Gate Entrance Staff

Total Cost Per Race Day	898.11	725.71	850.00	875.50	901.77	928.82
Number of Meetings	46	42	52	52	52	52
Total Cost Per Annum	<u>41,313</u>	<u>30,480</u>	<u>44,200</u>	<u>45,526</u>	<u>46,892</u>	<u>48,299</u>

Based on historical trends per meeting charge and similar clubs

**Cleaning (Race day)**

Average Cost Per Meeting

	48.00	46.86	50.00	51.50	53.05	54.64
	46	42	52	52	52	52
	<u>2,208</u>	<u>1,968</u>	<u>2,600</u>	<u>2,678</u>	<u>2,758</u>	<u>2,841</u>

**OTHER OPERATING/ADMINISTRATION REVENUE**

Grants & Subsidies

Operational Subsidy per Race Meeting	1,620.59	1,613.08	790	790	790	790
Total Subsidy	<u>74,547</u>	<u>67,749</u>	<u>41,080</u>	<u>41,080</u>	<u>41,080</u>	<u>41,080</u>

Operational Subsidy Based on service level agreement negotiated with club

**Membership Subscriptions**

Number of Members	25	25	25	30	30	35
Annual Subscription	19.68	20.64	20	20.60	21.22	21.85
Total \$ Member Subscriptions	<u>492</u>	<u>516</u>	<u>500</u>	<u>618</u>	<u>637</u>	<u>765</u>

Increase numbers due to better facility and more appeal and more benefits and no admission fee

**Bar & Catering (net) - non race day functions**

Other functions			1,200	1,260	1,323	1,389
Based on the increased exposure of the facility and better marketing as a venue increased by 5% per annum				5%	5%	5%

Non Racing Venue Revenue (functions etc.) calculated on average cost of function types

**OTHER OPERATING/ADMINISTRATION EXPENDITURE**

All Operating and Administrative Expenditure based on Historical information from similar clubs and Increase in status of meetings to TAB

If no volunteer labour available to clubs the cost incurred would be as below and is reflected in above model

Increased with CPI annually

**Wages and Salaries (administration)**

Based on 1 Full Time Resource			50,000	51,500	53,045	54,636
Superannuation and On costs			22,210	22,877	23,563	24,270
Insurance - Workers Compensation			3,173	3,268	3,366	3,467
Total Wages						
Bar - wages	-	-	8,775	9,038	9,309	9,589
Catering - wages	-	-	5,850	6,026	6,206	6,392
Tote - wages	10,990	8,852	10,960	11,289	11,627	11,976
Wages Race Day	41,313	30,480	44,200	45,526	46,892	48,299
Wages and Salaries (administration)	1,620	-	50,000	51,500	53,045	54,636
Wages and Salaries (maintenance)	4,152	5,060	91,743	94,495	97,330	100,250
	<u>58,075</u>	<u>44,392</u>	<u>211,528</u>	<u>217,874</u>	<u>224,410</u>	<u>231,142</u>

**Depreciation**

<b>Current Depreciation less disposals</b>	3,804	0	4,000	4,000	4,000	4,000
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Depreciation Calculations Required  
Racing Surfaces

Method	Approximate	Rate
40yrs @ 2.5% p.	-	2.50%

Buildings & Facilities Improvements  
Infrastructure Plan Funding

40yrs @ 2.5% p.	45,088	2.50%
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Approximate Depreciation impact

	<u>45,088</u>		<u>45,088</u>	<u>45,088</u>	<u>45,088</u>	<u>45,088</u>
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Total Depreciation

			<u>49,088</u>	<u>49,088</u>	<u>49,088</u>	<u>49,088</u>
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**COURSE & FACILITIES REPAIRS & MAINTENANCE**

All Course and Facilities Maint Expenditure based on Historical information from similar clubs and Increase in status of meetings to TAB

If no volunteer labour available to clubs the cost incurred would be as below and is reflected in above model

Increased with CPI annually

Repairs and Maintenance (Track)			5,200.00	5,356.00	5,516.68	5,682.18
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Repairs and Maintenance (Buildings)  
 Repairs and Maintenance (Equipment)  
 Fuel & Oil

Actual	Actual
FY 09/10	FY 10/11

Forecast			
FY13	FY14	FY15	FY16
2,600.00	2,678.00	2,758.34	2,841.09
260.00	267.80	275.83	284.11
6,240.00	6,427.20	6,620.02	6,818.62
14,300.00	14,729.00	15,170.87	15,626.00

**Wages and Salaries (maintenance)**

Course wages & salaries based on 2 (FTE) employees @ \$50,000 TRV  
 Superannuation calculated at 9% of wages & salaries

91,743	94,495	97,330	100,250
8,257	8,505	8,760	9,023

The Members and Public Facility is new and therefore will not require as much maintenance but the model is based on worst case scenario ensuring that the facility is sufficiently maintained.

**Extraordinary Item**

This is the Infrastructure Plan Funding Grant as a grant to the Rockhampton Fair **1,803,508**

These funds are returned to the industry in the form of prizemoney and other incentives as well as funding clubs through the operational subsidy

Industry Returns via Product Fees from TattsBet

**Average Turnover per weekday race meeting (TAB)**

Turnover	151,880	195,913	3,395,828	3,395,828	3,395,828	3,395,828
Product Fee	9,489	11,628	201,544	201,544	201,544	201,544
Return %	6.2%	5.9%	5.9%	5.9%	5.9%	5.9%





LOGAN FACILITY

		Ipswich Financials		BGRC Financials		Forecast								
		Actual	Actual	Actual	Actual	1/3/13-30/6/13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	
		FY 09/10	FY 10/11	FY 09/10	FY 10/11									
Prizemoney club envisages to pay over the RQL scheduled Prizemoney (Profit)/Loss		15				-	-	-	-	-	-	-	-	
<b>RACING INCOME</b>														
Bar (Gross sales)	1	99,577	81,085	0	0	218,750	656,250	777,328	920,745	1,043,204	1,181,950	1,217,409	1,253,931	Assumptions below
Catering (Gross sales)	1A	183,260	167,844	0	0	125,000	375,000	444,188	526,140	596,117	675,400	695,662	716,532	Assumptions below
Tote Income (Gross commissions)	1D	78,036	62,560	339,985	300,197	65,099	195,297	201,156	207,191	213,406	219,809	226,403	233,195	Assumptions below
Advertising	1B	0	0	0	0	0	0	0	0	0	0	0	0	
Race Day Packages (net)	1C	1,260	6,305	45,773	77,920	20,616	61,847	63,702	65,613	67,581	69,609	71,697	73,848	Based BGRC Average
Gate takings/Admission Fees	1G	29,012	33,429	8,275	21,302	25,000	75,000	86,250	99,188	109,106	120,017	120,017	120,017	Assumptions below
Race Book Sales	1C	15,545	12,931	11,009	13,300	10,000	30,000	36,656	44,634	51,825	60,008	63,009	66,009	Based BGRC Average
Bookmakers fees	1C	0	0	145,188	138,016	25,500	76,500	78,795	81,159	83,594	86,101	88,684	91,345	Assumptions below
Nominations and Acceptances	1C	0	0	0	0	0	0	0	0	0	0	0	0	Based BGRC Average
Other Racing Income	1C	114,419	112,355	13,614	16,385	5,000	14,999	15,449	15,913	16,390	16,882	17,388	17,910	Based BGRC Average
Sponsorship - Cash equivalent	1B	30,173	15,348	87,595	62,869	33,333	100,000	103,000	106,090	109,273	112,551	115,927	119,405	As per BGRC
SKY Racing Broadcast Fee (Net of Signage)	1B	0	0	50,000	97,864	40,000	120,000	126,000	132,300	138,915	145,861	153,154	160,811	
	1B	0	0	0	0	4,000	12,000	12,360	12,731	13,113	13,506	13,911	14,329	
<b>TOTAL RACING INCOME</b>		<b>551,282</b>	<b>491,858</b>	<b>701,439</b>	<b>727,854</b>	<b>572,298</b>	<b>1,716,893</b>	<b>1,944,884</b>	<b>2,211,703</b>	<b>2,442,525</b>	<b>2,701,694</b>	<b>2,783,262</b>	<b>2,867,333</b>	
<b>RACING EXPENDITURE</b>														
Advertising/Promotion	4G	11,475	5,613	132,241	98,393	150,000	250,000	125,000	128,750	132,613	136,591	140,689	144,909	Based BGRC Average
Ambulance	4D	0	0	0	0	0	0	0	0	0	0	0	0	
Bar - Costs of goods sold	2	40,079	38,706	0	0	87,500	262,500	310,931	368,298	417,282	472,780	486,964	501,572	Based on set %
Bar - wages	4A	14,790	12,956	0	0	32,813	98,438	116,599	138,112	156,481	177,293	188,090	182,611	Based on set %
Bar - other expenses	4A	2,905	5,591	0	0	10,938	32,813	38,866	46,037	52,160	59,098	60,870	62,697	Based on set %
Catering - Costs of goods sold	3	97,898	91,410	0	0	75,000	225,000	266,513	315,684	357,670	405,240	417,397	429,919	Based on set %
Catering - wages	4B	72,852	63,264	0	0	18,750	56,250	66,628	78,921	89,418	101,310	104,349	107,480	Based on set %
Catering - other expenses	4B	0	0	0	0	0	0	0	0	0	0	0	0	
Tote - Direct Link/Line Costs	4F	23,273	19,080	36,764	5,275	16,275	48,824	50,289	51,798	53,352	54,952	56,601	58,299	Assumptions below
Tote - wages	4F	37,560	33,732	110,905	19,833	32,550	97,649	100,578	103,595	106,703	109,904	113,201	116,597	Assumptions below
Tote - other expenses	4F	-0	-5,490	2,191	45,725	13,020	39,059	40,231	41,438	42,681	43,962	45,281	46,639	Assumptions below
Closed Circuit/Picture/Broadcaster	4D	0	114	22,745	27,554	11,667	35,000	36,050	37,132	38,245	39,393	40,575	41,792	Assumptions below
Control Body Fees	4D	0	0	0	0	0	-	-	-	-	-	-	-	
Hire of equipment	4D	37,950	41,955	0	0	0	-	-	-	-	-	-	-	Should be no Equipment Hire
Photo finish	4D	394	521	25,538	36,788	0	-	-	-	-	-	-	-	Based BGRC Average
Race Books	4D	2,115	690	0	0	8,000	24,000	29,325	35,708	41,460	48,007	50,407	52,807	Based IGRC Average
Trophies	4D	1,846	2,205	4,521	18,267	5,000	15,000	15,450	15,914	16,391	16,883	17,389	17,911	Based BGRC Average
Race day Catering	4D	0	0	80,965	103,884	0	-	-	-	-	-	-	-	Incorporated in Food Sales
Race day Entertainment	4G	0	0	0	0	0	-	-	-	-	-	-	-	
Other Racing Expenditure	4D	21,418	25,235	78,006	90,872	7,775	23,326	24,026	24,747	25,489	26,254	27,042	27,853	Based IGRC Average
Security (Race Day)	4D	0	0	0	0	23,333	70,000	72,100	74,263	76,491	78,786	81,149	83,584	Assumptions below
Veterinary & Farrier Fees	4D	34,636	28,915	56,921	67,662	31,667	95,000	97,850	100,786	103,809	106,923	110,131	113,435	Assumptions below
Wages Race Day	4E	141,344	119,196	433,550	571,949	174,393	523,178	538,873	555,039	571,690	588,841	606,506	624,701	Assumptions below
Cleaning (Race day)	4D	34,924	35,803	6,212	3,211	33,333	100,000	103,000	106,090	109,273	112,551	115,927	119,405	Assumptions below
Race Course Rental	4D	67,596	73,480	380,386	383,686	0	0	0	0	0	0	0	0	Based BGRC Average
Sponsorship expenditure	4C	0	436	2,710	3,661	1,062	3,185	3,281	3,379	3,481	3,585	3,693	3,803	Based BGRC Average
Sponsorship contra	4C	0	0	0	0	0	0	0	0	0	0	0	0	
<b>TOTAL RACING EXPENDITURE</b>		<b>643,054</b>	<b>593,412</b>	<b>1,373,656</b>	<b>1,476,759</b>	<b>733,074</b>	<b>1,999,221</b>	<b>2,035,590</b>	<b>2,225,689</b>	<b>2,394,688</b>	<b>2,582,351</b>	<b>2,660,782</b>	<b>2,741,494</b>	
<b>RACING PROFIT/LOSS</b>		<b>(91,771)</b>	<b>(101,553)</b>	<b>(672,217)</b>	<b>(748,905)</b>	<b>(160,776)</b>	<b>(282,328)</b>	<b>(90,706)</b>	<b>(13,986)</b>	<b>47,837</b>	<b>119,343</b>	<b>122,480</b>	<b>125,839</b>	

		Actual	Actual	Actual	Actual	Forecast									
		FY 09/10	FY 10/11	FY 09/10	FY 10/11	1/3/13-30/6/13	FY14	FY15	FY16	FY17	FY18	FY19	FY20		
<b>OTHER OPERATING/ADMINISTRATION REVENUE</b>															
Interest Received	13	6,436	6,568	867	199										
Operational Subsidy from RQL		503,497	410,488	1,327,177	1,478,260	27	317,309	951,928	980,485	1,009,900	1,040,197	1,071,403	1,103,545	1,136,651	Based BGRC Average
Grants/subsidies - Training Tracks	1E	-	-	-	-		0	0	0	0	0	0	0	0	Assumptions below
Membership Subscriptions	1F	30,973	18,578	2,154	4,682	28	11,333	34,000	46,627	64,829	87,642	119,065	148,814	149,298	Assumptions below
Track fees & Rentals	1H	3,960	2,640	65,699	56,043	29	105,000	315,000	324,450	334,184	344,209	354,535	365,171	376,126	Assumptions below
Bar & Catering (net) - non race day functions	1H	-	-	-	-	30	87,583	262,750	270,633	287,962	306,733	327,080	349,152	373,112	Assumptions below
Donations	9	-	-	-	-		0	0	0	0	0	0	0	0	
Fund Raising Revenue	9	-	-	-	-		0	0	0	0	0	0	0	0	
Insurance Recoveries	9	-	-	-	-		0	0	0	0	0	0	0	0	
Other Operating/Admin Revenue	9	166,935	239,738	51,324	28,421		13,291	39,872	41,068	42,301	43,570	44,877	46,223	47,610	Based BGRC Average
<b>TOTAL OTHER OPERATING/ADMIN REVENUE</b>		<b>711,800</b>	<b>678,012</b>	<b>1,447,222</b>	<b>1,567,604</b>		<b>534,517</b>	<b>1,767,050</b>	<b>1,834,938</b>	<b>1,919,434</b>	<b>2,011,622</b>	<b>2,115,695</b>	<b>2,221,577</b>	<b>2,301,903</b>	
<b>OTHER OPERATING/ADMINISTRATION EXPENDITURE</b>															
Accounting/Audit	7C	11,115	20,408	46,026	63,660		6,667	20,000	20,600	21,218	21,855	22,510	23,185	23,881	Based BGRC Average
Consultancy / Legal	7C	3,970	3,532	4,157	1,365		920	2,761	2,844	2,929	3,017	3,107	3,201	3,297	Based BGRC Average
Bank Charges & Interest	7C	5,896	2,107	6,313	5,369		3,333	10,000	10,300	10,609	10,927	11,255	11,593	11,941	Based BGRC Average
Debt Collection & Bad Debts	7C	0	20,000	26,143	10,126		0	0	0	0	0	0	0	0	Based BGRC Average
Cleaning (General)	7C	0	783	0	0		15,573	46,720	48,122	49,565	51,052	52,584	54,161	55,786	Based BGRC Average
Electricity & Gas	7H	36,368	33,886	84,856	59,295	31	31,667	95,000	97,850	100,786	103,809	106,923	110,131	113,435	Assumptions below
Fees, Permits and Licensees	7C	0	1,120	13,120	3,624		2,791	8,372	8,623	8,882	9,149	9,423	9,706	9,997	Based BGRC Average
Postage & Freight	7C	1,140	818	838	1,459		383	1,148	1,183	1,218	1,255	1,292	1,331	1,371	Based BGRC Average
Printing & Stationery	7C	3,515	9,342	63,489	66,147		5,402	16,205	16,691	17,191	17,707	18,238	18,785	19,349	Based BGRC Average
Insurance - Public Liability Fire & General	7G	16,031	10,183	21,903	10,144		10,000	30,000	30,900	31,827	32,782	33,765	34,778	35,822	As per Ron Mathofer
Telephone/Fax	7H	6,104	7,662	22,479	21,979		7,410	22,229	22,896	23,583	24,290	25,019	25,769	26,543	Based BGRC Average
Security (Admin)	7C	7,112	4,778	17,625	12,017		2,000	6,000	6,180	6,365	6,556	6,753	6,956	7,164	Based on RQL Head Office Cost
Rates	7H	20,753	9,574	24,251	24,501	32	6,293	18,879	19,445	20,029	20,630	21,249	21,886	22,543	Assumptions below
Depreciation	8	0	0	51,482	48,031	33	200,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	Assumptions below
Donations (re: statistics sheet)	7C	0	600	0	0		0	0	0	0	0	0	0	0	
Fund Raising Expense	7C	0	0	0	0		0	0	0	0	0	0	0	0	
Repairs & Maintenance	7B	30,547	13,176	0	825		400	1,200	1,236	1,273	1,311	1,351	1,391	1,433	Based BGRC Average
Other Operating/Admin Expenses	7C	111,519	100,046	84,781	119,486	34	35,898	107,694	110,925	114,253	117,680	121,211	124,847	128,592	Assumptions below
Committee expenditure (inc travel, entertainment, tele)	7D	16,712	14,098	13,600	18,416		1,667	5,000	5,150	5,305	5,464	5,628	5,796	5,970	Based on Overall Average
Fringe Benefits Tax	7E	0	0	7,848	6,733		2,430	7,290	7,509	7,734	7,966	8,205	8,451	8,705	Based BGRC Average
Wages and Salaries (administration)	7E	78,639	71,806	326,992	259,859	35	106,667	320,000	329,600	339,488	349,673	360,163	370,968	382,097	Assumptions below
Superannuation and On costs	7E	38,434	35,675	29,689	46,393	36	53,798	161,394	169,463	178,368	186,737	195,758	201,631	207,680	Assumptions below
Insurance - Workers Compensation	7E	12,220	13,966	9,776	444	37	6,978	20,933	21,919	23,001	24,027	25,127	25,881	26,658	Assumptions below
Travelling Expenses (Staff only)	7C	0	0	28,176	2,420		1,667	5,000	5,150	5,305	5,464	5,628	5,796	5,970	Based BGRC Average
Motor Vehicle	7C	0	0	11,781	12,317		4,016	12,049	12,410	12,783	13,166	13,561	13,968	14,387	Based BGRC Average
<b>TOTAL OTHER OPERATING/ADMIN EXPENSES</b>		<b>400,076</b>	<b>373,561</b>	<b>895,323</b>	<b>794,607</b>		<b>505,958</b>	<b>1,517,874</b>	<b>1,548,995</b>	<b>1,581,711</b>	<b>1,614,516</b>	<b>1,648,750</b>	<b>1,680,213</b>	<b>1,712,619</b>	
<b>OTHER OPERATING/ADMINISTRATION PROFIT/LOSS</b>		<b>311,724</b>	<b>304,451</b>	<b>551,899</b>	<b>772,997</b>		<b>28,559</b>	<b>249,176</b>	<b>285,943</b>	<b>337,723</b>	<b>397,106</b>	<b>466,945</b>	<b>541,364</b>	<b>589,284</b>	

		Actual	Actual	Actual	Actual	Forecast									
		FY 09/10	FY 10/11	FY 09/10	FY 10/11	1/3/13-30/6/13	FY14	FY15	FY16	FY17	FY18	FY19	FY20		
<b>COURSE &amp; FACILITIES REPAIRS &amp; MAINTENANCE</b>															
Wages and Salaries (maintenance)	7F	86,977	96,566	0	0	38	100,000	300,000	309,000	318,270	327,818	337,653	347,782	358,216	Assumptions below Assumptions below Low R&M as new Asset Low R&M as new Asset Based on Overall Average Based IGRC Average
Superannuation	7F	0	0	0	0	39	9,000	27,000	27,810	28,644	29,504	30,389	31,300	32,239	
Repairs and Maintenance (Track)	7A	21,087	30,314	19,906	44,390	40	6,667	20,000	20,600	21,218	21,855	22,510	23,185	23,881	
Repairs and Maintenance (Buildings)	7B	0	0	2,185	12,755	40	1,667	5,000	5,150	5,305	5,464	5,628	5,796	5,970	
Repairs and Maintenance (Equipment)	7B	8,214	12,510	11,331	325	40	2,698	8,095	8,338	8,588	8,846	9,111	9,384	9,666	
Fuel & Oil	7B	7,494	7,391	537	145	40	2,481	7,442	7,665	7,895	8,132	8,376	8,628	8,886	
Fertilizer	7A	0	0	0	0		0	0	0	0	0	0	0	0	
Other Repairs & Maintenance expenditure	7B	0	0	0	0		0	0	0	0	0	0	0	0	
<b>TOTAL COURSE &amp; FACILITIES REPAIRS &amp; MAINTENANCE</b>		<b>123,770</b>	<b>146,781</b>	<b>33,959</b>	<b>57,615</b>		<b>122,512</b>	<b>367,537</b>	<b>378,563</b>	<b>389,920</b>	<b>401,618</b>	<b>413,666</b>	<b>426,076</b>	<b>438,859</b>	
<b>TOTAL PROFIT/LOSS</b>		<b>96,183</b>	<b>56,116</b>	<b>(154,277)</b>	<b>(33,523)</b>		<b>(254,730)</b>	<b>(400,690)</b>	<b>(183,326)</b>	<b>(66,184)</b>	<b>43,325</b>	<b>172,622</b>	<b>237,768</b>	<b>276,264</b>	
<b>ABNORMAL ITEMS (+ are losses)</b>	16	<b>(20,427)</b>	<b>(8,827)</b>	<b>(380,000)</b>	<b>44,800</b>		<b>(24,000,000)</b>								
<b>NET PROFIT/LOSS AFTER ABNORMAL ITEMS</b>		<b>116,610</b>	<b>64,943</b>	<b>225,723</b>	<b>(78,323)</b>		<b>(254,730)</b>	<b>23,599,310</b>	<b>(183,326)</b>	<b>(66,184)</b>	<b>43,325</b>	<b>172,622</b>	<b>237,768</b>	<b>276,264</b>	
Revenue		1,263,083	1,169,870	2,148,661	2,295,459		1,106,814	3,483,943	3,779,822	4,131,137	4,454,147	4,817,390	5,004,839	5,169,236	
Expense		1,166,900	1,113,754	2,302,938	2,328,981		1,361,544	3,884,632	3,963,149	4,197,321	4,410,822	4,644,768	4,767,071	4,892,971	
		<b>96,183</b>	<b>56,116</b>	<b>(154,277)</b>	<b>(33,523)</b>		<b>(254,730)</b>	<b>(400,690)</b>	<b>(183,326)</b>	<b>(66,184)</b>	<b>43,325</b>	<b>172,622</b>	<b>237,768</b>	<b>276,264</b>	

Actual	Actual	Actual	Actual	Forecast							
FY 09/10	FY 10/11	FY 09/10	FY 10/11	1/3/13-30/6/13	FY14	FY15	FY16	FY17	FY18	FY19	FY20

### Assumptions

<b>Training and Racing Facilities</b>	Start										
<b>Members and Public Facilities</b>	17 November 2012										
	19 January 2013										
<b>Fully Operational</b>	1 February 2013				100%	100%	100%	100%	100%	100%	100%
<b>CPI increase p.a.</b>					3%	3%	3%	3%	3%	3%	3%
<b>Number of Meetings</b>	100	99	208	204	250	250	250	250	250	250	250
<b>Attendees</b>	17,896	17,753	27,793	27,804	37,500	43,125	49,594	54,553	60,008	60,008	60,008
<b>Average Attendance Per Meeting</b>	179	179	134	136	150	173	198	218	240	240	240
					35%	15%	15%	10%	10%	0%	0%

Historical Figures are Ipswich Greyhound actuals as there is no data for Logan Greyhound and we anticipate that this venue will resemble greyhound racing at Ipswich  
Forecast Figures are based on consultation with Brisbane Greyhound Club CEO and similar South East Queensland Clubs, Geelong Greyhounds and Greyhounds Western Australia

<b>Bar (Gross sales)</b>											
Based on Historical GP% and Trends and Increase in meetings and more Saturday meetings											
Average Spend per meeting	995.77	819.04	-	-	2,625.00	3,109.31	3,682.98	4,172.82	4,727.80	4,869.64	5,015.72
Average Spend per attendee	5.56	4.57	-	-	17.50	18.03	18.57	19.12	19.70	20.29	20.90
Gross Sales	99,577	81,085	-	-	656,250	777,328	920,745	1,043,204	1,181,950	1,217,409	1,253,931
Based on Capalaba											
Racing Bar and Catering increase due to more meetings (TAB status)											
Bar COGS % - Based on industry average				10	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Bar Wage % of sales - Based on industry average				11	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Bar Other Expenses % of sales - Based on Ipswich actuals for past 2 years				12	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

<b>Catering (Gross sales)</b>											
Based on Historical GP% and Trends and Increase in meetings											
Average Spend per meeting	-	-	-	-	1,500.00	1,776.75	2,104.56	2,384.47	2,701.60	2,782.65	2,866.13
Average Spend per attendee	-	-	-	-	10.00	10.30	10.61	10.93	11.26	11.59	11.94
Gross Sales	-	-	-	2	375,000	444,188	526,140	596,117	675,400	695,662	716,532
Catering COGS % - Based on industry average				13	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Catering Wage % of sales - Based on industry average				14	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Catering Other Expenses % of sales - Based on Ipswich actuals for past 2 years				15	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<b>Tote Income (Gross commissions)</b>											
Based on Historical GP% and Trends and Increase in meetings and more frequency of meetings											
4.9% of expected Turnover				3	195,297	201,156	207,191	213,406	219,809	226,403	233,195
Return %	4.90%										
Turnover Increase By	5.00%										
	<b>FY 1011</b>	Expenses									
	<b>Actual</b>	Direct Link/Line Costs	25%	16	48,824	50,289	51,798	53,352	54,952	56,601	58,299
Brisbane Greyhound Club	3,064,515	Wages	50%	17	97,649	100,578	103,595	106,703	109,904	113,201	116,597
Capalaba G R Club	731,346	Other Expenses	20%	18	39,059	40,231	41,438	42,681	43,962	45,281	46,639
Ipswich G R Club											
			95%								
<b>Grand Total</b>	<b>3,795,861</b>										
<b>Increased Turnover for first year</b>	<b>3,985,654</b>										

**Advertising**  
In order to increase the awareness of the new facility an initial intensive marketing campaign to establish the new Logan Facility brand

<b>Gate takings/Admission Fees</b>											
Feature Meeting Attendance/Week					250	288	331	364	400.06	400.06	400.06
Number of Weeks					50	50	50	50	50	50	50
Average Admission Charge Per Meeting					6.00	6.00	6.00	6.00	6.00	6.00	6.00
Total Gate Takings/Admission Fees				4	75,000	86,250	99,188	109,106	120,017	120,017	120,017
Based on Expected Feature Day Meets by CEO Brisbane Greyhounds											
In line with WA											
Every Thursday Premium night											

<b>Race Book Sales</b>											
Based on Historical and Trends and Increase in meetings and more exposure with better quality meetings											
Attendees					37,500	43,125	49,594	54,553	60,008	60,008	60,008
% of Attendees who will purchase a race book					20%	20%	20%	20%	20%	20%	20%
Price per Race Book (increase by 25c pa)					4.00	4.25	4.50	4.75	5.00	5.25	5.50
				5	30,000	36,656	44,634	51,825	60,008	63,009	66,009

Actual	Actual	Actual	Actual
FY 09/10	FY 10/11	FY 09/10	FY 10/11

Forecast							
1/3/13-30/6/13	FY14	FY15	FY16	FY17	FY18	FY19	FY20

**Bookmakers fees**  
Based on Capalaba - 2 Bookmakers @ \$765/week for 50 weeks pa increased by CPI 6

	<b>76,500</b>	<b>78,795</b>	<b>81,159</b>	<b>83,594</b>	<b>86,101</b>	<b>88,684</b>	<b>91,345</b>
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**Sponsorship - Cash equivalent**  
Based on Historical and Trends and Increase in meetings and more meetings and more exposure with better quality TAB meetin 7

**SKY Racing Broadcast Fee**  
Based on new agreement and new international product as per Brisbane Greyhound Club CEO 8

	<b>120,000</b>	<b>126,000</b>	<b>132,300</b>	<b>138,915</b>	<b>145,861</b>	<b>153,154</b>	<b>160,811</b>
		5%	5%	5%	5%	5%	5%

Increase Up Lift per annum

**Signage**  
Based on Historical and Trends and Increase in meetings and more meetings and more exposure with better quality TAB meetings \$1,000 per month with more exposure on SKY Channel and increased attendance numbers 9



	Actual	Actual	Actual	Actual	Forecast							
	FY 09/10	FY 10/11	FY 09/10	FY 10/11	1/3/13-30/6/13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Total Subsidy	624,000	612,000	624,000	612,000		951,928	980,485	1,009,900	1,040,197	1,071,403	1,103,545	1,136,651

Operational Subsidy Based on the same per meeting payment to a similar TAB club - Brisbane Greyhound and Ipswich GreyhoundClub

**Membership Subscriptions**

Number of Members	70	70			500	625	781	977	1,221	1,526	1,526	Assumption
Number of Full Racing Members - General/Owner/Trainer					100	103	106	109	113	116	119	
Fee					100	103	106	109	113	116	119	
Sub Total Revenue					<b>10,000</b>	<b>10,609</b>	<b>11,255</b>	<b>11,941</b>	<b>12,668</b>	<b>13,439</b>	<b>14,258</b>	
Number of General Members					400	522	675	867	1,108	1,410	1,406	
Fee					60	69	79	87	96	96	96	
Sub Total Revenue			30.78	66.88	<b>24,000</b>	<b>36,018</b>	<b>53,574</b>	<b>75,701</b>	<b>106,398</b>	<b>135,374</b>	<b>135,040</b>	
Total \$ Member Subscriptions			<b>2,154</b>	<b>4,682</b>	<b>34,000</b>	<b>46,627</b>	<b>64,829</b>	<b>87,642</b>	<b>119,065</b>	<b>148,814</b>	<b>149,298</b>	

Increase numbers due to better facility and more appeal and more benefits and no admission fee



Actual	Actual	Actual	Actual
FY 09/10	FY 10/11	FY 09/10	FY 10/11

Forecast							
1/3/13-30/6/13	FY14	FY15	FY16	FY17	FY18	FY19	FY20

#### Trial fees & Rentals

Number of Dogs (Average of 150 dogs per trial day, 3 trial days per week)

Rate per Dog based on Industry Standard similar to Capalaba/IGRC Facility (Increase by CPI)

Total Annual Trial Fees 29 **315,000 324,450 334,184 344,209 354,535 365,171 376,126** As per CEO Brisbane Greyhounds

#### Bar & Catering (net) - non race day functions

Facility rental @ \$5,000/month for 1 tennant

**60,000 61,800 63,654 65,564 67,531 69,556 71,643** (a)

Restaurant **Covers Occupancy Average Spend Number of Days**

Revenue 350 20% \$ 20.00 365 511,000 526,330 578,963 636,859 700,545 770,600 847,660

Occupancy No.: 70

COS 178,850 184,216 202,637 222,901 245,191 269,710 296,681

Wages 204,400 210,532 231,585 254,744 280,218 308,240 339,064

Net Revenue **127,750 131,583 144,741 159,215 175,136 192,650 211,915** (b)

Other Functions - eg Weddings, 21st, Anniversaries etc

Functions Per Week 1 1 1 1 1 1 1

No of Covers Per Event 100 100 100 100 100 100 100

Cost per Head 60 60 60 60 60 60 60

Weeks of Operations 50 51.50 53.05 54.64 56.28 57.96 59.70

COS 300,000 309,000 318,270 327,818 337,653 347,782 358,216

Wages 105,000 108,150 111,395 114,736 118,178 121,724 125,375

Net Revenue **120,000 123,600 127,308 131,127 135,061 139,113 143,286**

Net Revenue **225,000 231,750 238,703 245,864 253,239 260,837 268,662**

**75,000 77,250 79,568 81,955 84,413 86,946 89,554** (c)

Total Net Non Race Day Functions 30 **262,750 270,633 287,962 306,733 327,080 349,152 373,112** (a) + (b) + (c)

Increase is based on CPI increase only

3% 10% 10% 10% 10% 10%

This facility will be the premium greyhound track in Queensland and we expect one of the main tracks in Australia.

We eventually want to emulate the facility at Cannington in Perth (website www.greyhoundswa.com.au)

#### Other Operating/Admin Expenses

All Operating and Administrative Expenditure based on Historical information from similar clubs and Trends and Increase in meetings and more exposure with better quality meetings

Increased with CPI annually

#### Electricity

Average Cost Per Meeting 363.68 342.29 407.96 290.66 380.00 391.40 403.14 415.24 427.69 440.52 453.74 Based on Albion Park Average

Number of Meetings 100 99 208 204 250 250 250 250 250 250 250

**36,368 33,886 84,856 59,295** 31 **95,000 97,850 100,786 103,809 106,923 110,131 113,435**

Increase due to additional meetings and administration building

#### Rates

Calculation is based upon the latest Logan City Council rates for land Category 01 with CPI increase

Land Valuation 5,700,000

Category 2a General Rate 0.003113 **21,249 21,886 22,543**

Bin service for 1,000 litre bin/week 283.75 Per Quarter **18,879 19,445 20,029 20,630**

#### Other Operating/Admin Expenses

Computer Expenses 2,178 5,468 2,000 2,060 2,122 2,185 2,251 2,319 2,388 Based BGRC Average

Conferences 9,552 11,226 - - - - - -

Laundry 9,460 11,055 10,258 10,565 10,882 11,209 11,545 11,891 12,248 Based BGRC Average

Land tax 58,489 83,966 89,000 91,670 94,420 97,253 100,170 103,175 106,271 Based on an unimproved land value of \$5.7M which

Other Expenses 5,102 7,771 6,437 6,630 6,828 7,033 7,244 7,462 7,686 Based BGRC Average

**5,737,115 34,328 170,252 179,276** 34 **107,694 110,925 114,253 117,680 121,211 124,847 128,592**

#### Wages and Salaries (administration)

Based on 4 Full Time Resource 35 320,000 329,600 339,488 349,673 360,163 370,968 382,097 Based on CEO Brisbane Greyhounds

Superannuation and On costs (On Total Wage Costs) 36 188,394 197,273 207,012 216,241 226,147 232,931 239,919 Reference A x 13.50% (Super 9%, Payroll Tax 4.5

Insurance - Workers Compensation (On Total Wage Costs) 37 20,933 21,919 23,001 24,027 25,127 25,881 26,658 Reference A x 1.50%

**529,327 548,792 569,502 589,940 611,437 629,780 648,674**

Total Wages 14,790 12,956 - - 98,438 116,599 138,112 156,481 177,293 182,611 188,090

Bar - wages 72,852 63,264 - - 56,250 66,628 78,921 89,418 101,310 104,349 107,480

Catering - wages 37,560 33,732 110,905 19,833 97,649 100,578 103,595 106,703 109,904 113,201 116,597

Tote - wages 141,344 119,196 433,550 571,949 523,178 538,873 555,039 571,690 588,841 606,506 624,701

Wages Race Day 78,639 71,806 326,992 259,859 320,000 329,600 339,488 349,673 360,163 370,968 382,097

Wages and Salaries (administration) 86,977 96,566 - - 300,000 309,000 318,270 327,818 337,653 347,782 358,216

Wages and Salaries (maintenance)

Actual	Actual	Actual	Actual	Forecast							
FY 09/10	FY 10/11	FY 09/10	FY 10/11	1/3/13-30/6/13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
432,161	397,520	871,447	851,641		1,395,514	1,461,278	1,533,425	1,601,782	1,675,163	1,725,418	1,777,181

**Depreciation**

**Current Depreciation less disposals**

51,482 48,031

Depreciation Calculations Required  
Racing Surfaces

ethc	Value	Approximate	Rate
40yr	10,000,000	250,000	2.50%

Buildings & Facilities Improvements  
Infrastructure Plan Funding

40yr	14,000,000	350,000	2.50%
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Approximate Depreciation impact

24,000,000	600,000
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600,000	600,000	600,000	600,000	600,000	600,000	600,000
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Total Depreciation

33

600,000	600,000	600,000	600,000	600,000	600,000	600,000
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**COURSE & FACILITIES REPAIRS & MAINTENANCE**

All Course and Facilities Repairs and Maintenance Expenditure based on Historical information from similar clubs where the meeting have transferred from and Trends and Increase in meetings and TAB Saturday meetings and more exposure with better quality meetings Increased with CPI annually

**Wages and Salaries (maintenance)**

Course wages & salaries based on 4 (FTE) employees @ \$75,000 TRV  
Superannuation calculated at 9% of wages & salaries

38

300,000

309,000

318,270

327,818

337,653

347,782

358,216

As per Racing & Facility Supervisor

39

27,000

27,810

28,644

29,504

30,389

31,300

32,239

**Repairs and Maintenance**

40

Based on Historical information from similar clubs and Trends and Increase in meetings and more exposure with better quality meetings

Also based on the increase in the number of meetings and the more maintenance required for a TAB meeting. This may be reduce due to the better quality of the new track with better drainage etc.

The Members and Public Facility is new and therefore will not require as much maintenance but the model is based on worst case scenario ensuring that the facility is sufficiently maintained.

**Extraordinary Item**

This is the Infrastructure Plan Funding Grant as a grant to the Logan Facility

24,000,000







30/week for thurs meet & 120/4 other meets













SKY Racing Domestic Rights Revenue		
SKY Racing International Rights Revenue		
Postage and Stationery		
External subscriptions and memberships		
Club accounting services Including Audit Fees		
Audit fees		
Bank Charges		
Workers Comp - Club Staff		
BGRC Office Rental	N/A	N/A
Office Cleaning		
Office Electricity		
Office Furniture and Fittings		
IT & Communications of Club		
Operating Subsidy to Club (excluding Catering Commissions)		
Total Amount of Assistance to Club		
Operating Subsidy Fees (per meeting)		

250

1

<u>\$951,927.50</u>
<u>\$951,927.50</u>
<u>\$3,807.71</u>

\*\*Albion Park Tote operators - to generate efficiencies one entity should manage the totalisator activities at Albion Park for both greyhound and harness meetings. This could be RQL, APHRC or BGRC.

\*\*RQL to purchase BGRC Assets associated with conduct of race meetings

\*\*\* RQL to assign the catering rights from All Crowds to BGC for their portion estimated \$42K per annum

?? Who manages furniture and fittings in function area????? All Crowds, etc

IPSWICH FACILITY

**Financial Results**

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Racing income	\$1,392,197	\$2,448,217	\$2,964,485	\$3,121,606	\$3,083,583	\$3,259,011	\$3,382,639	\$3,511,492	\$3,645,809	\$3,785,839
Operating & administrative income	\$1,248,112	\$267,240	\$223,892	\$219,875	\$208,915	\$284,500	\$292,663	\$381,092	\$391,797	\$2,902,839
RQL Operational Subsidy	\$856,170	\$1,323,082	\$851,000	\$846,000	\$846,000	\$931,000	\$931,000	\$931,000	\$931,000	\$931,000
<b>Total Revenue</b>	<b>\$3,496,479</b>	<b>\$4,038,539</b>	<b>\$4,039,377</b>	<b>\$4,187,481</b>	<b>\$4,138,498</b>	<b>\$4,474,511</b>	<b>\$4,606,302</b>	<b>\$4,823,584</b>	<b>\$4,968,606</b>	<b>\$7,619,677</b>
Racing expenditure	\$1,803,596	\$2,223,683	\$2,331,759	\$2,343,614	\$2,583,945	\$2,591,450	\$2,675,747	\$2,763,139	\$2,853,754	\$2,947,724
Operating & administrative expenses	\$706,005	\$728,259	\$794,299	\$847,504	\$806,448	\$904,962	\$950,507	\$974,270	\$998,627	\$2,148,592
Course & facilities repairs & maintenance expense	\$723,958	\$809,067	\$730,059	\$784,117	\$828,754	\$804,500	\$824,613	\$845,228	\$866,359	\$888,017
<b>Total Expenditure</b>	<b>\$3,233,559</b>	<b>\$3,761,009</b>	<b>\$3,856,116</b>	<b>\$3,975,235</b>	<b>\$4,219,147</b>	<b>\$4,300,912</b>	<b>\$4,450,866</b>	<b>\$4,582,637</b>	<b>\$4,718,739</b>	<b>\$5,984,334</b>
<b>EBITDA</b>	<b>\$262,920</b>	<b>\$277,530</b>	<b>\$183,261</b>	<b>\$212,246</b>	<b>(\$80,649)</b>	<b>\$173,599</b>	<b>\$155,435</b>	<b>\$240,947</b>	<b>\$249,867</b>	<b>\$1,635,343</b>
Depreciation	\$158,626	\$169,154	\$178,589	\$190,650	\$195,850	\$190,000	\$490,000	\$490,000	\$490,000	\$865,000
<b>Operating surplus/(deficit)</b>	<b>\$104,294</b>	<b>\$108,376</b>	<b>\$4,672</b>	<b>\$21,595</b>	<b>(\$276,499)</b>	<b>(\$16,401)</b>	<b>(\$334,565)</b>	<b>(\$249,053)</b>	<b>(\$240,133)</b>	<b>\$770,343</b>
Extraordinary Items	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000,000	\$0	\$0	\$0
<b>Total surplus/(deficit)</b>	<b>\$104,294</b>	<b>\$108,376</b>	<b>\$4,672</b>	<b>\$21,595</b>	<b>(\$276,499)</b>	<b>(\$16,401)</b>	<b>\$11,665,435</b>	<b>(\$249,053)</b>	<b>(\$240,133)</b>	<b>\$770,343</b>

**Liquidity Position**

Cash	\$1,919,532	\$1,921,682	\$1,889,179	\$1,945,904	\$1,647,115	\$1,647,115	\$1,647,115	\$1,647,115	\$1,647,115	\$1,647,115
Current assets	\$300,066	\$305,448	\$409,114	\$287,918	\$165,609	\$165,609	\$165,609	\$165,609	\$165,609	\$165,609
Current liabilities	\$940,859	\$768,297	\$1,044,932	\$559,296	\$601,899	\$601,899	\$601,899	\$601,899	\$601,899	\$601,899
<b>Net current assets</b>	<b>\$1,278,739</b>	<b>\$1,458,833</b>	<b>\$1,253,361</b>	<b>\$1,674,526</b>	<b>\$1,210,825</b>	<b>\$1,210,825</b>	<b>\$1,210,825</b>	<b>\$1,210,825</b>	<b>\$1,210,825</b>	<b>\$1,210,825</b>
Non-Current assets	\$5,667,756	\$5,649,933	\$5,604,592	\$5,619,849	\$5,630,424	\$5,614,023	\$17,279,458	\$29,030,405	\$28,790,272	\$29,560,615
Non-Current liabilities	\$200,000	\$255,486	\$0	\$414,826	\$238,200	\$238,200	\$238,200	\$12,238,200	\$12,238,200	\$12,238,200
<b>Net Non-Current assets</b>	<b>\$5,467,756</b>	<b>\$5,394,447</b>	<b>\$5,604,592</b>	<b>\$5,205,023</b>	<b>\$5,392,224</b>	<b>\$5,375,823</b>	<b>\$17,041,258</b>	<b>\$16,792,205</b>	<b>\$16,552,072</b>	<b>\$17,322,415</b>
<b>Net Assets</b>	<b>\$6,746,495</b>	<b>\$6,853,280</b>	<b>\$6,857,953</b>	<b>\$6,879,549</b>	<b>\$6,603,049</b>	<b>\$6,586,648</b>	<b>\$18,252,083</b>	<b>\$18,003,030</b>	<b>\$17,762,897</b>	<b>\$18,533,240</b>

**Other Key Statistics**

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Increase	% Increase
Number of race meetings	31	44	45	45	49	49	49	49	49	49	4	9%
Number of TAB race meetings	31	44	45	45	49	49	49	49	49	49	4	9%
Number of races	265	352	360	320	346	346	346	346	346	346	26	8%
Number of starters	2,914	3,757	3,972	3,252	3,702	3,702	3,702	3,702	3,702	3,702	450	14%
Average starters per race	11.0	10.7	11.0	10.2	10.7	11	11	11	11	11	1	5%
Training Starters	882	1,320	1,001	871	871	1,000	1,000	1,000	1,000	1,000	129	15%
Attendance numbers	40,441	47,447	53,390	48,445	45,959	47,000	48,175	49,379	50,614	51,879	1,445	-3%
Member numbers	372	430	485	495	495	500	500	500	500	500	5	1%

No Trainers registered

(TattsBet wagering data)

Wagering Turnover  
Approx Wagering Return  
Average Wagering Return

28,131,067	35,156,879	35,074,249	34,973,494	34,973,494	35,000,000	35,875,000	36,771,875	37,691,172	38,633,451	26,506.05	0.1%
1,725,976	2,184,404	2,122,588	2,106,350	2,106,350	2,100,000	2,152,500	2,206,313	2,261,470	2,318,007		
55,677	49,646	47,169	46,808	42,987	42,857	43,929	45,027	46,152	47,306		

CPI average of 2.5% for future returns

2.5% 2.5% 2.5% 2.5% 2.5%



	Actual FY 07/08	Actual FY 08/09	Actual FY 09/10	Actual FY 10/11	Actual FY 11/12	Forecast					
						FY13	FY14	FY15	FY16	FY17	
Fund Raising Revenue	9	0	0	0	0	-	-	-	-	-	
Insurance Recoveries	9	0	0	0	0	-	-	-	-	-	
Other Operating/Admin Revenue	9	718,140	50,434	25,877	17,818	-771	20,000	20,500	21,013	21,538	
<b>TOTAL OTHER OPERATING/ADMIN REVENUE</b>		<b>2,104,282</b>	<b>1,590,322</b>	<b>1,074,892</b>	<b>1,065,875</b>	<b>1,054,915</b>	<b>1,215,500</b>	<b>1,223,663</b>	<b>1,312,092</b>	<b>1,322,797</b>	<b>3,833,839</b>
<b>OTHER OPERATING/ADMINISTRATION EXPENDITURE</b>											
Accounting/Audit	7C	8,250	9,035	9,000	-4,000	2,000	10,000	10,250	10,506	10,769	11,038
Consultancy / Legal	7C	0	0	0	637	767	1,000	1,025	1,051	1,077	1,104
Bank Charges & Interest	7C	8,441	10,134	5,397	12,714	9,127	10,000	10,250	10,506	10,769	1,136,038
Debt Collection & Bad Debts	7C	42,000	0	0	8,500	6,476	5,000	5,125	5,253	5,384	5,519
Cleaning (General)	7C	44,928	45,083	50,790	34,563	43,495	35,427	36,312	37,220	38,151	39,104
Electricity & Gas	7H	50,512	73,236	84,177	80,159	37,775	100,000	102,500	105,063	107,689	110,381
Fees, Permits and Licences	7C	2,055	3,748	988	1,876	0	2,000	2,050	2,101	2,154	2,208
Postage & Freight	7C	1,844	2,450	2,268	2,389	2,818	2,500	2,563	2,627	2,692	2,760
Printing & Stationery	7C	11,256	37,347	13,894	8,577	21,606	10,000	10,250	10,506	10,769	11,038
Insurance - Public Liability Fire & General	7G	62,544	59,237	52,907	54,986	60,433	60,000	61,500	63,038	64,613	66,229
Telephone/Fax	7H	26,049	26,188	24,891	28,554	24,160	30,000	30,750	31,519	32,307	33,114
Security (Admin)	7C	69,549	25,850	26,193	31,937	31,865	32,000	32,800	33,620	34,461	35,322
Rates	7H	60,511	63,448	74,586	70,102	76,231	75,000	76,875	78,797	80,767	82,786
Depreciation	8	158,626	169,154	178,589	190,650	195,850	190,000	490,000	490,000	490,000	865,000
Donations (ref: statistics sheet)	7C	0	0	0	0	0	0	0	0	0	0
Fund Raising Expense	7C	0	0	0	0	0	0	0	0	0	0
Repairs & Maintenance	7B	0	0	0	0	2,946	0	0	0	0	0
Other Operating/Admin Expenses	7C	0	67,535	23,198	55,325	57,097	50,000	51,250	52,531	53,845	55,191
Committee expenditure (inc travel, entertainment, tele)	7D	17,700	3,181	14,366	30,868	229	20,000	20,500	21,013	21,538	22,076
Fringe Benefits Tax	7E	5,445	5,244	-959	5,400	16,460	5,500	5,638	5,778	5,923	6,071
Wages and Salaries (administration)	7E	224,087	263,251	293,574	291,909	324,032	300,000	307,500	315,188	323,067	331,144
Superannuation	7E	21,500	0	80,026	76,321	71,580	156,535	160,449	164,460	168,572	172,786
Insurance - Workers Compensation	7E	21,789	20,765	24,927	49,375	8,966	22,921	23,494	24,082	24,684	25,286
Travelling Expenses (Staff only)	7C	0	0	0	0	0	0	0	0	0	0
Motor Vehicle	7C	27,545	12,527	14,073	7,313	8,385	0	0	0	0	0
<b>TOTAL OTHER OPERATING/ADMIN EXPENSES</b>		<b>864,631</b>	<b>897,413</b>	<b>972,887</b>	<b>1,038,154</b>	<b>1,002,298</b>	<b>1,094,962</b>	<b>1,440,507</b>	<b>1,464,270</b>	<b>1,488,627</b>	<b>3,013,592</b>
<b>OTHER OPERATING/ADMINISTRATION PROFIT/LOSS</b>		<b>1,239,651</b>	<b>692,909</b>	<b>102,005</b>	<b>27,721</b>	<b>52,617</b>	<b>120,538</b>	<b>(216,845)</b>	<b>(152,178)</b>	<b>(165,830)</b>	<b>820,247</b>
<b>COURSE &amp; FACILITIES REPAIRS &amp; MAINTENANCE</b>											
Wages and Salaries (maintenance)	7F	474,482	504,612	501,186	513,932	576,582	550,000	563,750	577,844	592,290	607,097
Superannuation (maintenance)	7F	42,703	74,926	0	0	0	49,500	50,738	52,006	53,306	54,639
Repairs and Maintenance (Track)	7A	34,186	42,660	48,296	31,940	50,117	40,000	41,000	42,025	43,076	44,153
Repairs and Maintenance (Buildings)	7B	30,848	27,762	24,385	88,386	34,462	90,000	92,250	94,556	96,920	99,343
Repairs and Maintenance (Equipment)	7B	72,335	64,531	55,851	36,081	51,873	35,000	35,875	36,772	37,691	38,633
Fuel & Oil	7B	22,414	59,387	32,328	36,090	41,374	40,000	41,000	42,025	43,076	44,153
Fertilizer	7A	46,990	35,189	65,067	76,207	74,616	0	0	0	0	0
Other Repairs & Maintenance expenditure	7B	0	2,945	1,480	-270	0	0	0	0	0	0
<b>TOTAL COURSE &amp; FACILITIES REPAIRS &amp; MAINTENANCE</b>		<b>723,958</b>	<b>809,067</b>	<b>730,059</b>	<b>784,117</b>	<b>828,754</b>	<b>804,500</b>	<b>824,613</b>	<b>845,228</b>	<b>866,359</b>	<b>888,017</b>
<b>TOTAL PROFIT/LOSS</b>		<b>104,294</b>	<b>108,376</b>	<b>4,672</b>	<b>21,595</b>	<b>(276,499)</b>	<b>(16,401)</b>	<b>(334,565)</b>	<b>(249,053)</b>	<b>(240,133)</b>	<b>770,343</b>
<b>ABNORMAL ITEMS (+ are losses)</b>	16	0	0	0	0	0	12,000,000	0	0	0	0
<b>NET PROFIT/LOSS AFTER ABNORMAL ITEMS</b>		<b>104,294</b>	<b>108,376</b>	<b>4,672</b>	<b>21,595</b>	<b>(276,499)</b>	<b>(16,401)</b>	<b>(12,334,565)</b>	<b>(249,053)</b>	<b>(240,133)</b>	<b>770,343</b>
Revenue		3,496,479	4,038,539	4,039,377	4,187,481	4,138,498	4,474,511	4,606,302	4,823,584	4,968,606	7,619,677
Expense		3,392,185	3,930,163	4,034,705	4,165,886	4,414,997	4,490,912	4,940,866	5,072,637	5,208,739	6,849,334

Assumptions

Training and Racing Facilities  
Members and Public Facilities

Fully Operational

100% 100% 100% 100% 100%



	Actual	Actual	Actual	Actual	Actual	Forecast				
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY13	FY14	FY15	FY16	FY17
CPI increase p.a.						2.5%	2.5%	2.5%	2.5%	2.5%
Number of Meetings	31	44	45	45	49	49	49	49	49	49
Attendees	40,441	47,447	53,390	48,445	45,959	47,000	48,175	49,379	50,614	51,879
Average Attendance Per Meeting	1,305	1,078	1,186	1,077	938	1,100	1,100	1,100	1,100	1,100
		#VALUE!	#DIV/0!	20%		-3%	2%	2%	2%	3%
<b>Bar (Gross sales)</b>										
Average Spend per meeting	18,601.06	20,309.43	20,284.31	19,504.19	16,841.51	17,265.31	18,139.36	19,057.67	20,022.46	21,036.10
Average Spend per attendee	14.26	18.83	17.10	18.12	17.96	18.00	18.45	18.91	19.38	19.87
Gross Sales	576,633	893,615	912,794	877,689	825,234	846,000	888,829	933,826	981,101	1,030,769
Bar GP %	93.09%	56.70%	51.85%	57.40%	50.23%	60.00%	60.00%	60.00%	60.00%	60.00%
<b>Catering (Gross sales)</b>										
Average Spend per meeting	10,143.23	14,883.45	16,781.86	15,299.15	15,473.73	14,387.76	15,116.14	15,881.39	16,685.38	17,530.08
Average Spend per attendee	7.78	13.80	14.14	14.21	16.50	15.00	15.38	15.76	16.15	16.56
Gross Sales	314,440	654,872	755,184	688,462	758,213	705,000.00	740,691	778,188	817,584	858,974
Catering GP %	72.39%	64.06%	71.45%	69.41%	70.92%	40.00%	40.00%	40.00%	40.00%	40.00%
<b>Total Income (Gross commissions)</b>										
Based on Historical GP% and Trends										
<b>Advertising</b>										
Based on Historical										
<b>Gate takings/Admission Fees</b>										
Average Attendance Per Meeting	1,305	1,078	1,186	1,077	938	1,100	1,100	1,100	1,100	1,100
Attendance numbers	40,441	47,447	53,390	48,445	45,959	47,000	48,175	49,379	50,614	51,879
Average Admission Charge Per Meeting	1.92	2.33	1.55	1.42	1.30	2.00	2.05	2.10	2.15	2.21
Total Gate Takings/Admission Fees	77,614			68,828	59,570	94,000	98,759	103,758	109,011	114,530
Based on Historical										
Average Attendance on a Saturday										
Average Attendance on a Feature Day										
<b>Race Book Sales</b>										
Based on Historical										
<b>Bookmakers fees</b>										
N/A										
<b>Sponsorship - Cash equivalent</b>										
Based on Historical										
<b>SKY Racing Broadcast Fee (Net)</b>										
Based on Historical										
<b>Signage</b>										
Based on Historical										
<b>Training Track Subsidy Provided by Queensland State Government</b>										
Starters	882	1,320	1,001	871	871	1,000	1,000	1,000	1,000	1,000
Incentive Subsidy Per Starter	13.95	8.04	11.17	14.19	14.19	14.00	14.35	14.71	15.08	15.45
Training Track Subsidy = \$14.00 per starter @ 850 starters	12,300	10,619	11,182	12,361	12,361	14,000	14,350	14,709	15,076	15,453
Training Track Subsidy - \$8,000 threshold payment	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Total Government Grants	20,300	18,619	19,182	20,361	20,361	22,000	22,350	22,709	23,076	23,453

	Actual FY 07/08	Actual FY 08/09	Actual FY 09/10	Actual FY 10/11	Actual FY 11/12	Forecast				
						FY13	FY14	FY15	FY16	FY17
Other Grants	56,700	73,626	71,029	63,639	61,249	70,000	71,750	73,544	75,382	77,267
<b>Total Grants</b>	<b>77,000</b>	<b>92,245</b>	<b>90,211</b>	<b>84,000</b>	<b>81,610</b>	<b>92,000</b>	<b>94,100</b>	<b>96,253</b>	<b>98,459</b>	<b>100,720</b>
<b>Track Fees and Rentals</b>										
Track Fees charged	25,507	33,277	28,134	26,551	31,743	30,000	30,750	31,519	32,307	33,114
Horses Trained	882	1,320	1,001	871	871	1,000	1,000	1,000	1,000	1,000
Net Fees Revenue per Horse	28.92	25.21	28.11	30.48	36.44	30	31	32	32	33
<b>RACING EXPENDITURE</b>										
Based on Historical Increased with CPI annually										
<b>Wages on Race Day</b>										
Security (Race Day)										
Average Cost Per Meeting	735.65	2,086.07	2,004.36	2,006.00	1,955.88	2,100.00	2,152.50	2,206.31	2,261.47	2,318.01
	31	44	45	45	49	49	49	49	49	49
	<b>22,805</b>	<b>91,787</b>	<b>90,196</b>	<b>90,270</b>	<b>95,838</b>	<b>102,900</b>	<b>105,473</b>	<b>108,109</b>	<b>110,812</b>	<b>113,582</b>
<b>Veterinary &amp; Farrier Fees</b>										
Veterinarian fee per meeting						700.00	717.50	735.44	753.82	772.67
<b>Total</b>	<b>18,417</b>	<b>32,998</b>	<b>23,872</b>	<b>25,191</b>	<b>39,967</b>	<b>34,300</b>	<b>35,158</b>	<b>36,036</b>	<b>36,937</b>	<b>37,861</b>
Number of Meetings	31	44	45	45	49	49.00	49.00	49.00	49.00	49.00
Total Cost Per Meeting	<b>594</b>	<b>750</b>	<b>530</b>	<b>560</b>	<b>816</b>	<b>700</b>	<b>718</b>	<b>735</b>	<b>754</b>	<b>773</b>
<b>Wages Race Day Includes</b>										
Assistant Starter										
Treader/Mounting Yard										
Horse Entrance and Tie up stalls attendants										
Barrier Attendant										
Scales Room Attendant										
Clerk Of Course										
Judge										
Photo finish Operator										
Shoeing Inspector										
Gate Entrance Staff										
Total Cost Per Race Day	2,901.58	3,315.84	2,948.37	3,685.63	3,117.47	3,800.00	3,895.00	3,992.38	4,092.18	4,194.49
Number of Meetings	31	44	45	45	49	49	49	49	49	49
Total Cost Per Annum	<b>89,949</b>	<b>145,897</b>	<b>132,677</b>	<b>165,853</b>	<b>152,756</b>	<b>186,200</b>	<b>190,855</b>	<b>195,626</b>	<b>200,517</b>	<b>205,530</b>
Based on historical trends per meeting charge and similar clubs										
<b>Cleaning (Race day)</b>										
Average Cost Per Meeting	1,449.26	1,374.68	1,303.03	1,919.42	2,014.80	2,000.00	2,050.00	2,101.25	2,153.78	2,207.63
	31	44	45	45	49	49	49	49	49	49
	<b>44,927</b>	<b>60,486</b>	<b>58,637</b>	<b>86,374</b>	<b>98,725</b>	<b>98,000</b>	<b>100,450</b>	<b>102,961</b>	<b>105,535</b>	<b>108,174</b>
<b>OTHER OPERATING/ADMINISTRATION REVENUE</b>										
Grants & Subsidies										
Operational Subsidy per Race Meeting	27,618.39	30,070.05	18,911.11	18,800.00	17,265.31	19,000	19,000	19,000	19,000	19,000
Total Subsidy	<b>856,170</b>	<b>1,323,082</b>	<b>851,000</b>	<b>846,000</b>	<b>846,000</b>	<b>931,000</b>	<b>931,000</b>	<b>931,000</b>	<b>931,000</b>	<b>931,000</b>
Operational Subsidy Based on service level agreement negotiated with club										
<b>Membership Subscriptions</b>										
Number of Members	372	430	485	495	495	500	500	500	500	500
Annual Subscription	74.36	74.65	78.52	74.76	77.71	75	76.88	78.80	80.77	82.79

	Actual	Actual	Actual	Actual	Actual	Forecast				
	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY13	FY14	FY15	FY16	FY17

Total \$ Member Subscriptions

27,663	32,101	38,082	37,004	38,467	37,500	38,438	39,398	40,383	41,393
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**Bar & Catering (net) - non race day functions**

Other functions

50,000	52,500	55,125	57,881	60,775
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Based on the increased exposure of the facility and better marketing as a venue increased by 5% per annum

5%	5%	5%	5%
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Non Racing Venue Revenue (functions etc.) calculated on average cost of function types

**OTHER OPERATING/ADMINISTRATION EXPENDITURE**

All Operating and Administrative Expenditure based on Historical information  
Increased with CPI annually

**Wages and Salaries (administration)**

Based on 4 Full Time Resource

300,000	307,500	315,188	323,067	331,144
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Superannuation and On costs

156,535	160,449	164,460	168,572	172,786
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Insurance - Workers Compensation

22,362	22,921	23,494	24,082	24,684
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Total Wages

144,352	185,804	183,155	209,816	209,131	169,200	173,430	177,766	182,210	186,765
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Bar - wages

147,478	144,454	205,431	168,591	230,620	141,000	144,525	148,138	151,842	155,638
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Catering - wages

47,117	83,817	89,485	132,625	85,831	144,414	148,024	151,725	155,518	159,406
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Tote - wages

89,949	145,897	132,677	165,853	152,756	186,200	190,855	195,626	200,517	205,530
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Wages Race Day

224,087	263,251	293,574	291,909	324,032	300,000	307,500	315,188	323,067	331,144
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Wages and Salaries (administration)

474,482	504,612	501,186	513,932	576,582	550,000	563,750	577,844	592,290	607,097
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Wages and Salaries (maintenance)

1,127,465	1,327,835	1,405,507	1,482,727	1,578,952	1,490,814	1,528,084	1,566,286	1,605,443	1,645,579
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**Depreciation**

Current Depreciation less disposals

158,626	169,154	178,589	190,650	195,850	190,000	190,000	190,000	190,000	190,000
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Depreciation Calculations Required

Method

Approximate

Rate

Racing Surfaces

40yrs @ 2.5% p.a

300,000

2.50%

Buildings & Facilities Improvements

Infrastructure Plan Funding

40yrs @ 2.5% p.a

-

2.50%

Approximate Depreciation impact

300,000

300,000	300,000	300,000	675,000
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Total Depreciation

190,000	490,000	490,000	490,000	865,000
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Actual FY 07/08	Actual FY 08/09	Actual FY 09/10	Actual FY 10/11	Actual FY 11/12	Forecast				
					FY13	FY14	FY15	FY16	FY17

**COURSE & FACILITIES REPAIRS & MAINTENANCE**

All Course and Facilities Maint Expenditure based on Historical information from similar clubs and Increase in status of meetings to TAB

If no volunteer labour available to clubs the cost incurred would be as below and is reflected in above model

Increased with CPI annually

Repairs and Maintenance (Track)						40,000.00	41,000.00	42,025.00	43,075.63	44,152.52
Repairs and Maintenance (Buildings)						90,000.00	92,250.00	94,556.25	96,920.16	99,343.16
Repairs and Maintenance (Equipment)						35,000.00	35,875.00	36,771.88	37,691.17	38,633.45
Fuel & Oil						40,000.00	41,000.00	42,025.00	43,075.63	44,152.52
						<u>205,000.00</u>	<u>210,125.00</u>	<u>215,378.13</u>	<u>220,762.58</u>	<u>226,281.64</u>

**Wages and Salaries (maintenance)**

Course wages & salaries based on 10 (FTE) employees @ \$50,000 TRV	474,482	504,612	501,186	513,932	576,582	550,000	563,750	577,844	592,290	607,097
Superannuation calculated at 9% of wages & salaries	42,703	74,926	-	-	-	49,500	50,738	52,006	53,306	54,639

The Members and Public Facility is new and therefore will not require as much maintenance but the model is based on worst case scenario ensuring that the facility is sufficiently maintained.

**Extraordinary Item**

This is the Infrastructure Plan Funding Grant as a grant to the Ipswich Facility 12,000,000

Expenditure in FY2015/2016 on Commercial development serviced by debt 15,000,000 Depreciation impact from FY 2017 40yrs @ 2.5% p.a 375000

These funds are returned to the industry in the form of prizemoney and other incentives as well as funding clubs through the operational subsidy

Industry Returns via Product Fees from TattsBet

**Average Turnover per weekday race meeting (TAB)**

Turnover	1,725,976	2,184,404	2,122,588	2,106,350	#REF!	2,100,000	2,293,581	2,293,581	2,293,581	2,293,581	2,293,581
Product Fee	55,677	49,646	47,169	46,808	#REF!	42,857	50,968	50,968	50,968	50,968	50,968
Return %	3.2%	2.3%	2.2%	2.2%	#REF!	2.0%	2.2%	2.2%	2.2%	2.2%	2.2%

**Joint Proposal ITC and IGRC - Preliminary Proposed Expenditure of Infrastructure Grant.**

<b>1. Stables Relocation and Under Track Tunnel Construction.</b>		
Construct Triple Cell Culvert Tunnel and Ramps		
- direction in 3.5 metres by 4 metres high.	\$ 1,250,000	
- direction out 3.5 metres by 4 metres high	\$ 1,250,000	
- pedestrian and horse 2 metres by 4 metres	\$ 700,000	
Build sealed Float / Car Park plus linking roads and pathways	\$ 350,000	
Construct 150 tie-up stalls, swab stall building, sheds, offices, trials kennel block.	\$ 1,300,000	
Infrastructure and services installation	\$ 400,000	
Demolish and remove existing buildings	\$ 200,000	
Ancillary approval and engineering expenses	\$ 750,000	\$ 6,200,000
<b>2. Install 600 metre 1-turn Greyhound Track.</b>		
Track	\$ 800,000	
Lighting	\$ 1,050,000	
Semaphore Board / large television / starts / lure / irrigation	\$ 400,000	
Tower for lateral camera / finish line camera / judge	\$ 250,000	
Ancillary services	\$ 200,000	
Ancillary approval and engineering expenses	\$ 300,000	\$ 3,000,000
<b>3. Refurbish Viewing Terrace to build kennel block and viewing facility</b>		
Enclose and fit out 600 metre squared area for kennels / offices / kitchen / toilets. Consists of:		
100 kennels + scales/ entry room / office / swab / stewards internal	\$ 400,000	
Exterior walls and roofing of 400 square metre area*	\$ 200,000	
lift to upper level	\$ 120,000	
multi level toilet block	\$ 200,000	
Fumes extraction and airconditioning	\$ 50,000	
kitchen and servery 100m2 @ \$2000 per m2	\$ 200,000	
Flooring /pathways and steps	\$ 150,000	\$ 1,320,000
Enclose upper level with sheeting and glass windows	\$ 250,000	
Re- surface floor	\$ 50,000	
Re-line existing Tote office and bar / kitchen.	\$ 50,000	
Correct box gutter roofing and re-paint existing roofing plus sails replace	\$ 80,000	
Install false ceiling and air conditioning	\$ 150,000	
Upgrade and connect services	\$ 100,000	\$ 680,000
Correct existing roofing of stewards and Eyeliner Bars and repaint facilities	\$ 250,000	
Contingency	\$ 550,000	\$ 800,000
<b>Total Proposed Expenditure From Infrastructure Plan</b>		<b>\$12,000,000</b>

\*400 m2 @ \$500/m2

Joint Proposal ITC and IGRC - Preliminary Proposed Expenditure of . . . astructure Grant.

Project Timing

Mar-13 Apr-13 May-13 Jun-13 Jul-13 Aug-13 Sep-13 Oct-13 Nov-13 Dec-13 Jan-14 Feb-14 Mar-14 Apr-14 May-14 Jun-14 Jul-14 Aug-14

**1. Stables Relocation and Under Track Tunnel Construction.**

Construct Triple Cell Culvert Tunnel and Ramps

- direction in 3.5 metres by 4 metres high.
- direction out 3.5 metres by 4 metres high
- pedestrian and horse 2 metres by 3.5 metres

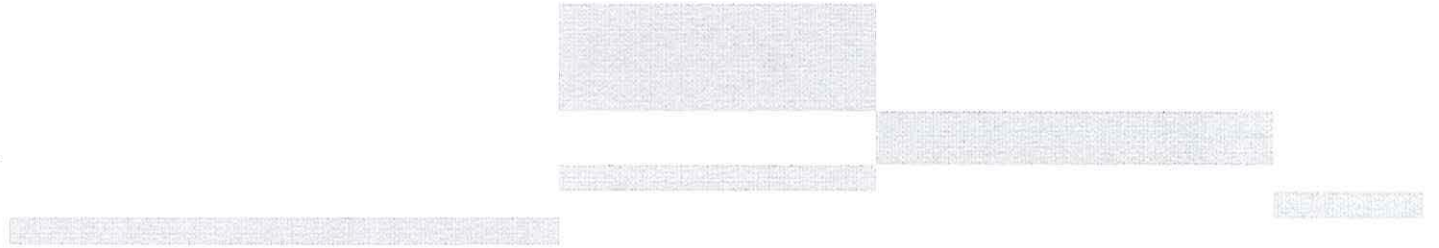
Build sealed Float / Car Park plus linking roads and pathways

Construct 150 tie-up stalls, swab stall building, sheds, offices, trials kennel block.

Infrastructure and services installation

Demolish and remove existing buildings

Ancillary approval and engineering expenses



**2. Install 600 metre 1-turn Greyhound Track.**

Track

Lighting

Semaphore Board / starts / lure / irrigation

Tower for lateral camera / finish line camera / judge

Ancillary services

Ancillary approval and engineering expenses



**3. Refurbish Viewing Terrace to build kennel block and viewing facility**

Enclose and fit out 600 metre squared area for kennels / offices / kitchen / toilets.

Consists of:

- 100 kennels + scales/ entry room / office / swab / stewards internal
- Exterior walls and roofing of 400 square metre area\*
- lift to upper level
- multi level toilet block
- Fumes extraction and airconditioning
- kitchen and servery 100m2 @ \$1500 per m2
- Flooring /pathways and steps

Enclose upper level with sheeting and glass windows

Re- surface floor

Re-line existing Tote office and bar / kitchen.

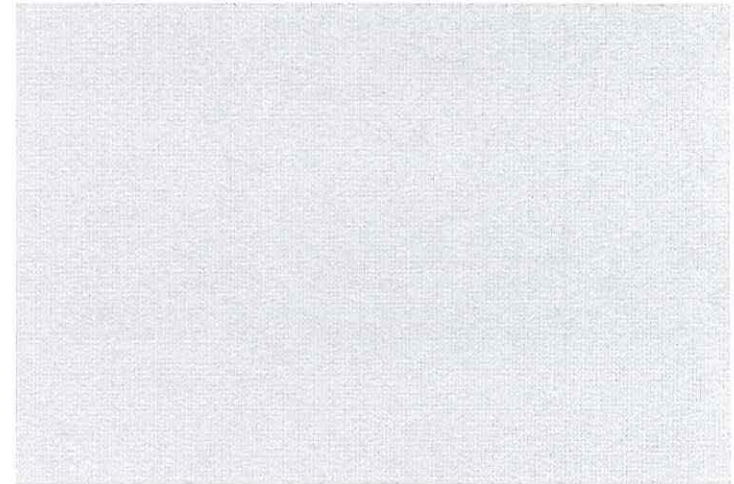
Correct box gutter roofing and re-paint existing roofing plus sails replace

Install false ceiling and air conditioning

Upgrade and connect services

Correct existing roofing of stewards and Eyeliner Bars and repaint facilities

Contingency



Joint Proposal ITC and IGRC - Preliminary Proposed Expenditure of Infrastructure Grant.

Total

Cash Flow Timing

	Total	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	
<b>1. Stables Relocation and Under Track Tunnel Construction.</b>																				
Construct Triple Cell Culvert Tunnel and Ramps																				
- direction in 3.5 metres by 4 metres high.	\$ 1,250,000								\$ 312,500	\$ 312,500	\$ 312,500	\$ 312,500								
- direction out 3.5 metres by 4 metres high	\$ 1,250,000								\$ 312,500	\$ 312,500	\$ 312,500	\$ 312,500								
- pedestrian and horse 2 metres by 3.5 metres	\$ 700,000								\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000								
Build sealed Float / Car Park plus linking roads and pathways	\$ 350,000												\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000			
Construct 150 tie-up stalls, swab stall building, sheds, offices, trials kennel block.	\$ 1,300,000												\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000	\$ 260,000			
Infrastructure and services installation	\$ 400,000								\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000								
Demolish and remove existing buildings	\$ 200,000																	\$ 100,000	\$ 100,000	
Ancillary approval and engineering expenses	\$ 750,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 120,000									
	\$ 6,200,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 1,020,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 330,000	\$ 330,000	\$ 330,000	\$ 330,000	\$ 330,000	\$ 100,000	\$ 100,000	
<b>2. Install 600 metre 1-turn Greyhound Track.</b>																				
Track	\$ 800,000												\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000			
Lighting	\$ 1,050,000												\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000			
Semaphore Board / starts / lure / irrigation	\$ 400,000												\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000			
Tower for lateral camera / finish line camera / judge	\$ 250,000												\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000			
Ancillary services	\$ 200,000								\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000							
Ancillary approval and engineering expenses	\$ 300,000		\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000								
	\$ 3,000,000	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 540,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	\$ -	
<b>3. Refurbish Viewing Terrace to build kennel block and viewing facility</b>																				
Enclose and fit out 600 metre squared area for kennels / offices / kitchen / toilets.																				
Consists of:																				
100 kennels + scales/ entry room / office / swab / stewards internal	\$ 400,000								\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 4,000		
Exterior walls and roofing of 400 square metre area*	\$ 200,000								\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 2,000		
lift to upper level	\$ 120,000								\$ 13,200	\$ 13,200	\$ 13,200	\$ 13,200	\$ 13,200	\$ 13,200	\$ 13,200	\$ 13,200	\$ 13,200	\$ 1,200		
multi level toilet block	\$ 200,000								\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 2,000		
Fumes extraction and airconditioning	\$ 50,000								\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 500			
kitchen and servery 100m2 @ \$1500 per m2	\$ 200,000								\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 2,000			
Flooring /pathways and steps	\$ 150,000								\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 1,500			
Enclose upper level with sheeting and glass windows	\$ 250,000								\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500	\$ 2,500			
Re- surface floor	\$ 50,000								\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 500			
Re-line existing Tote office and bar / kitchen.	\$ 50,000								\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ 500			
Correct box gutter roofing and re-paint existing roofing plus sails replace	\$ 80,000								\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 8,800	\$ 800			
Install false ceiling and air conditioning	\$ 150,000								\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 1,500			
Upgrade and connect services	\$ 100,000								\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 1,000			
Correct existing roofing of stewards and Eyeliner Bars and repaint facilities	\$ 250,000								\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500	\$ 27,500	\$ 2,500			
Contingency	\$ 550,000																	\$ 550,000		
	\$ 2,800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 247,500	\$ 247,500	\$ 247,500	\$ 247,500	\$ 247,500	\$ 247,500	\$ 247,500	\$ 247,500	\$ 247,500	\$ 22,500	\$ 550,000	
<b>Grand Total</b>	<b>\$ 12,000,000</b>	<b>\$ 90,000</b>	<b>\$ 120,000</b>	<b>\$ 120,000</b>	<b>\$ 120,000</b>	<b>\$ 120,000</b>	<b>\$ 120,000</b>	<b>\$ 120,000</b>	<b>\$ 1,337,500</b>	<b>\$ 1,217,500</b>	<b>\$ 1,217,500</b>	<b>\$ 1,217,500</b>	<b>\$ 1,117,500</b>	<b>\$ 1,077,500</b>	<b>\$ 1,077,500</b>	<b>\$ 1,077,500</b>	<b>\$ 1,077,500</b>	<b>\$ 122,500</b>	<b>\$ 650,000</b>	<b>\$ 12,000,000</b>

check \$ 12,000,000

Minutes of  
Industry Infrastructure Plan Control Group

12 October 2011

RQL Board Room, Head Office, Deagon

Meeting Commenced at 11:30am  
Meeting Concluded at 12:35am

In attendance: Malcolm Tuttle – Chairman  
Paul Brennan  
Adam Carter  
Ron Mathofer  
Mark Snowdon

Apologies: Shara Reid (nee Murray)

Minutes: Kearra Christensen

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The chairman opened the meeting at 11:30am.

1. **Apologies**

Mrs Shara Reid is currently on leave and unable to attend the meeting. It should also be noted that Mr Blair Odgers was not invited to attend the meeting as there was no relevant material.

2. **Confirmation of minutes**

The minutes from the meeting of September 19, 2011, were confirmed and signed by the chairman (attached).

3. **Review action sheet**

The action sheet following the meeting of September 19, 2011, was reviewed and updates provided.

4. **Update on Mackay project**

Mr Mark Snowdon updated the group in relation to the Mackay project and advised that the project is currently on time and on budget.

5. **Update on status of business cases**

Mr Snowdon advised that he is still working on a number of the business cases and will make this priority as these were now urgent.

6. **Update on accessibility of \$10 million Logan funding**

Mr Snowdon advised that the actual figure to be claimed is \$9.582 million, due to the closure of Parklands. In addition, Mr Snowdon advised that the Office of Racing has stated that this amount can be drawn down and an application for expenditure must be submitted to Treasury before the funds will be provided to RQL.



7. **Update on Deagon MCU and costs to be incurred by RQL prior to approval of business case**

Mr Snowdon advised that KHA have submitted a code assessable development application, despite RQL wanting to submit an impact assessable development application, which requires a public consultation. He confirmed that this was done with no consultation with RQL which was unfortunate.

8. **Other business**

**Mr Adam Carter – leave**

Mr Carter advised that Mr Ron Mathofer will be available to assist in his absence between October 17 and November 15.

**Positive public relations**

Mr Carter advised that he would like to see RQL move to put out some positive news in relation to the Industry Infrastructure Plan, particularly in relation to the Deagon development. Mr Carter outlined that this is a significant project and he felt that the locals did not know enough about it.

**Board approval**

Mr Malcolm Tuttle requested that a meeting be organised with Mr Bob Bentley, Mr Snowdon, Mr Paul Brennan and himself to ensure that the chairman was fully aware that RQL funds were being expended on preliminary works necessary for the development of various business cases. Mr Tuttle expressed his concern over this expenditure and outlined that any further expenditure should have full board approval. Mr Snowdon undertook to ensure that the board is fully briefed at the next meeting.

**Correspondence to Lawlor**

Mr Carter to provide a copy of correspondence to Mr Snowdon that was originally sent to Minister Lawlor in January 2011.

**Treasury**

Ms Kearra Christensen to touch base with Ms Wendy Thomas in relation to a meeting being setup with Treasury for Mr Bentley and Mr Bill Ludwig.

9. **Next meeting**

Mr Tuttle requested that an additional meeting be scheduled this month prior to the RQL board papers being distributed. Ms Kearra Christensen will schedule a meeting and advise the group by October 14, 2011.

**Confirmed as a true and correct record.**

  
MALCOLM TUTTLE

Chairman

Dated 25 / 10 / 2011

Minutes of  
Industry Infrastructure Plan Control Group

25 October 2011

RQL Board Room, Head Office, Deagon

Meeting Commenced at 9:15am  
Meeting Concluded at 10:30am

In attendance: Malcolm Tuttle – Chairman  
Paul Brennan  
Ron Mathofer  
Blair Odgers  
Shara Reid  
Mark Snowdon  
Deanna Dart

Minutes: Kearra Christensen

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The chairman opened the meeting at 9:15am.

1. Apologies

No apologies.

2. Confirmation of minutes

The minutes from the meeting of October 12, 2011, were amended, then confirmed and signed by the chairman (attached).

3. Review action sheet

The action sheet following the meeting of October 12, 2011, was reviewed and updates provided.

4. Update on Mackay project

Mr Mark Snowdon updated the group in relation to the Mackay project and advised that the project is currently on time and on budget.

5. Update on status of business cases

Mr Snowdon advised that the business cases for Beaudesert, Cairns and Rockhampton would be finalised and submitted to Government on November 1, 2011. Mr Malcolm Tuttle suggested the business cases be submitted to Government with the wording provided by Mr Paul Brennan in relation to equity. It is understood that whilst this might not strictly comply with Government's requirements the group recognised the urgency associated with the lodgement of the business cases. Mr Snowdon said the business cases would be ready in a week.

The group also noted the Mr Bob Bentley had been assisting Mr Mark Snowdon with his government relations.

## **6. Update on Deagon MCU**

Mr Snowdon advised that the Council has issued an acknowledgement in relation to the application for Deagon and that an information request from the Council is due by November 10, 2011. Mr Snowdon undertook to contact Council to obtain an explanation in relation to the approval process of our application.

It was noted that Mr Bentley was also discussing with the consultants whether the application ought to be code or impact assessable.

## **7. Update on venue/club management models**

Mr Brennan advised that a meeting was held with BDO on October 21, 2011, in relation to the current proposed venue/club management models. BDO advised that a different approach in relation to these models may alleviate the current issues with stamp duty and tax exemptions. The models proposed by BDO are based around lease options, however, Mrs Shara Murray raised legal issues of concern. Mr Brennan and Mr Ron Mathofer are meeting with BDO on October 26, 2011, and will update the group at its next meeting on November 21.

The group recognised that it is critical to have this resolved and ultimately the board of RQL would need to identify the way forward on this matter.

## **8. Other business**

### **Rockhampton**

Mr Brennan will provide a brief to Mr Bentley in relation to words to be used in relation to Rockhampton when discussing with matter with the Treasurer.

### **Cash flow**

Mr Snowdon advised that he injected a further \$1.9 million into the Mackay, Beaudesert and Cairns project plans, and confirmed that all expenditure is well within the overall budget. This will be reported to the RQL board and subsequently to this group.

### **Local residents**

Irrespective of whether the application is deemed code or impact assessable, the group agreed that it was critical to get information out to local residents. Mr Blair Odgers and Mr Snowdon agreed to arrange a consultation day where local stakeholders could register to attend Deagon to be informed as to the plan. Critical areas were agreed as, plan overview, racing overview, lighting, traffic, noise, environmental issues.

The day was not necessarily to be a racing related day, rather a day to inform local people as to RQL's plan for Deagon.

People are to register to attend and the day is to be held in November.

Mr Odgers to ensure the local paper is aware of the day.

### **General Communications**

The chairman raised concerns in relation to general communications regarding the plan. As a result, Mr Odgers agreed to undertake the following as a matter of urgency:

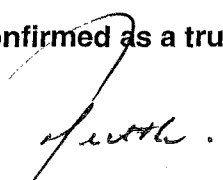
- Establish an appropriate area on the RQL website and ensure updates on projects are posted on a regular basis (Mr Warren Williams can assist with info and photos).
- Regularly brief government ensuring they are kept up to date on Plan progress.
- Arrange magazine articles for Mr Bentley each month.
- Prepare regional media releases for Mr Bentley on a regular basis.
- Ensure all local stakeholders are kept fully apprised of developments.

Mr Odgers acknowledged that this can be achieved and that RQL needs to over communicate.

**9. Next meeting**

The next meeting is scheduled for November 21, 2011, at 9:00am.

**Confirmed as a true and correct record.**

  
\_\_\_\_\_  
**MALCOLM TUTTLE**  
Chairman  
Dated..10.../11.../2011

Minutes of  
Industry Infrastructure Plan Control Group

10 November 2011

RQL Board Room, Head Office, Deagon

Meeting Commenced at 1:45pm  
Meeting Concluded at 3:30pm

In attendance: Malcolm Tuttle – chairman  
Paul Brennan  
Shara Reid  
Mark Snowdon  
Ron Mathofer (guest)  
Blair Odgers (guest)  
Deanna Dart (guest)  
Bob Bentley (guest for part of meeting)

Minutes: Kearra Christensen

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The chairman opened the meeting at 1:45pm.

1. **Apologies**

As per the minutes of the October 12, 2011, Industry Infrastructure Plan Control Group (IIPCG) meeting, Mr Adam Carter was not available to attend this meeting, however, Mr Ron Mathofer attended to assist in his absence. Mr Carter will be available to attend the next IIPCG meeting on November 17, 2011.

2. **Confirmation of minutes**

The minutes from the meeting of October 25, 2011, were confirmed and signed by the chairman (attached).

3. **Review action sheet**

The action sheet following the meeting of October 25, 2011, was reviewed and updates provided.

4. **Process flowcharts for business cases and compliance**

The internal process flowcharts from the IIPCG charter were reviewed and minor amendments effected. The group outlined its agreement with the internal process flowcharts. The chairman emphasised that compliance with the agreed processes was critical.

5. **Project manager role and checking of invoices**

This issue was raised in circumstances where the project manager holds additional roles in respect of any one project. The group noted that the project manager, Contour, has multiple roles at Mackay and agreed that this was less than ideal. The IIPCG also noted that Racing Queensland Limited (RQL) was required to commence the Mackay project urgently. Mr Mark Snowdon has undertaken to ensure that in these circumstances any instructions or invoices

between the consultant and the project manager are vetted and approved by him. This ensures that there is transparency and that reasonable levels of probity are satisfied. Mr Snowdon will advise the project manager and consultants accordingly and will ensure that the process is followed.

#### **6. Project manager engagement of consultants – requirement for tender**

The IIPCG noted the attached emails between Mr Malcolm Tuttle and Ms Carol Perrett of the Office of Racing dated November 9 and 10, following a meeting between Mr Snowdon and Ms Perrett. The group also noted an email from RQL Board director Mr Tony Hanmer dated November 6 and an email from Mr Tuttle to Mr Snowdon dated November 5. These emails discuss the levels of probity and transparency required to satisfy RQL's obligations.

Mr Ron Mathofer undertook to work through the RQL purchasing policy and the state purchasing policy, paying particular attention to the points raised by Ms Perrett in her email of November 10. Mr Mathofer and Mr Snowdon undertook to identify any discrepancies in the purchasing policies and discuss them with Mr Mike Kelly of the Office of Racing to rectify any issues. The outcome required is that the procurement document is further developed, meeting both RQL and government standards on value, transparency and probity.

The IIPCG discussed the attached emails between Mr Tuttle and Mr Tony Hanmer dated November 6. Mrs Shara Reid undertook to respond to Mr Hanmer under Mr Bob Bentley's hand reminding Mr Hanmer of the contract approval process, which was approved by the RQL board.

#### **7. Board approval for amended project budgets**

The IIPCG agreed that as per the internal process flowcharts that any amendments to the budget are to be presented to the board for approval and that these were ultimately to be presented to government following board approval. The IIPCG noted that RQL had only one opportunity to take amendments to government.

The chairman asked Mrs Reid if the individual project budgets had been approved by the board. Mrs Reid advised that the board had been advised and were aware of the budgets. The chairman requested that Mr Snowdon ensure that the budgets with amendments be approved by the board as a matter of urgency.

#### **8. Instructions and/or approvals outside the IIPCG charter and approved procedures**

It was agreed that subsequent to engagement, consultants are to be advised to report any purchase orders/costs outside of the budget to Mr Snowdon for approval. As project director, it is Mr Snowdon's responsibility to ensure that the appropriately authorised people are providing instructions.

Mr Snowdon undertook to confirm with the project team(s) that all instructions are to be derived from the relevant people, including where applicable, by himself. The chairman requested that all material conversations and emails should be documented where applicable and referred to the group for consideration and/or noting. It was noted that this is difficult if the group is not aware of the conversations.

**9. Informal conversations with government**

It was agreed that in all circumstances whereby a material conversation occurs with the government in relation to the industry infrastructure plan, it is to be emailed back to government for review, before providing it to the IIPCG secretary, Ms Kearra Christensen, to be noted by the IIPCG at its next meeting.

**10. Update on progress and format for information day for Deagon development**

It was noted that all of the members of the IIPCG have been kept well apprised of this item due to numerous email exchanges that have occurred.

Mr Blair Odgers undertook to ensure that a briefing would be provided to the government following each day of consultation and to keep government apprised of the program.

Mrs Deanna Dart undertook to provide Mrs Reid with a running sheet of the information days.

The chairman emphasised the importance of doing this right to ensure that our neighbours and local business were well informed.

**11. Development of the revised timeframes for Beaudesert, Cairns and Rockhampton projects following advice on government business case requirements and approvals processes**

Mr Paul Brennan will continue to work on this with Mr Snowdon, as it is critical that we are in a position to convey accurate information to clubs and local communities. It is imperative that we do not set unrealistic expectations and fail to deliver on the expectations.

**12. Necessity to provide the industry participants and the clubs with realistic timeframes on proposed start and finish dates**

Mr Brennan advised that due to the significant noise made by RQL in relation to these projects that it was necessary for us to keep the relevant stakeholders engaged and up-to-date in relation to the delays.

Mr Brennan further advised that he is meeting with the Beaudesert Race Club directors tomorrow to advise them of a likely start date and will prepare a statement in relation to the delays. Mr Brennan will provide this statement to Mr Odgers to publish.

Mr Bentley will assist Mr Brennan with the presentation to the Beaudesert Race Club directors, as Mr Bentley has been involved with the project.

**13. Development of a strategy/announcement to mitigate the fallout against RQL from the significant delays in the comments of work at these venues**

Mr Brennan will discuss this with Mr Odgers after the meeting to ascertain whether a strategy needs to be developed and implemented.

**14. Internal financial process.**

Refer to item 6 above.

**15. Discuss the conversation had with the Office of Racing on 8/11**

Refer to item 6 above and the attached emails were noted.

**16. Finalise acceptance of the tenderer for the swab stall and jockey room for Mackay**

Mrs Reid advised that she had completed the relevant checks and passed them on to Mr Mathofer to enable him to undertake a review of the finances.

Mr Snowdon advised that the project could be over by \$800,000, but that at this stage his application for an additional \$40,000 was compliant with the agreed internal financial document.

Following discussion, it was agreed that as this project overall was likely to exceed 1% of the project value or by \$200,000 and that a special RQL board meeting should be called to seek approval of the budgets with amendments.

Mrs Reid undertook to arrange a board meeting as a matter of urgency and Mr Snowdon undertook to prepare the necessary board papers.

**17. Other business**

**Project timelines and budgets**

Mr Snowdon provided a copy of the project timelines and budgets that were presented to board on November 4, 2011, for noting. Mr Mathofer advised he was in the process of auditing the cash flow budgets and will report back to the group on the matter as soon as possible.

**Mackay project and business case development**

It was agreed that a review would need to be undertaken of the engagement of consultants for Mackay and for the development of business cases. Mr Snowdon will lead this audit with the assistance of Mr Mathofer. The outcome required is that RQL is able to demonstrate, with all engagements to date for the industry infrastructure plan, appropriate standards of probity, transparency and value for money can be demonstrated.

**Deagon**

Discussion took place on Deagon in relation to why the council has determined to consider RQL's development application as opposed to the normal process of consideration within council. It was agreed that Mr Snowdon prepare a letter to be signed by Mr Bentley to the Lord Mayor seeking an explanation as the council's decision.

**18. Next meeting**

The next meeting is scheduled for November 17, 2011, at 1:00pm.

Confirmed as a true and correct record.



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MALCOLM TUTTLE

Chairman

Dated 17 / 11 / 11





**Minutes of  
Industry Infrastructure Plan Control Group**

17 November 2011

RQL Board Room, Head Office, Deagon

Meeting Commenced at 1:10pm  
Meeting Concluded at 2:00pm

**In attendance:** Malcolm Tuttle – chairman  
Paul Brennan  
Adam Carter  
Shara Reid  
Mark Snowdon  
Ron Mathofer (guest)  
Blair Odgers (guest)  
Deanna Dart (guest)

**Minutes:** Kearra Christensen

The chairman opened the meeting at 1:10pm.

**1. Apologies**

Mr Paul Brennan is currently in Cairns and unable to attend the Industry Infrastructure Control Group (IIPCG) meeting.

**2. Confirmation of minutes**

The minutes from the meeting of November 10, 2011, were confirmed and signed by the chairman (**Appendix A**).

**3. Review action sheet**

The action sheet following the meeting of November 10, 2011, was reviewed and updates provided.

**4. Review internal processes**

The internal processes were provided to the IIPCG for review. The IIPCG was requested to provide feedback to Ms Kearra Christensen by close of business Tuesday, November 22, 2011.

**5. Discuss email from Carol Perrett**

The IIPCG noted the attached email from Ms Carol Perrett to Mr Malcolm Tuttle dated November 14, 2011, (**Appendix B**).

**6. Note email from Malcolm Tuttle**

The IIPCG noted the attached email from Mr Tuttle dated November 15, 2011 (**Appendix C**).

**7. Note email from Mark Snowdon**

The IIPCG noted the attached email from Mr Mark Snowdon to Mr Russell Thomson of Contour dated November 16, 2011 (**Appendix D**).

**8. Review notes from IIP meeting on 16/11/2011**

The IIPCG noted the emails from Mr Snowdon dated November 17 and Mr Tuttle dated November 16 in relation to the meeting held on November 16, 2011 (**Appendix E**).

Mr Adam Carter provided a draft table of Industry Infrastructure Plan Costs to October 31, 2011, to the IIPCG. Mr Carter advised that this document will be finalised and a copy provided to Mr Tuttle by close of business Monday, November 21, 2011.

Mr Snowdon advised that the amended budget will be presented to the board of Racing Queensland Limited for approval at its meeting of December 19, 2011. Mr Snowdon also advised that he will prepare a report regarding the amount over budget to date at Mackay to go to the board.

**9. Note email from Bob Bentley**

The IIPCG noted the attached email from Mr Bob Bentley to the IIPCG dated November 14, 2011 (**Appendix F**). Mr Snowdon noted the comment from Mr Bentley and confirmed he would prepare a report for the December 19, 2011, RQL board meeting in relation to the compliance matters raised at the last board meeting.

**10. Clarify roles and responsibilities**

Mrs Shara Reid raised a query in relation to the role held by Contour Consulting Engineers. Mr Snowdon confirmed that in terms of the internal processes document, Contour Consulting Engineers hold the role of project manager.

**11. Consider the business case for Logan**

Mr Adam Carter advised that he had updated the financial table in the business case for Logan and circulated this to the IIPCG yesterday.

The IIPCG considered the business case for Logan and provided their approval for the business case to be considered by the board of RQL. Mr Snowdon, in consultation with Ms Reid, undertook to prepare a flying minute for the board to consider the business case for Logan.

**12. Other business****Mackay – tender process**

Mr Snowdon advised that Mr Brennan spoke with the chairman of the Mackay Turf Club, Mr Ian Joblin, who requested that despite the delays, we proceed with the tender process. Mr Snowdon advised that the tender process is 98% complete,

and that the costs to proceed are minimal and that the tender submissions will still be relevant when the project proceeds.

The IIPCG considered the Mackay tender process and provided their approval for the tender process to proceed.

**Mackay – sand quote**

Mr Snowdon advised a supplier for the sand required for the project at Mackay has been found that has quoted a cost of \$27 per square metre and that as a result the cost of the project may fall closer to budget.

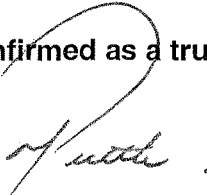
**Cost of the Deagon community information days**

Ms Reid undertook to prepare correspondence for the Queensland Government advising that the costs of the Deagon community information days, which were scheduled at the request of the government, will feed into the Industry Infrastructure Plan budget.

**13. Next meeting**

The next meeting is scheduled for November 24, 2011, at 9:00am.

**Confirmed as a true and correct record.**



**MALCOLM TUTTLE**

**Chairman**

**Dated 23 / 11 / 2011**



**Minutes of  
Industry Infrastructure Plan Control Group**

**23 November 2011**

**RQL Board Room, Head Office, Deagon**

**Meeting Commenced at 9:05am  
Meeting Concluded at 10:05am**

**In attendance:** Malcolm Tuttle – chairman  
Paul Brennan  
Adam Carter  
Shara Reid  
Mark Snowdon  
Ron Mathofer (guest)  
Deanna Dart (guest)

**Minutes:** Kearra Christensen

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The chairman opened the meeting at 9:05am.

**1. Apologies**

No apologies.

**2. Confirmation of minutes**

The minutes from the meeting of November 17, 2011, were confirmed and signed by the chairman (**Appendix A**).

**3. Review action sheet**

The action sheet following the meeting of November 17, 2011, was reviewed and updates provided.

**4. Consider the stewards and jockey building and swab stall contract, Ooralea Park Racecourse**

The Industry Infrastructure Plan Control Group (IIPCG) reviewed the contract and unanimously approved the Buildplan Group contract.

**5. Mackay management structure**

The IIPCG noted the email from Mr Brett Thomson of Contour Consulting Engineers dated November 23, 2011 (**Appendix B**).

Mr Mark Snowdon advised he would be meeting with the Mackay Turf Club on November 30, 2011.

**6. Draft letter to council regarding assessment issues**

The IIPCG noted the correspondence from Mr Andrew Stevens of KHA Development Managers to the Brisbane City Council dated November 21, 2011 (**Appendix C**).

**7. Industry infrastructure plan project management**

The IIPCG noted the attached email from Mr Snowdon to Mr Malcolm Tuttle dated November 22, 2011 (**Appendix D**).

Mr Snowdon advised that he proposed to employ a temporary contractor, with the position to become fulltime.

Mr Tuttle advised Mr Snowdon to prepare a note under Mr Bob Bentley's hand to request approval from the board of Racing Queensland Limited. Mr Tuttle further advised Mr Snowdon, that once approval had been sought, to start the process.

Mr Tuttle went on to add that Mr Snowdon should hold off on the possibility of the position becoming fulltime until the delivery process has been finalised.

**8. Other business**

**Upcoming election**

Mr Paul Brennan raised the possible issues that could arise in relation to the approval process of the industry infrastructure plan when the next election is called.

Mr Tuttle advised the IIPCG to consider the previous email advice from Ms Carol Perrett of the Office of Racing in relation to the impact of an election being called.

Mr Brennan suggested that some business cases, for example Cairns and Beaudesert, be fast tracked to ensure approval prior to the next election being called, as it will have implications on the 2011/12 race date schedule if these business cases are not approved.

Mr Snowdon undertook to prepare a draft agenda in consultation with Mr Bentley for an upcoming meeting with Mr Stuart Booker of Queensland Treasury. The IIPCG agreed that it was essential that Mr Snowdon meet with Mr Booker as a matter of urgency to agree a pathway forward to urgently progress applications and business cases through treasury. Mr Snowdon undertook to follow up and arrange the meeting urgently.

Mr Tuttle advised that otherwise business should continue as normal.

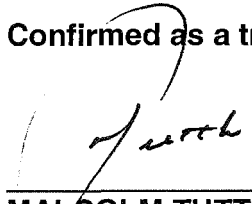
**Mackay Turf Club**

It was noted by the IIPCG that the Mackay Turf Club is required to make application to expend funds under the TAB clubs purchasing/spending policy.

**9. Next meeting**

The next meeting is scheduled for December 1, 2011, at 9:00am.

**Confirmed as a true and correct record.**

  
\_\_\_\_\_  
**MALCOLM TUTTLE**  
Chairman  
Dated...1...../...12...../2011...



**Minutes of  
Industry Infrastructure Plan Control Group**

**1 December 2011**

**RQL Board Room, Head Office, Deagon**

**Meeting Commenced at 9:00am  
Meeting Concluded at 11:00am**

**In attendance:** Malcolm Tuttle – chairman  
Paul Brennan  
Shara Reid  
Mark Snowdon  
Deanna Dart (guest)  
Ron Mathofer (guest)  
Blair Odgers (guest)

**Apologies:** Adam Carter

**Minutes:** Kearra Christensen

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The chairman opened the meeting at 9:00am.

**1. Apologies**

Mr Adam Carter is on leave and unable to attend the Industry Infrastructure Control Group (IIPCG) meeting.

**2. Confirmation of minutes**

The minutes from the meeting of November 23, 2011, were amended, then confirmed and signed by the chairman (attached).

**3. Review action sheet**

The action sheet following the meeting of November 23, 2011, was reviewed and updates provided.

It was agreed that completed items would be removed from the running action sheet and recorded in an historical document.

**4. Update on discussions with the Cairns Jockey Club**

Mr Paul Brennan advised that a positive meeting was held with the Cairns Jockey Club on Monday, November 28, 2011, where they indicated that they

were ready to proceed and receiving considerable interest from local contractors and suppliers.

Mr Brennan also advised that despite the positive news coming from the Cairns Jockey Club, there was a perceived lack of commitment from Racing Queensland Limited in relation to the development of the Cairns Jockey Club.

Mr Brennan stated that the approval processes need to be confirmed and that the business case for the Cairns Jockey Club must be approved by the Government by January 2012. The IIPCG agreed it was frustrating that Government seemed reluctant to confirm in writing that it would release preliminary funding but noted that Mr Bob Bentley had a meeting with Stuart Booker to resolve this issue.

## 5. Other business

### **Quarterly report**

Ms Deanna Dart provided a copy of the reporting schedule to the IIPCG for noting. Ms Dart also provided the IIPCG with a draft copy of the first quarterly report.

Ms Dart explained that the first quarterly report has not yet been submitted, despite being due by October 31, 2011, because the Office of Racing was to provide us with a template, but didn't. As such our first quarterly report date was missed and the Office of Racing approved an extension for the submission of this report.

Mr Brennan stated that this extension should be noted in the first quarterly report to the Office of Racing.

It was agreed that the quarterly reports will be managed by Mr Mark Snowdon and that board approval is not required prior to submitting it to the Government. Further, a copy should be provided to the IIPCG for noting.

### **Local Buy**

Mr Ron Mathofer advised that initial discussions were taking place with a company called Local Buy that complete all the necessary documentation for the prequalification of companies, which would assist Racing Queensland Limited in the procurement of contractors for the Industry Infrastructure Plan. Companies that are already prequalified by Local Buy include Contour, KHA and Duke Environmental.

Mr Mathofer advised that this company may be the answer to our procurement and prequalification issues, however, costs are yet to be discussed. Mr Mathofer also advised that a meeting will be scheduled with Local Buy and that Mr Brennan, Mr Snowdon and Mr Warren Williams will be invited to attend.

Mr Malcolm Tuttle requested that Mr Mathofer ensure that the board are informed of this development.



**Mr Stuart Booker, Assistant Under Treasurer**

It was noted by the IIPCG that Mr Bentley will be meeting with Mr Booker one out on Friday, December 2, 2011. The IIPCG noted the below issues that must be addressed as a matter of urgency:

- A response is required in relation to the correspondence sent to Mr Booked dated November 25, 2011.
- Approval of the three requests from the above correspondence.
- If not, why not and what do we do? Because we cannot afford to spend any more on the preliminary works.
- Confirmation on how applications for funding and business cases can be fast-tracked through the Office of Racing and Queensland Treasury.

Ms Dart will prepare the above issues into an agenda for Mr Bentley to take to the meeting with Mr Booker on December 2.

**Correspondence from Mr Shane Gaddes**

Correspondence from Mr Gaddes, Director of EPBC Act Compliance Section (QLD), of the Department of Sustainability, Environment, Water, Population and Communities dated November 21, 2011, was provided to Mr Snowdon to acknowledge and action, as required.

**Invoice from Contour Consulting Engineers**

Mr Tuttle provided a copy of an invoice from Contour dated November 10, 2011, to the IIPCG to raise his concerns in relation to the extensive costs.

Mr Snowdon advised that the costs included in this invoice are all costs to date, including \$231,511.22 worth of work that was undertaken for the original Beaudesert Race Club development. Mr Snowdon further advised that the all costs are within budget and that the invoice is not to be paid at this stage until the funds have been claimed back from Government, as per an agreement made with Contour at a meeting on November 23, 2011.

Mr Snowdon also advised that the last two invoices of \$212k and \$70k were for work undertaken by Contour without approval and that is why the invoices have not been paid at this stage. Notwithstanding, Mr Snowdon advised that the invoice was signed to put the invoice into our system so it could be included in costs to date for reimbursement to Government. Mr Snowdon advised that at the meeting with Contour, RQL undertook to pay these costs as the work undertaken would be used at a later stage.

Mr Tuttle requested Mr Snowdon to ensure that we are getting value for money and that the board understand this cost.

The original invoice was provided to Mr Mathofer unsigned.

**Beaudesert Race Club**

It was advised that the Beaudesert Race Club development would proceed under the traditional method and not turnkey. Mr Snowdon undertook to discuss this with Mr Tony Hanmer and the rest of the board so they understand the costs, not going to tender, etc.

**Communication protocol with Government**

The IIPCG noted an email from Mr Bentley dated November 26, 2011, in relation to a protocol needing to be implemented regarding communication of the Industry Infrastructure Plan with Government.

The IIPCG noted that all correspondence to the Government regarding the Industry Infrastructure Plan must be approved by Mr Bentley prior to being sent to the Office of Racing to forward to the Government.

Ms Shara Reid undertook to confirm the communication protocol with Mr Bentley and to advise the IIPCG once approved.

**Deagon community consultations**

Ms Dart updated the IIPCG in relation to the Deagon community consultation sessions that were undertaken during November 24-26, 2011.

Ms Dart advised that eight sessions were held and 108 people attended the sessions. It was noted that the main concerns of those in attendance were related to light, noise, traffic, the environment and the thoroughbred training facilities. Ms Dart advised that they will follow-up on issues that were raised at the sessions, including undertaking noise testing on the hill, as noise testing was done on Board Street, but not within the hill area. Ms Dart advised that this information is to be provided to the Government.

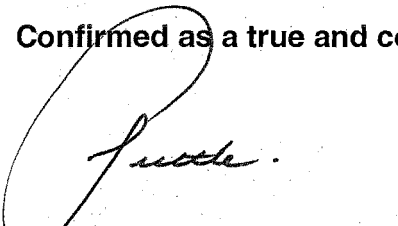
It was noted that the first session was a bit fiery, with the majority of the attendees being racing participants.

Mr Brennan undertook to report to the board in relation to the Deagon development and the advice to be provided to local trainers in Deagon.

**6. Next meeting**

The next meeting is scheduled for December 8, 2011, at 9:00am.

**Confirmed as a true and correct record.**



**MALCOLM TUTTLE**

**Chairman**

**Dated** 8 / 12 / 11



**Minutes of  
Industry Infrastructure Plan Control Group**

**8 December 2011**

**RQL Board Room, Head Office, Deagon**

**Meeting Commenced at 9:05am  
Meeting Concluded at 12:05pm**

**In attendance:** Malcolm Tuttle – chairman  
Adam Carter  
Paul Brennan  
Shara Reid  
Mark Snowdon  
Deanna Dart (guest)  
Ron Mathofer (guest)  
Blair Odgers (guest)

**Minutes:** Kearra Christensen

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The chairman opened the meeting at 9:05am.

**1. Apologies**

No apologies

**2. Confirmation of minutes**

The minutes from the meeting of December 1, 2011, were amended, then confirmed and signed by the chairman (attached).

**3. Review action sheet**

The action sheet following the meeting of December 1, 2011, was reviewed and updates provided.

**4. IIP Communication Protocol – reporting to Government**

The IIP Communication Protocol from Mr Bob Bentley dated December 2, 2011, was noted by the Industry Infrastructure Plan Control Group (IIPCG).

Mr Paul Brennan suggested that Mr Malcolm Tuttle should be nominated as our Government contact to ensure that all Government requests are distributed appropriately and to avoid any potential breaches to the communication protocol.

Mr Tuttle suggested that once settled the protocol needs to be applied consistently.

The IIPCG agreed that clear lines of communication with government were critical and noted that Mr Bentley managed this area.

The IIPCG were of the view that Mr Mark Snowdon should promote to government the establishment of a working group consisting of himself, a representative from the Office of Racing and a representative from Treasury.

## **5. Correspondence from the Treasurer**

Correspondence from the Treasurer, Hon Andrew Fraser MP, to Mr Bentley dated December 5, 2011, and Mr Bentley's response were noted by the IIPCG.

Mr Adam Carter raised the query, whether it is recommended that he raise an invoice for the entirety of the \$2.75 million or just costs to date at this stage. The members of the IIPCG agreed that it would be best to raise an invoice for the total of the funds approved, \$2.75 million.

Mr Ron Mathofer raised the concern that the of the approved funds of \$200,000 for the cost of internal RQL resources dedicated to the IIP; approximately \$179,000 has already been incurred this financial year, leaving only \$21,000 of approved funds for the rest of the financial year.

Mr Snowdon advised that the annual internal cost for himself and Ms Deanna Dart was above \$200,000.

Mr Tuttle undertook to contact Mr Mike Kelly, Executive Director of the Office of Racing, as a matter of urgency, to obtain some further detail in relation to the following details:

- Is the \$200,000 included as part of the approved funds of up to \$2.75 million?
- Does the \$200,000 for internal resources include Racing Queensland Limited staff that have been employed specifically for assistance with the Industry Infrastructure Plan (e.g. Mr Snowdon and Ms Dart)?

Mr Snowdon provided copies of correspondence from Mr Kelly to Mr Bentley dated August 4, 2011, which was noted by the IIPCG.

## **6. RQL Purchasing Policy**

Mr Carter provided a copy of the RQL Purchasing Policy, Addendum to Purchasing Policy and Infrastructure Plan Internal Finances Process. The documents were reviewed by the IIPCG and amendments provided to Mr Carter to implement prior to going to board. The RQL Purchasing Policy has been approved by the board.

Mr Tuttle suggested that once the above documents have been approved by the board, RQL should undertake an internal review of our processes to

identify any issues. It was recommended that those undertaking/assisting in the audit should not be connected to the IIPCG. Mr Carter suggested that Mr Jeff Zeppa would be able to manage this on his return from leave on December 20, 2011, with the assistance of some other key personnel. Mr Carter suggested that the Mr Zeppa might be able to provide feedback in relation to the audit to the IIPCG by January 30, 2012.

#### **7. Tender approval for Mackay**

Mr Snowdon advised that this item was not ready for the approval of the IIPCG due to the separation of works funded by the Mackay Turf Club and the Industry Infrastructure Plan Control Group.

#### **8. Other business**

##### **Deagon development**

Ms Dart provided an update in relation the Deagon development, in particular in relation to the potential heritage listing of the Deagon site or the existing house. Ms Dart advised that there is no current application in relation to the Deagon site.

Mr Snowdon provided a copy of correspondence from the Brisbane City Council to KHA Development Managers dated December 5, 2011, notifying RQL of a number of issues and background assessment information in relation to the Deagon development application. This correspondence was noted by the IIPCG.

Mr Snowdon advised that KHA have recommended that RQL work to respond to the BCC in relation to the issues raised in their correspondence and Mr Snowdon also recommended that RQL update the master plan to include stables and the existing house, if we do not intend to remove them from the site.

Mr Tuttle queried the cost of the work associated with addressing the issues raised in the BCC correspondence and updating the master plan and advised Mr Snowdon that board approval would need to be sought.

Ms Dart advised that she is meeting with Queensland Cricket and the Uniting Church to discuss the possibility of each group using the car parks at the Deagon site outside of business hours.

##### **Audit**

Mr Carter advised that, in accordance with best practice, he intends making a recommendation to the Audit, Finance and Risk Committee to undertake an internal audit in relation to our processes relating to the IIP once the Procurement Addendum is approved to ensure that we are compliant and meeting our obligations. Mr Carter outlined that any audit would have set parameters by necessity due to the government requiring an immediate start on the Mackay project and that the Industry Infrastructure Plan procurement policy is in the process of being finalised.

### **Board resolutions**

It was noted that the IIPCG require the following from the board of RQL and that they would be sought in Mr Snowdon's board paper:

1. Note the costs of the IIP up to June 30, 2011 (retrospective)
2. Approve the following in relation to the Mackay development:
  - Resolution to engage contractors (retrospective)
  - Resolution to approve business cases (retrospective)
  - Resolution to approve budget with amendments (retrospective)
3. Resolution to approve IIP budget with amendments (retrospective)
4. Resolution to engage contractors for development of business cases (retrospective)
5. Resolution to approve addendum to purchasing policy
6. Update board regarding the costs to date including correspondence from the government and associated risks of unfunded expenditure
7. Update board in relation to project management approach and required resources
8. Update board in relation to advice from Ms Carol Perrett regarding the approach of government in caretaker mode
9. Resolution to approve governance and management model for all relevant clubs
10. Resolution from board to approve scope of works with amendments for projects (linked to item 3 above).

Mr Brennan undertook to include item 9 in his board paper. Mr Carter undertook to include item 5 in the finance board report. Mr Snowdon undertook to include all other items in his report to the board.

Ms Reid will review recommendations with a view to ensuring they are structured such that they become a minute if adopted.

### **Cairns**

Mr Snowdon advised that Mr Brennan and himself met with StrathAyr on December 6, 2011. During this meeting, the tender for the civil design for Cairns was discussed. StrathAyr advised that a tender for civil design was not required for the application and that a design and construct contract could be completed without it, which would save time, money and would still comply with the procurement policy.

### **Contour & Intellectual Property**

The IIPCG noted an email from Mr Snowdon to Contour in relation to RQL Intellectual Property (IP) dated December 6, 2011.

The IIPCG identified this as a matter that required immediate resolution and Mr Snowdon undertook to follow up as a matter of urgency.

### **Project Manager**

Mr Snowdon advised that he will be meeting with a project manager on Wednesday, December 14, to discuss the possibility of fulfilling the temporary project manager position.

**Mackay**

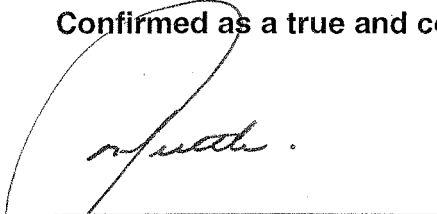
Mr Brennan advised that after meeting with Mackay on December 7, 2011, the business case at Mackay has now progressed, however, it should be noted that racing will be delayed until mid-April 2012, due to a delay associated with the grass. This will result in the loss of three race meetings.

Mr Brennan will work with Mr Blair Odgers to prepare a media release to update the industry in relation to this delay. The IIPCG agreed that this was an important initiative to ensure appropriate stakeholder management.

**9. Next meeting**

The next meeting is scheduled for December 15, 2011, at 9:00am.

**Confirmed as a true and correct record.**

  
\_\_\_\_\_  
**MALCOLM TUTTLE**  
Chairman  
Dated...15.../...12.../2011

**Minutes of  
Industry Infrastructure Plan Control Group**

**29 March 2012**

**RQL Board Room, Head Office, Deagon**

**Meeting Commenced at 10:05am  
Meeting Concluded at 11:05am**

**In attendance:** Adam Carter – chairman  
Sharon Drew  
Mark Snowdon  
Warren Williams  
Blair Odgers (guest)

**Minutes:** Kearra Christensen

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The chairman opened the meeting at 10:05am.

**1. Apologies**

No apologies.

**2. Confirmation of minutes**

The minutes from the meeting of March 22, 2012, were reviewed and amendments provided to section 13 (Other business – Gold Coast). Following the change to this section, the minutes were confirmed and signed by the chairman (attached).

**3. IIP department work chart**

The Industry Infrastructure Plan (IIP) department work chart was reviewed and updates provided to Ms Kearra Christensen to effect.

The Industry Infrastructure Plan Control Group (IIPCG) agreed that the IIP department work chart be updated in an action sheet format. It was also agreed that any follow-up items arising from meetings to be reflected in the work chart/action sheet.

**4. Review updated IIPCG Charter**

The IIPCG reviewed the IIPCG Charter and provided feedback to Ms Christensen to effect and noted the newly appointed chairman, Mr Adam Carter (acting chief executive officer), and new members, Mrs Sharon Drew (acting chief financial officer) and Mr Warren Williams (racecourse & development manager).



The chairman undertook to present a copy of the updated charter to the Racing Queensland Limited (RQL) board at its next meeting on April 16, 2012, for adoption.

**5. Review updated IIP – Contract Approval form**

The IIPCG reviewed the IIP – Contract Approval form and provided their approval.

**6. Note email from Mark Snowdon**

The IIPCG noted an email from Mr Mark Snowdon dated March 26, 2012, updating Ms Shara Reid in relation to the IIP. It was noted that the information provided in Mr Snowdon's email was included in correspondence to the Office of Racing on March 26, 2012. Ms Christensen undertook to provide a copy of this correspondence to the IIPCG for noting.

**7. Review IIP organisational chart**

The IIPCG reviewed the IIP organisational chart and updates provided to Mr Snowdon to effect.

**8. Update on project status**

Mrs Drew undertook to organise Mr Jeff Zeppa to prepare a brief update using the 'traffic light' system to indicate whether projects are on time and on budget for Mr Snowdon to present monthly to the IIPCG. Mr Snowdon to provide overall summary gantt chart of all projects at each IIPCG meeting and table at the each RQL board meeting.

**9. Other business**

**Rockhampton**

Mr Williams advised that RQL staff at Rockhampton have raised concerns in relation to rumours in relation to the Rockhampton Jockey Club regaining control over the club and that their jobs are not secure. Mr Williams undertook to prepare an update to provide to the RQL staff at Rockhampton that it was business as usual until further advised.

**Gold Coast**

Mr Snowdon confirmed that the forum for Gold Coast stakeholders was on track to proceed on April 26, 2012.

Mr Williams raised concerns in relation to the proposals being presented to the stakeholders on April 26, 2012, without any prior consultation with the Gold Coast Turf Club (GCTC) or key trainers. Mr Williams also suggested that information should be provided at the forum detailing the maintenance costs of the synthetic track and other tracks. Mr Snowdon undertook to liaise with Mr Williams and Mr Ron Mathofer to organise information to be presented at the forum.

Mr Snowdon also undertook to follow-up with the GCTC in relation to invitations and addresses to ensure all key stakeholders are invited to the forum on April 26, 2012, and provide information to Mr Blair Odgers.

**Mackay**

Mr Snowdon and Mr Williams advised that the Mackay project is on track for completion in time for the scheduled race date of May 5, 2012, despite the wet weather. Mr Williams further advised that the track is complete and growing perfectly, and most other works were approximately 90% complete.

Mr Snowdon raised concerns in relation to the stewards' tower and advised that he will include the movement of the stewards' tower in his next board paper to request approval for additional funding to guarantee the movement occurs by May 5. Mr Williams advised that there should be no delays or issues in relation moving the towers within six weeks.

Mr Snowdon confirmed that the Mackay Turf Club is aware that RQL is not committed to reimbursing their contributions, but advised he had informed the club that if there was any cash left after all works are complete, RQL may consider reimbursement.

Mr Snowdon further advised that the scheduled concert at the club on June 30, 2012, has been cancelled, however, Mr Williams was under the impression it was still going ahead. Mr Snowdon undertook to follow-up with Ms Melinda Hodge and Mr Williams to ensure no correspondence has been sent to the Mackay Turf Club approving the use of the facility for the concert.

Mr Odgers advised that an update will be provided in relation to the Mackay project following the track assessment on April 18, 2012, and the official barrier trials on April 24, 2012. Mr Odgers also advised that he will meet with Mr Bob Bentley, RQL chairman, today to discuss the attendance of key RQL staff at the official grand opening.

**Beaudesert**

Mr Snowdon advised that the tender recommendation process for the Beaudesert Race Club was underway and undertook to provide the completed tender recommendation to the Office of Racing for direction.

**Cairns**

The chairman advised he would undertake to have Mr Bentley sign an invoice for the payment of \$25,000 to the Cairns Jockey Club as a club advance. It was noted that this amount was part of the \$100,000 committed to the stables in the IIP budget and funding agreement. This amount was to be reimbursed by the club as per the letter sent to the club on March 23, 2012.

Mr Snowdon advised that the tender for the project at the Cairns Jockey Club closed yesterday and that Mr Todd Martindale is in the process of completing the tender recommendation. Mr Snowdon undertook to provide the completed tender recommendation to the Office of Racing for direction.

**Contour Consulting Engineers (Contour)**

The IIPCG noted correspondence presented by the chairman from Mr Brett Thomson of Contour dated August 31, 2011, in relation to the fee proposal and business case evolution for the IIP.

It was noted that Deloitte advised not having a contract with Contour was a risk and Mr Carter raised concerns in relation to the date the contract will be signed and the dates the works were undertaken.

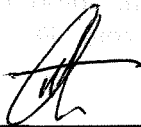
Mr Snowdon advised that on Friday, March 23, 2012, Contour confirmed that a contract had been prepared and it was waiting review by Mr Thomson prior to being provided to RQL.

Mr Snowdon undertook to meet with the chairman to discuss and settle an agreement with Contour.

**10. Next Meeting**

The next meeting is scheduled for April 12, 2012, at 8:30am.

**Confirmed as a true and correct record.**



**ADAM CARTER**

**Chairman**

**Dated.....13.4.2012.....**